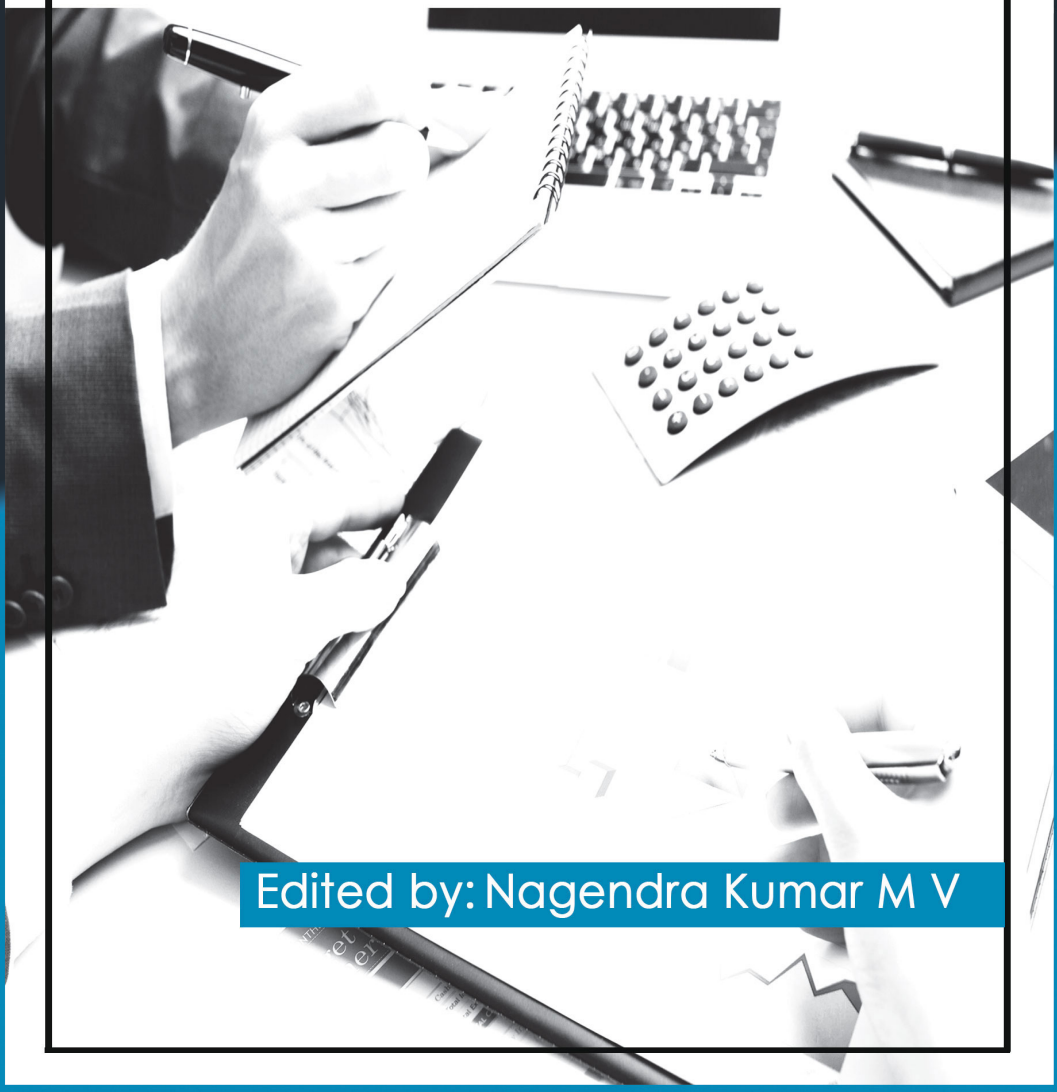
Accounting for Managers



Edited by: Nagendra Kumar M V

Accounting for Managers

Editor:
Nagendra Kumar M V

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Chapter 1:

The Accountant's Dilemma at 'WinTec'

Nagendra Kumar M V *and* Indu Perepu

Introduction

Arun Kumar (Arun), a software engineer, had been working for a multinational software company since 2004. He was married to Saranya and they had two children, Ankit and Anitha. Saranya, a homemaker, took care of the household. Ten-year-old Ankit was studying in the fifth grade in an international school, while Anitha, aged 6, was in the first grade. After having worked for more than 15 years, Arun wanted to quit his job and start a consultancy firm.

Background

Right from when he was studying, Arun's plan had been to start a consultancy of his own after working for some time. So, from when he started working, he saved a major part of his salary to meet the investment requirements of his future business venture. After making an assessment of the project, Arun estimated that Rs. 5 million would be required to start the venture. Once he had enough money saved, he resigned from service and started making arrangements to set up the venture *(Refer to Table I for the Estimation of the project requirements).*

Table I

Estimation of the Project Requirements by Arun

Particulars	Amount (Rs.)
Initial Investment	5 million
Purchase of Office furniture, Computers, Servers, Software, etc	0.50 million

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Chapter 2:

Revising Budget Targets – Role of Accounting

Nagendra Kumar M V *and* Indu Perepu

Introduction

At the end of the third quarter of financial year 2019-2020, the management of food processing company Anand Vihar Food Processing Limited (AVFP) conducted a review meeting of the Marketing department to find out the status of export targets to be achieved for the financial year ending the next quarter *(Exhibit I Export Targets for the Financial Year 2019-20).*

Based on the information provided by the Marketing department, the management of AVFP took note of the growing demand for the company's products at the international level. The management gave the marketing team revised targets to increase sales by another 5%.

After receiving the instructions from the top management, the marketing team calculated the revised targets and also made a list of the additional resources they would need to achieve the revised sales targets.

Once it had prepared the revised figures, the Marketing department sent the proposals on the revised budgeted sales targets to the Procurement & Processing department, Human Resource department, and the accounting department *(Refer to Exhibit II for the Proposals sent by Marketing department to achieve the Revised Export Targets)* for approval and objections, if any, to increase the production target as per the revised plan.

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Chapter 3:

Money Measurement – The Challenge of Convincing the Stakeholders

Nagendra Kumar M V *and* Indu Perepu

At the end of the financial year ending on March 31, 2012, Ranganath wanted to present the financial statements of his manufacturing company to the stakeholders who had provided him with additional financial resources to run his business operations. Though he was able to provide the information with respect to the amount of revenues generated and expenses incurred, he could not convince them about the extra expenses incurred during the year. These were the expenses incurred on recruiting quality human resources that had played a key role in the success of the business during the financial year.

Background

Ranganath was a mechanical engineer. In the year 2010, he started an automobile ancillary manufacturing unit Precision Auto Components to manufacture two wheeler spare parts. He obtained orders from renowned two-wheeler manufacturers for the supply of these spare parts. He had a target of stabilizing the business operations by the year 2015. Ranganath invested an initial amount of Rs. 2.5 million in the venture. He leased 5 acres land for a period of 25 years. The annual lease amount for the land was Rs. 500,000.

Ranganath approached some of the two-wheeler manufacturers about the components he planned to manufacture. Soon, he got orders from two highly reputed global manufacturers. The companies demanded high quality and informed Ranganath about the strict deadlines they had to maintain to operate smoothly.

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Chapter 4:

Valuing of Fixed Assets – The Consistency Concept

Nagendra Kumar M V *and* Indu Perepu

On April 1, 2013, Alekhya, a budding entrepreneur, started a manufacturing unit called 'Alekhya Manufacturing Limited' (AML) to make environmental friendly cotton carry bags. These bags were sold under the brand 'Go Green'. With the ban on single use plastic bags being implemented in several cities across India there was a huge demand for environment friendly shopping bags. There were not many companies making such bags. So Alekhya's venture picked up quickly and her business operations were highly successful *(Refer to Exhibit I for Trends in Revenue and Profit Margins of AML).*

At the end of the fifth year i.e. on March 31, 2018, she wanted to upgrade the existing plant and machinery and so applied for a bank loan and submitted the necessary documents.

However, the bank did not approve the loan stating that the value of Plant and Machinery had not been presented properly. It asked for a clarification from AML *(Refer to Exhibit II for the Value of Plant and Machinery Presented by AML).*

Background

Alekhya, daughter of successful businessman Arindam Chaudary, was inspired by the success of her father's business ventures, and decided to start her own business venture after completing her studies. She understood the scope of eco-friendly products while doing a summer project in her college and tried to

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Chapter 5:

Historical Cost Approach and Conservatism Principle - Effect on Decision Making

Nagendra Kumar M V *and* Indu Perepu

Ravi Kumar (Ravi) ran an agriculture equipment renting business in a town in southern India. The town was surrounded by several villages where the people were primarily engaged in agriculture related activities. Ravi rented out different pieces of farm equipment to the farmers in the surrounding villages *(Refer to Exhibit I for Various Farming Equipment Services offered by Ravi).* While finalizing his yearly accounts, Ravi provided depreciation on all equipment @ 5% on a straight line basis *(Refer to Exhibit II for Depreciation Charged on all Equipment since 2015-16).* During the year 2019-20, Ravi found defects in two machines i.e. the Rotary Tiller and Knotter. He decided to the sell the machines and replace them with new ones. Every time depreciation was provided, a provision was made for an equivalent amount to meet the replacement costs at the time of repurchase or replacement of the equipment. However, the replacement cost of one of the machines was found to be higher than the actual value in the books. The cost price of a Knotter had increased to Rs.1,200,000, from the Rs, 1,000,000 Ravi had paid for it five years earlier. Hence, Ravi had to compensate for an additional Rs.200,000 to replace the machinery.

Background

Ravi belonged to a family which had large land holdings and was predominantly involved in agriculture. He completed his graduation in Agriculture Studies. His family was well versed in farming activities as they had been involved in farming for generations. Ravi had always

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Chapter 6:

Revenue Recognition – What Went Wrong?

Nagendra Kumar M V *and* Indu Perepu

Ramesh Kumar (Ramesh) worked as an accountant at Anirudh Furniture Spare Parts Limited (AFSPL), a furniture spare parts manufacturing unit. At AFSPL, revenue was recognized after buyers received the furniture and confirmed that they were happy with the quality and delivery of the furniture. Ramesh, who had been working with AFSPL for a long time, followed this process.

Normally, it took one month for the buyers to get back to Ramesh to confirm the sale and payment of money. It was after this that revenue was recognized.

Due to some emergency personal work, Ramesh had to go on leave for 2 months (April and May). He therefore assigned the task of recording the revenue generation from sales to his junior, Avinash Kumar (Avinash).

Avinash was not given any instructions about the process to be followed and was only told to record the sales until Ramesh returned from his leave. Ramesh was on leave from April 01 to May 31 and Avinash recorded the transactions for the period. However, Ramesh on his return, received complaints from some of the buyers regarding variation in the quantity and quality of goods delivered. He asked Avinash to submit the statement of revenue for April and May. After looking at the statement, Ramesh was unable to understand the actual revenue generated during the 2 months (*Refer to Exhibit I for the Revenue Recognition Statement Submitted by Avinash).*

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Chapter 7:

Revenue Recognition - The Challenge of Subjectivity in Delivery Conditions

Nagendra Kumar M V *and* Indu Perepu

Suresh Kumar (Suresh) ran an electronic and electric wholesale and retail business. During the fourth quarter of the financial year 2019-20, he received orders from retail shop owners for air conditioners, refrigerators, washing machines, geysers, LED television sets, food processors, electric kettles, toasters, microwave ovens, and rice cookers *(Refer to Exhibit I for number of units ordered by wholesale customers and the price of each unit).*

Besides the wholesale business, Suresh also had a retail business where he sold electronics and home appliances directly to customers *(Refer to Exhibit II for number of units sold to retail customers and the price of each unit).* Suresh had some regular customers – retail shops who ordered every quarter. These he considered to be guaranteed sales. However, during the fourth quarter, Suresh did not have sufficient stock to meet his regular business requirements.

Background

After having run a retail electronics and home appliances retail showroom for more than 10 years, Suresh expanded his business in the year 2018. He started a wholesale business, Suresh Electronics and Electricals (SEE) in a Semi-urban area. He purchased air conditioners, refrigerators, washing machines, geysers, LED television sets, food processors, electric kettles, toasters, microwave ovens, and rice cookers of different brands from the manufacturers and sold them to retail shops spread across the city, and also to other retailers within a range of 100 to 200 kilometers from city limits.

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Chapter 8:

Inventory Valuation – Cost Inclusions and Exclusions

Nagendra Kumar M V *and* Indu Perepu

On January 01, 2019, Anirudh Solar Energy Solutions (ASES) began its business operations. During the first week of January, ASES ordered the various raw materials required for the production of Solar LED lanterns (lanterns). ASES planned to manufacture three categories of these lanterns. The total cost of all the components for the manufacturing of the three different types of lanterns was Rs. Rs.555, Rs.760, and Rs.1000 (inclusive of taxes, duties, and rebates availed).

ASES placed an order for raw materials required to manufacture 50 units of lanterns in each category. In addition, the company incurred a cost of Rs. 50,000 on transportation and on other raw material handling charges to bring the material needed to the production location.

ASES planned to commence formal production on January 07, 2019. However, production was delayed by 15 days. As a result of the delay, ASES incurred additional storage costs of Rs. 10,000. The loss of labor hours and other production cost it an additional Rs.10,000, while it incurred another Rs. 5,000 on improper handling of the raw materials during the delay in production. Thus, ASES incurred unexpected and additional costs.

Background

Anirudh, an Electronics and Electrical Engineering Graduate, wanted to start his own business after graduating in the year 2018. He decided to start a solar items manufacturing unit. Though his ultimate

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Chapter 9:

Net Realizable Value - The Ins and Outs in Inventory Valuation

Nagendra Kumar M V *and* Indu Perepu

After successfully delivering the products contained in the first and second batch of orders from retailers and wholesalers, Anirudh Solar Energy Solutions (ASES) was asked by the customers (both retailers and wholesalers) to postpone the delivery of the third batch of products due in the month of December 2019. Meanwhile, ASES received another order from an NGO for the delivery of 500 units of Category-3 lanterns.

The order had to be completed within 5 months. In response to a request from the NGO, ASES considered reducing the selling price of its Category-3 products. Toward this end, it sought to renegotiate with its suppliers to get them to reduce the cost of raw materials. Considering the request of the company and market conditions, the suppliers reduced the cost of raw materials per unit from Rs, 1000 to Rs.900.

Following this, ASES placed the order for raw materials and focused on completing the project as per the agreement. The transportation and other handling charges for this order amounted to Rs.100,000. Conversion cost was estimated as Rs.80 per unit of production. The administrative, selling, and distribution charges were charged at Rs.50 per unit while the selling margin was set at Rs.100 per unit.

By the end of March 31, 2020, ASES was able to deliver 300 units of Category-3 products to the NGO and 50 more units were ready for delivery. The remaining (150 units) were to be manufactured and were expected to be ready for delivery by May 31, 2020. Also, the retailers and wholesalers who had earlier asked ASES to stop delivery of its products, wanted it to deliver them during the first week of April, 2020.

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Chapter 10:

Fixed Assets Accounting - Identification and Classification of Expenses as Fixed Assets

Nagendra Kumar M V *and* Indu Perepu

Kavitha had started the process of launching a saree manufacturing unit on leased land after undertaking a detailed study and obtaining all the required permissions. The manufacturing unit was called Kavitha Textile Manufacturers (KTM) and the process was started on April 1, 2018. Construction work for the unit was given to a construction company and it was estimated to be completed at a cost of Rs. 1 million. All the construction costs had to be borne by the construction company. However, Kavitha spent around Rs. 0.10 million on the preparation of the construction plan and on other consultancy charges. Simultaneously, Kavitha placed an order for manufacturing equipment. Once the orders had been processed, the suppliers of the manufacturing equipment visited the construction site and made arrangements for the installation of the equipment at the desired places. In addition to the price of the equipment, the suppliers charged an additional sum in the form of site preparation charges, delivery charges, and other installation and professional charges required to bring the equipment, install it in the plant, and make it ready for production *(Refer to Exhibit I for the additional costs incurred on installation of manufacturing equipment).*

Apart from incurring these costs, Kavitha also had other expenses – the salaries of the operational staff, wages for the workmen for establishing a temporary office at the construction site, and other charges toward the purchase of furniture and other office equipment. All these amounted to Rs. 0.20 million during the first three months. However, within four months, all the activities needed for the

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Chapter 11:

Cash Flow Classification and Analysis for Decision Making

Nagendra Kumar M V *and* Indu Perepu

Introduction

Amit had successfully run his café business “Amit Traditional Hot Beverages (ATHB)” for three months. It was the start of a new financial year (2019-20) and he was doing short-term planning for another three months. He had a fixed deposit account that he had maintained for ATHB and he withdrew the money from that and placed it in the current account (The total amount withdrawn included interest of Rs.5,000). In addition, he also introduced another Rs. 500,000 into the business and placed that amount in government bonds that were encashable to their full value at any point of time.

Amit was confident about improving sales margins over the next three months and he asked the Supervisor and mentor of the food making and serving section at ATHB, Rama Rao (Rao), to make preparations accordingly. Amit wanted an improvement of 10% in sales margins every month for the next three months.

Besides, he also wanted to gain contracts to supply tea/coffee and snacks to offices located in the areas surrounding the café. He planned to incur an additional expenditure of Rs. 50,000 on advertising and marketing.

But before going ahead with his idea, Amit wanted to know the actual cash balance lying with him and then take a decision on managing the expenses depending on the expected sales margins.

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Chapter 12:

Optimization of Sales Mix - Evaluation of Alternatives for Decision Making

Nagendra Kumar M V *and* Indu Perepu

After successfully completing and delivering two sets of orders of Product-1 (21-liter bucket), Rameshwar of Rameshwar Plastics was planning to launch a new type of plastic bucket as per market demand. The new High-density Polyethylene (HDPE) bucket (Product 2) would be of 18 liter capacity, weigh around 750 grams, and have a diameter of 250 mm (25 cms) and a height of 400 mm (40 cms).

The selling price of the bucket (Product-2) was estimated to be Rs. 120 per unit. Rameshwar wanted to determine the optimum sales mix of the products (Product-1 and Product-2), that would help him maximize profitability. The per unit cost of raw material varied depending on the quantity required to manufacture one bucket. The direct wages were estimated to be Rs. 8 per bucket and the other variable overheads were 120% of direct wages. The total fixed costs remained constant. After launching the second product in October 2019, Rameshwar was looking at the following options:

1. 2,000 units of Product-1 and 2000 units of Product-2
2. 3,000 units of Product-2
3. 3,500 units of Product-1 and 1000 units of Product-2
4. 1,500 units of Product-1 and 3500 units of Product-2

Rameshwar was confused about the ideal mix to opt for that would help him utilize the resources to the optimum level.

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Chapter 13:

CVP Analysis - Profitability Assessment and Production Planning

Nagendra Kumar M V and Indu Perepu

Anirudh Solar Energy Solutions (ASES) had successfully delivered orders for solar LED lanterns of different types during the financial year 2019-20. During the year, the profit from the retailers' orders was estimated to be Rs.56,000, profit from the wholesalers' orders was estimated at Rs. 67,000, and the profit from an NGO's order for LED lanterns of Category-3 (C3) was estimated to be Rs. 50,000 *(Refer to Exhibit I for the Break-up of orders received by ASES during 2019-20).*

The profit margins on the LED lanterns of each category were arbitrarily fixed based on the market demand or on the production activities that were either recurring in nature or incidental[a] . In addition to these production expenses, Anirudh incurred other expenses on running the business operations i.e., on administration, marketing, sales, and distribution.

After one and half years of operations, in June 2020, Anirudh was still unclear as to the profitability of the LED lanterns of each category. He wanted to find out which category would provide substantial profits for the firm going forward. Based on this, Anirudh wanted to adjust the production operations so as to produce and market lanterns of that particular category.

He was considering fixing the profit margins at Rs. 100, Rs. 120, and Rs. 130 on the LED lanterns of Category-1 (C1), Category-2 (C2), and Category-3 (C3) respectively. Suggest how Anirudh can analyze and understand the profitability of the lanterns of each category, and provide

[a] Incidental activities are those that do not occur frequently

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Chapter 14:

Shutdown or Continue - Evaluating the Manufacturing Efficiency

Nagendra Kumar M V *and* Indu Perepu

Rameshwar Plastics (RP) manufactured three types of a High-Density Polythylene (HDPE) buckets. During 2019-20, RP sold 140,000 units of the Type-1, 5,000 units of the Type-2, and 1000 units of the Type-3 buckets. The overall profit on the sale of buckets was Rs. 52,96,650. An analysis of the total sales, total costs incurred on manufacturing, selling, and other expenses showed that profit on the sales of the Type-1 buckets was Rs. 64,31,000, while the Type-2 and Type-3 buckets made losses of Rs.499,250 and Rs. 635,100 respectively *(Refer to Exhibit I for the Statement of Manufacturing and Selling Expenses of Three types of Buckets).*

Rameshwar, the owner of RP, was unable to figure out the reasons for the loss on two types of buckets, as he had started manufacturing these types only after making a detailed analysis of the market requirements. He wanted to find out whether RP was running efficiently and decide whether to continue with the production of different bucket variants or confine himself to manufacturing and selling only one type of bucket. Rameshwar was in need of expert advice that would help him decide regarding the manufacturing efficiency of RP.

Background

Rameshar started a High-Density Polyethylene (HDPE) molded plastic buckets manufacturing unit in a newly formed industrial area in his town in the month of April 2019 and named it Rameshar Plastics (RP). There was high demand for different types of products made out of HDPE material, and the market analysis showed that the demand for

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Chapter 15:

Costing and Cost Sheet - Analyzing the Costs at Gopal Catering Services

Nagendra Kumar M V *and* Indu Perepu

Gopal ran a catering services business in Hyderabad city in the southern Indian state of Telangana. In 2018-19, more than 3 years after launching the business, Gopal wanted to start food outlets at different locations in the city. His aim was to cater to the daily food needs of the students, bachelors, families, and office goers in different areas across Hyderabad. Gopal believed the costs of running and maintaining each outlet would be the same, and estimated an average profit of Rs.50,000 (During the fourth quarter of the financial year, for a period of three months) from the food outlet business with an average revenue of Rs.12,000 per day from each outlet.

The costs of managing each outlet included the cost of the food, operating expenses like the electricity and telephone expenses, supporting staff salaries, etc. A total of three outlets were opened during the fourth quarter of the financial year 2018-19. All the operations of Gopal Catering Services (GCS) were run through a single administrative office located at the center of the city. The administrative office was responsible for the maintenance of all the accounting records of GCS. At the end of the financial year, Gopal wanted to know how much profit each food outlet had made and about the various expenses he had incurred in running the business.

Upon his request, the staff in the administrative office provided him with excerpts of various costs and the total revenues drawn from the financial records *(Refer to Exhibit I for the List of Revenues and Expenses of GCS during the year 2018-19).* However, Gopal was unable to understand the different costs incurred while running different stages of the business. Why is the information provided by the

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Agritech Revolution in India



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Agritech Revolution in India

Editor:
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Chapter 1:

Will CropIn's Data-Driven Technologies Help Feed the Farms of the Future?

Anil Anirudhan *and* Sanjib Dutta

"Agriculture has been a black box traditionally, with hardly any digitization. We are on the brink of bringing about a paradigm shift by using technology to bring in control, visibility, predictability, traceability, sustainability, and compliance to the agriculture business globally."[1]

– Krishna Kumar, Founder and CEO, CropIn Technology Solutions Private Limited, India – in January 2019.

"Our farm business CEOs are now adopting farm digitization strategy and processes with CropIn Solutions on their farm, enabling them in making unplanned yet responsive decisions. Now they can monitor business risks, productivity matrix and stay connected with production forecasts. This also includes weather monitoring and adherence of traceability regulations, thus keeping these CEOs updated in responding to new market incentives and meet rising expectations."[2]

– Kunal Prasad, COO, CropIn Technology Solutions Private Limited, India – in September 2016.

Introduction

On June 11, 2019, CropIn Technology Solutions Private Limited (CropIn), a SaaS[a]-based agritech startup headquartered in India *(Refer to Figure I for CropIn's logo),* announced that the company had grown by

[a] SaaS is a method of software delivery in which the software is accessed online through a subscription based licensing model. The software is hosted by a third party service provider and customers can access the same through the internet.

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Chapter 2:

DeHaat Agritech Platform – Providing End-to-End Agricultural Solutions to Farmers

Anil Anirudhan *and* Sanjib Dutta

"We have built a scalable business model and data-driven technology platform to enable large stakeholders (including agri input companies, financial institutions and commodity bulk buyers) to transact with our farmers efficiently. Our goal is to reach 1 million happy farmers on the platform in the near future."[1]

– Shashank Kumar, CEO, Green Agrevolution Pvt. Ltd. India – in March 2019.

"Increasing the profitability of smallholder farmers is the most important priority in rural India, and DeHaat has developed a scalable, sustainable model for doing exactly that."[2]

– Jinesh Shah, Managing Partner, Omnivore Capital Management Advisors Pvt. Ltd., India – in March 2019.

"DeHaat team has built a platform that will continue to materially improve India's rural supply chain and deliver meaningful benefits to smallholder farmers."[3]

– Michael Dean, Founding Partner, AgFunder, US – in March 2019.

Introduction

On March 18, 2019, DeHaat, an online platform owned by Green Agrevolution Pvt. Ltd., announced that it had raised US$ 4 million in a

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Chapter 3:

Kheyti's Greenhouse-in-a-Box – Protecting Farmers from the Vagaries of Nature

Anil Anirudhan *and* Sanjib Dutta

"Kheyti's goal is to protect farmers from the unpredictability of farming and income variability, ultimately leading to better food security for us all."[1]

– Saumya Sahay, Co-founder, Kheyti, India – in July 2017.

"We are helping smallholder farmers battle income variability that comes from climate risks."[2]

– Kaushik Kappagantulu, Co-founder and CEO, Kheyti, India– in April 2018.

"We have designed a technology – low-cost modular and a hi-tech greenhouse – which uses just ten percent water and increases farmers' yield by seven times and incomes by 12 times ."[3]

– Sathya Raghu, Co-founder, Kheyti, India– in January 2016.

Introduction

In September 2017, Kheyti Tech Pvt. Ltd. (Kheyti), an India-based startup won the prestigious 'Diamond Winners' award in the MassChallenge[a] Israel contest held in Jerusalem, Israel. Kheyti won the award along with a cash prize of US$ 42,850.[4] The contest saw 500 companies from 40 countries participating and Kheyti bagging the

[a] MassChallenge, founded by Akhil Nigam and John Harthorne in 2010, works as a non-profit organization to support entrepreneurs to launch and grow new ventures. MassChallenge has offices in the USA, Israel, Mexico, and Switzerland.

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Chapter 4:

Agribazaar: An Online Marketplace for Trading in Agricultural Commodities in India

Anil Anirudhan *and* Sanjib Dutta

"We are at the forefront of helping the Indian farmer connect with buyers digitally while adhering to social distancing norms. We are working closely with farmers, state governments, institutional buyers, and procurement agencies to get farmers to download our app and trade on it from the safety of their homes."[1]

– Amith Agarwal, Co-Founder and CEO, Agribazaar, in May 2020.

"In a span of just 2 years, we have achieved a successful transaction of over USD 1 billion through our online platform. We have been working with government agricultural markets such as National Agricultural Cooperative Marketing Federation of India and Andhra Pradesh State Co-operative Marketing Federation etc. We are planning to come up with a social media platform for agricommunity where they can discuss the issues related to their agricultural produce."[2]

– Sushan Rungta, Co-Founder and CTO, Agribazaar, in 2019.

Introduction

In April 2020, Star Agribazaar Technology Limited (Agribazaar), an Indian agritech company based in Mumbai, Maharashtra, India *(Refer to Figure I for Agribazaar's logo),* announced that the company had recorded 400 percent growth in registrations from farmers and buyers over a period of one month. The massive growth in transactions and enquiries was due to the lockdown implemented across the country from March

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Chapter 5:

‘Tiger Electric’ – India’s First Electric Field Tractor

Anil Anirudhan *and* Sanjib Dutta

“As the world is moving towards environmental friendly initiatives, electric vehicles across segments are being eagerly looked upon as alternatives to vehicles that run on fossil fuel. Sonalika’s Field ready Tiger Electric tractor is our commitment to accelerate India’s march towards a greener tomorrow and stay in line with Government of India’s ambitious move of introducing EV’s by 2030.”[1]

– Raman Mittal, Executive Director, Sonalika Group, December 2020.

“Electric tractors could become a viable proposition if sold in the domestic as well as export markets as the combined volumes would help in amortising the development costs. Also, the diesel prices have been moving upwards and fuel costs are a concern for the farmers. While there will be some takers for it, what needs to be seen is how the total cost of ownership (TCO) would work in specific segments to achieve cost parity.”[2]

– Ashim Sharma, Partner, Nomura Research Institute, December 2020.

Introduction

On December 23, 2020, Sonalika International Tractors Limited (Sonalika) launched India’s first electric field tractor, ‘Tiger Electric’, in the country. The launch coincided with Farmers’ Day, which was being observed across the country. The electric tractor heralded a new era in agri innovation. The company was one of the leading tractor companies in India and exported its products to Europe, Africa, South America, and North America.

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Chapter 6:

Ninjacart: Building Cost Effective Agricultural Supply Chain from Farm to Store

Anil Anirudhan *and* Sanjib Dutta

"We found a great business opportunity in leveraging technology to build a reliable and cost-effective supply chain from the farm to store, on a daily basis. We wanted to add value to farmers, retailers and end consumers in one go."[1]

– Thirukumaran Nagarajan, Co-Founder and CEO, Ninjacart, in October 2019.

"Ninjacart aims to solve a very neglected problem specific to India. The team's strong technology-first thinking enables the fruits and vegetables supply chain to be extremely cost efficient, thus improving farmer earnings and living standards. Despite limited cold chain facilities in India, the team has built a Just-In-Time logistics system, with which they are able to get the produce from farm to stores in less than 12 hours."[2]

– Nandan Nilekeni, Co-Founder and Non-Executive Chairman, Infosys, in 2018.

Introduction

In May 2021, Ninjacart, an agri supply chain startup based in Bengaluru in India, announced that it had raised US$ 9.5 million from an existing investor, Syngenta Group Ventures. With the latest funding, Ninjacart achieved a valuation of US$ 502 million. Ninjacart was in the agribusiness and supplied farm fresh produce to businesses, retailers, and restaurants spread across seven cities of

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Chapter 7:

Ergos's Grain Bank Model – A Bank for Food Grains

Anil Anirudhan *and* Sanjib Dutta

"We are building Ergos primarily to extend post-harvest support to small and marginal farmers on storage, credit and market linkages at the farm-gate. We are leveraging technology to empower farmers and enable them to be key decision-takers with respect to their crop produce."[1]

– Kishore Jha, Founder and CEO, Ergos,in January 2021.

"Ergos is bridging the large gap between the selling price of produce and the realisation of farmers at the farm-gate by using technology to facilitate credit and market linkages to the grains stored with it. This opportunity is massive and Ergos is expected to capitalise on its early lead to become a market leader."[2]

– TCM Sundaram, Founder and Managing Director, Chiratae Ventures,in 2020.

Introduction

In January 2021, Ergos Business Solutions Pvt Ltd (Ergos), an agri-tech start-up based in Bihar, India, announced that it had received US$ three million from the CDC Group and had closed its Series–A round of funding that comprised a total of US$ 11 million. Earlier in March 2020, Ergos had received US$ 4.9 million from Aavishkaar Capital and in October 2020, it received US$ 3.1 million from Chiratae Ventures as part of its Series–A round of funding.[3] Kishore Jha (Jha), Founder and CEO, Ergos, said, "*We are excited to have CDC onboard and along with the continued support from Chiratae Ventures and*

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Chapter 8:

EM3 AgriServices: Providing Farm Equipment on Hire to the Farmers

Smita Ray, Anil Anirudhan *and* Sanjib Dutta

> *"Our pay per use model enables farmers to deploy mechanization technology without any investments in the asset.These measures will increase their farm output and prosperity and will lead to the inclusive growth of the nation."*[1]
>
> **– Rohtash Mal, Chairman, EM3 AgriServices, in February 2017.**
>
> *"Even if EM3 is wildly successful, it will not be able to solve all of India's agriculture problems. Government's role is critical. One needs a constant, constructive dialogue with the government."*[2]
>
> **– KartikSrivatsa, Cofounder, LGT Lightstone Aspada[a], in 2016.**

Introduction

In November 2019, EM3 Agri Services Private Ltd (EM3) –an India based agritech startup*(Refer to Figure I for EM3's logo)* announced a partnership with ideaForge[b] to offer drone based agri-services to Indian farmers. The partnership aimed to double the income of farmers by leveraging each other's technology and offering agritech solutions to farmers.

[a] Aspada is a UK based venture capital firm founded in 2011. In 2019, LGT Lightstone acquired Aspada and formed LGT Lightstone Aspada. The company invests in the agriculture, healthcare, financial services, education, logistics, and technology sectors.

[b] IdeaForge Technology Pvt. Ltd. is an India based UAV systems company founded in 2007. It develops drones for defense, homeland security, and industrial applications.

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Business Ethics and Corporate Governance

Edited by: Jitesh Nair

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Editor:
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Chapter 1:

Eliminating Modern Slavery from Supply Chains: Can Nestlé Lead the Way?

Syeda Maseeha Qumer and Debapratim Purkayastha

Learning Objectives

- Understand the concept of modern slavery, its various forms, and the need for companies to address this issue
- Understand the relationship between modern slavery, CSR and Corporate Sustainability
- Identify the barriers to eliminating modern slavery and the challenges faced by a company in dealing with the issue

Overview

Business ethics refers to the application of general ethical ideas to business behavior. It is a form of applied ethics or professional ethics that businesses may choose to follow to gain public acceptance. According to Weiss (1988), "Business ethics is the art and discipline of applying ethical principles to examine and solve complex moral dilemmas." Based on the principle of integrity and fairness, business ethics ensures that a certain level of trust exists between the organization and various stakeholders (Fernando, 2010).

Modern slavery can take several forms including forced labor, debt-bondage, child labor, wage exploitation, human trafficking, forced marriage, involuntary domestic servitude, or any other practice wherein victims are coerced through physical or mental threat to engage in unreasonable work. Increasing globalization means that nearly every corporation is exposed to the risk of forced labor and human trafficking in its supply chain. Modern slavery affects virtually all industries and can occur at any stage in the supply chain. It exists because it is profitable. Companies benefit hugely from cost savings through use of modern slavery (Crane, 2013). Forced labor within corporate global supply chains is a particularly elusive form of modern slavery that has

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Chapter 2:

Ashley Madison Hacking and the Ethics of Hacktivism

Debapratim Purkayastha, Syeda Maseeha Qumer and Koti Vinod Babu

Learning Objectives

- Understand various issues and concepts in ethics and its relevance in business organizations
- Analyze the ethical issues arising when a company's data is hacked
- Understand the role of hacktivism to promote social good, and the related ethical considerations

Overview

Hacktivism is defined as the act of hacking for a politically or socially motivated purpose. Hacktivists are motivated by a cause or moral belief. Hacktivism is generally implied for voicing dissent and taking direct action against adversaries. It offers an easy way to make a statement and inflict harm without seriously risking prosecution under criminal law. Hacktivism stems from the idea of vigilante justice. In other words it can be called as illegal vigilantism

Ethical Theories

The three normative theories – act utilitarianism, Kant's deontological moral theory, and virtue ethics, originally proposed by the ancient Greek philosopher Aristotle can be discussed.

Application of Act Utilitarianism: Act utilitarianism, originally proposed by Bentham and later revised by J S Mill, is an example of a consequentialist moral theory, or a theory concerned with the outcome of actions. As per this theory, people always act with the pursuit of pleasure (or alleviation of pain) foremost in their minds. This idea is known as psychological hedonism and is central to the teleology of utilitarianism. Teleology tries to explain a phenomenon in terms of a purpose. To utilitarians, it is pleasure that is the purpose of action.

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Chapter 3:

IKEA in Russia – Ethical Dilemmas

Namratha V Prasad and G V Muralidhara

Learning Objectives:

- To analyze the economic conditions of an emerging market before devising a market entry strategy
- To recognize the need for a strong corporate policy to deal with a tough business environment
- To help develop strategies to grow and prosper in an emerging market
- To understand the difficulty in ensuring adherence to the corporate culture in diverse geographical markets

Overview

Russia remains the most prosperous of the BRIC (Brazil, Russia, India and China). It is seen as the engine of growth for Europe, as it is far ahead of its closest Central and Eastern European competitors, Turkey and Poland. Russia rates highly in terms of drawing foreign direct investment (FDI), with foreign investors being attracted to its rich natural resources, growing domestic market, and a rising middle class with large disposable incomes. However, they are highly wary of the country's political stability, the quagmire of bureaucracy, and the risks of corruption.

According to European economist Ed Dolan (Dolan), Russia's was subject to an economic condition called the 'Curse of Riches' due to its standing as the largest exporter of oil in the world, as of 2012. Firstly, the real exchange rate of the country continued to shoot upwards due to the huge exports of natural resources, thereby making other sectors in the economy unable to compete globally. Secondly, the focus of both entities, business, as well as political, tended to transfer to collecting as

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Chapter 4:

Coca-Cola India's Corporate Social Responsibility Strategy

Hadiya Faheem and Debapratim Purkayastha

Learning Objectives:

- Analyze the CSR strategy a company can adopt
- Understand the issues and challenges faced by a company with regard to its sustainability initiatives
- Explore ways in which the company can address local criticisms related to sustainable business practices
- Understand the concept of 'greenwashing'

Overview

Sustainability is of great significance to large global companies. Large companies often have operations in diverse and sometimes environmentally critical industries, which could have a major impact on the global environment and local communities. Therefore, several environmental groups are of the opinion that these companies should behave in a responsible and environmentally safe manner and pursue the objective of the triple bottom line – environmental, social, and economic. The long-standing debate on whether a company should or should not engage in CSR activities has, over the past couple of decades, been settled in favor of the former. Additionally, big companies are also expected to use their clout to influence their suppliers and other companies doing business with them to implement environment-friendly policies within their own organizations.

Sustainability Practices

Incorporating social responsibility in day-to-day activities can help companies control operating risks and preserve their value. It helps firms in being cost efficient and boosts their revenues. The companies also benefit through the triple bottom line. By focusing on the triple

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Chapter 5:

Testing Times for Vedanta: The Battle with the Dongria Kondh Tribe of Odisha

Hadiya Faheem and G V Muralidhara

Learning Objectives:

- Discuss and debate how the company must be aware of the stance that can be taken by the state government, and the government of India, and other stakeholders
- Analyze the underlying reasons for criticism of mining projects and explore ways in which a company can address this issue.
- Understand the importance of recognizing the rights of local communities while planning development projects and involving them while conceiving such projects.

Overview

With globalization, the economic players, especially the multinational corporations, have grown in power and influence. There is a need for stronger legal frameworks at both the national and international levels to hold companies accountable for their human rights impact. The lack of effective regulation and accountability systems has meant that court cases drag on and corporations and their key officials continue to evade accountability for years.

Governments have the primary responsibility of protecting the human rights of communities endangered by the activities of corporations. State governments in cases where mining projects are set up should pay adequate attention to the displacement of indigenous communities since large industrial projects require vast areas of land, which leads to some amount of displacement. The local communities also often complain that during the public consultation for the environmental clearance for a project, they are not informed that the waste management structures would be set up next to their villages. In addition to this, the local communities are generally unaware of the risks to the environment and human health and well-being as a result of projects like mining.

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Chapter 6:

Toshiba's Accounting Scandal – A Spotlight on Japan Inc's Corporate Governance Systems

Nagendra Kumar M V and D Satish

Learning Objectives:

- Identifying the various reasons that compel accounting scandals in an organization
- Critically analyze the corporate governance systems in Japan
- Gain an understanding on misuse of accounting principles and need for ethics in auditing practices
- Examine how companies manage to resort to accounting irregularities without raising eyebrows of the analysts and regulators

Overview

The chapter discusses some of the ethical issues related to accounting. It also discusses the importance of financial statements and examines how some companies manipulate their financial statements. In this context the frauds that are committed in financial statements are fictitious revenues, fraudulent timing revenues, concealed liabilities and revenues, improper disclosures and fraudulent asset valuations. Transparency and accountability are essential for maximizing long term owner value. Rules and procedures in finance for gathering data across the organization must be consistent. Otherwise different departments can misrepresent data that leads to a different picture of the financial health of the organization. Transparency in the disclosure of accounts by all the departments is essential for the long term success of an organization.

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Chapter 7:

Accounting Scandal at Tesco

Nagendra Kumar M V and Indu Perepu

Learning Objectives:

- Importance of accounting principles in preparing financial statements
- Ethical challenges in auditing
- Impact of financial information on shareholders' investments
- Factors affecting the performance of a company

Overview

In order to bring about uniformity and reliability in the preparation and presentation of financial statements, the corporate world across the globe follows certain basic principles that ensure accuracy and reliability. The principles state the mechanism, the basis, and procedures to identify and record a financial transaction. The revenue recognition principles provide the basis for what can be considered as revenues, the timing of revenues, and how revenue can be recognized.

Conservatism: Revenues are the important and core part of business operations and hence a careful and accurate calculation of revenues is important for a business organization to determine the financial viability of a business. The revenues of a business organization can be regular or variable depending on the nature of the business. However, accuracy in determining the revenues is a tough and challenging task for any business organization. The basic premise of the conservatism concept is not to anticipate future revenues. At the same time, the management has to consider the maximum amount of costs that might be incurred in order to determine the true financial picture of the company.

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Chapter 8:

Breaking the Code of Silence

Syeda Maseeha Qumer, Debapratim Purkayastha and Vijaya Narapareddy

Learning Objectives:

- Identify appropriate factors, including cross-cultural, surrounding a values conflict such as the issues that enable the protagonists to take action or prevent them from doing so
- Focus on how an individual raises values-based issues in an effective manner – what he/she needs to do to be heard
- Develop strategies to express the values conflict convincingly and in a way that evokes conversation and problem solving
- Practice articulating one's position in a values conflict situation
- Examine the Giving Voice to Values (GVV) approach to empower the protagonist to take action to deal with sexual harassment and ethical lapses in an organization.
- Examine actions to be taken when an employee experiences any kind of sexual harassment and ethical lapses in an organization
- Recognize the need to implement norms to prevent sexual harassment in an organization

Overview

Based on the premise that most people would like to respond in times of ethical conflict on the basis of their own values, the GVV approach focuses on action rather than making an attempt to use ethical theories or decision models. Though people recognize lapses in ethical judgment, they often do not have the courage to step up and voice their values to prevent the wrongdoing. The GVV program attempts to provide practice and help individuals become more engaged and confident in addressing ethical issues in the workplace.

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Chapter 9:

Labor Unrest at Wistron's iPhone Facility in India

Jitesh Nair and Balaswamy Pasala

Learning Objectives:

- Learn about the challenges faced when HR systems are not in place to handle large scale employee hiring
- Become aware of the need to safeguard the interests of contract employees
- Get to know the implications and benefits of employing contract workers
- Learn about the various labor legislations
- Understand the intricacies of manufacturer-supplier relationships

Overview

The high unemployment rate in developing countries like India makes it easy for employers to exploit workers. Employers tend to pay low salaries and not bother about providing good working conditions to the workers because of their low bargaining power. To curb such things from happening and to protect workers, the Government of India brought about some legislative labor laws including the Minimum Wages Act 1948, Factories Act, 1948 and Contract Labor (Regulation and Abolition) Act, 1970.

Minimum Wages Act, 1948: India introduced the Minimum Wages Act in 1948 giving both the Central government and State government jurisdiction in fixing wages. Though the act is legally non-binding and is only statutory, payment of wages below the minimum wage rate amounts to forced labor and non-payment or underpayment of the minimum wage are considered as culpable crimes as provided for in Section 22 of the Act and the punishment can be up to 5 years imprisonment with a fine of INR 10,000.

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Chapter 10:

Wells Fargo – The Fake Accounts Scandal

Nagendra Kumar M V and Indu Perepu

Learning Objectives:

- Various factors that contribute to the unethical practices in a company
- The challenges employees faced in accepting orders from the managers
- The challenges ahead of the management in its bid to regain its reputation
- The role of regulatory agencies in ensuring timely recovery

Overview

With the marketing concept now becoming synonymous with consumer orientation and social marketing, this importance to consumer have compelled companies to think about the social responsibilities in marketing management. It is through its marketing management that an organization interacts with its customers. Marketing helps in promoting the organization as a whole. Keeping in view the ever growing importance of consumer orientation in marketing, companies should formulate code of ethics that can help in framing policies at every level of marketing and where employees can follow uniform standard of ethics. As stakeholders, shareholders, marketers, suppliers, competitors, customers decide the marketing outcome; companies have realized the need for clear-cut ethical standards in marketing management.

Ferrell and Gresham have identified three factors that determine the code of ethics framed by a marketer: individual factors, significant factors and opportunity factors.

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Chapter 11:

Nissan's Car Safety Issues

Koti Vinod Babu and Debapratim Purkayastha

Learning Objectives:

- Understand the issues and challenges related to safety in products manufactured by a company.
- Understand the issues related to consumer behavior in emerging markets like India
- Explore ways in which a company can frame an effective operational strategy to address safety concerns.

Overview

Workplace culture refers to the values, belief systems, attitudes, and set of assumptions that people in a workplace share. This is shaped by individual upbringing and the social and cultural context. In short, it refers to the way things are done at the workplace. A safety culture is an organizational culture that gives high importance to safety beliefs, values, and attitudes which are shared by the majority of workers, supervisors, managers, and owners within the organization. The evolution of safety performance in an organization begins with a focus on policy compliance (reactive) and evolves into a focus on organizational value system or culture. *(Refer **Figure I** for details).*

The evolution model describes the role safety plays in the culture of the organization. In phases 0 and 1, safety simply is not present in the organizational culture. As the organization evolves to phases 2 and 3, a culture of safety begins primarily in the form of policy compliance. The concept of safety becomes part of the organizational culture when the organization evolves to phases 4 and 5.

Organizations with a good safety culture understand and accept safety as the top priority. A positive safety culture can enhance workplace health and safety and organizational performance. Based on values, each organization should have its own description of what an

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Chapter 12:

Creativity Vs. Offence: Ogilvy & Mather's Sleepless Nights Over Kurl-on

Sudip Bhattacharjee, Syeda Maseeha Qumer and Debapratim Purkayastha

Learning Objectives:

- Understand the importance of ethics in advertising
- Understand the implications of using content in ads that may be perceived as being offensive
- Understand the need to balance creativity and ethics in advertising

Overview

Ethics in advertising is a complex issue. What one person considers ethical, might be unethical for another. Advertising professionals must make decisions about what ought not and ought to be depicted in ads. Clients want to make the strongest claims possible for their brands, but the limit between being too obvious and going beyond subtlety to being unethical must be constantly discussed. The main ethical issues in advertising are puffery, bad taste, stereotyping, targeting children, promoting unhealthy products, and subliminal advertising. Generally, consumers judge advertisements based on the principles of idealism, pragmatism, and relativism. How a company behaves ethically could affect its corporate reputation and give it a positive or negative brand image. Therefore, advertisers are morally bound to create entertaining advertisements and avoid being crass and offensive.

Adverting agencies are required to come up with campaigns that stand out from the crowd. This is essential for the client's business goal and the very reason the client employs the services of an agency. Advertising is about capturing the interest of the target audience and influencing that audience to buy the product being promoted. These requires advertising agencies to creatively design and execute a

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Chapter 13:

Petrobras Scandal: Brazil's Biggest Corruption Case

Benudhar Sahu and Debapratim Purkayastha

Learning Objectives:

- Understand the issues and challenges of operating in an emerging market where corruption is endemic
- Understand the reasons for ethical failure in a company
- Study the magnitude, causes, and consequences of political corruption
- Identify the challenges going forward and the ways in which a company can overcome an ethical crisis

Overview

Systemic corruption is a situation in which the major institutions and processes of the state are dominated by corrupt individuals and groups due to the weaknesses of an organization or process. It is characterized by specific acts of corruption, such as bribery, extortion, and embezzlement in a system where corruption becomes the rule rather than the exception (Anders and Nuijten, 2013). Systemic corruption is represented by the magnitude of corrupt activities and the presence of informal rules and norms adhered to by the citizens and officials most of the time. It discourages legitimate investment and can negatively impact confidence in the democratic institutions and rule of law.

Leadership and Power

Daron Acemoglu and James A. Robinson in their book "Why Nations Fail: The Origins of Power, Prosperity and Poverty" (Profile Books, 2012) pointed out that many countries are beset by economic institutions that "are structured to extract resources from the many by the few and that fail to protect property rights or provide incentives for economic activity." An extractive economy is a resource-based economy that derives most of its productivity from non-renewable resources. An

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Chapter 14:

The Rise and Fall of Vijay Mallya

Syeda Maseeha Qumer

Learning Objectives:

- Study the importance of ethical leadership
- Analyze whether personality traits affect the business decisions of an entrepreneur
- Gain an understanding of business acumen and leadership style

Overview

Every company/individual is vulnerable to decline. But decline, it turns out, is largely self-inflicted, and the path to recovery lies largely within their own hands. Jim Collins (2009) analyzes how some of the most successful companies/individuals fail. Collins gives five broad reasons why top-performing companies lose their way and collapse to either mediocrity or even bankruptcy ***(See Figure I).*** Of the five reasons, the first two relate to the causes of failure and the other three to how managements respond to a crisis when things start going downhill.

Stage 1: It begins when individuals become arrogant because of the success they have achieved and lose sight of the true underlying factors that created that success in the first place.

Stage 2: In this stage, companies pursue more growth with undisciplined moves into areas that do not fit into their core business. The companies seek more scale and growth and that comes in the way of their excelling.

Stage 3: In Stage 3, internal signs of decline start to appear. In this stage, leaders discount negative data and amplify positive data. Those in power start to blame external factors for setbacks rather than accept responsibility.

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Chapter 15:

Succession Dilemma at Hamdard India

K B S Kumar and Indu Perepu

Learning Objectives

- Understand the need for corporate governance systems in family businesses
- Explore how a family business is built
- Understand the role of a trust in managing a business owned by a family
- Examine the reasons for conflicts in a family business

Overview

A family business refers to a business which is owned and or managed by a family. Another definition of family business is that it is a business, "in which ownership and decisions are made by members of a 'kinship group'." When it comes to ownership, family business is one in which there is "a substantial family presence in ownership, governance, management, succession, and/or employment."

From a management perspective, conflicts that occur between family, other family members and non-family members often cause tension in the business. When conflict results both the family and the family business suffer. The main historical cause of the challenges and problems with family businesses has been the management of the interrelationship between family concerns and business concerns.

Wheel of Conflict

There are many reasons for conflict among the members of a family business. Like any other conflict, the family business conflict has multiple sources, and human needs are at the core of all these conflicts. The family members engage in conflict because they have needs that are not met, or because they believe they can attain what they need only by engaging in conflict. These needs and other causes can be shown through (*Refer to* ***Figure 1***) Wheel of Conflict as depicted by Bernard Mayer.

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Chapter 16:

The Rise and Fall of Chanda Kochhar

Jitesh Nair and Balaswamy Pasala

Learning Objectives:

- Gain knowledge on types of power in an organization
- Understand how leadership and power need to be clearly separated from each other
- Understand the different circumstances in an organization that lead to conflict of interest
- Learn about the compliance challenges of the Board of Directors of an organization
- Understand the importance of whistle-blowers in Corporate Governance

Overview

Conflicts of interest occur when an individual has two relationships that might compete for his/her loyalties. A person with a conflict of interest would not do justice to the actual or potentially conflicting interests of both parties. Board members sign a conflict of interest policy at the time of their appointment. They are bound to declare any conflicts of interest at the beginning of board meetings. The boardroom is a dynamic place where power, rules, and struggles of ego and authority continuously surface, and it is not always clear what constitutes a conflict of interest or the manner in which one should participate in board deliberations. There are four tiers of conflicts of interest. They are:

Tier-I Conflicts: Individual Directors vs. Company**:** As the key decision makers within the organization, board directors should act in the best interests of the key stakeholders and set aside subjective interests. The directors should not take advantage of their position. They are required to act ethically and have to promptly notify potential conflicts of interest and take appropriate corrective measures. Some of the major conflicts of interest could include salaries and perks, self-dealing, misappropriation of company assets, insider trading, appropriating corporate opportunities, and neglecting board work.

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BIG DATA STRATEGY

SELECTED CASE STUDIES

Edited by

Debapratim Purkayastha



Big Data Strategy: Selected Case Studies

Editor:
Debapratim Purkayastha

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Chapter 1:

IKEA's Social Media Listening & Monitoring Initiatives

Debapratim Purkayastha *and* Jayasri Bhimalapuram

> *"Social Media has opened up a unique platform for us to interact directly with our customers. Listening to what they want is what we do best, and the Big Sleepover is just one example of how we're using such instant and open feedback to better inform our marketing activity."*[1]
>
> ***– Lois Blenkinsop, PR and Internal Communications Manager, IKEA United Kingdom***

In December 2011, IKEA launched "The Big Sleepover" happy to bed campaign in the UK. According to IKEA, its team had uncovered a group on Facebook called "I want to have a sleepover in IKEA". The group was started by IKEA fans and identification of the fan group was the seed for the campaign. IKEA wanted its customers to look at the company not only as a furniture retailer but also as a brand that guided customers at every step of the redesigning and furnishing process while creating an ideal haven and helping them go "happy to bed". IKEA developed a fully integrated plan for the "Big Sleepover" at the Lakeside IKEA store in the UK for its customers. The campaign was broadcast online, on social media (Facebook, Twitter, Flickr, and YouTube), and across print media and was considered a huge success.

Industry observers felt that by monitoring social media, IKEA had benefited through fact based decision making, sales recovery, waste reduction, and opportunity identification to avoid potential public relation crises. IKEA's stated business concept was "It is all about finding simple solutions and saving on every method, process, or approach adopted – but not on ideas."[2] IKEA stated that it had turned to social media to discover who was talking about it, what was being

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Chapter 2:

Algorithms to Style People: Stitch Fix Applies Data to Fashion

Debapratim Purkayastha *and* Tangirala Vijay Kumar

> *"One common misconception about fashion is that you can't apply data to it. Everyone thinks that their fashion is so unique – that it's a very fuzzy, subjective thing. In reality, the fundamental things are quantitative."*[1]
>
> ***– Katrina Lake, Stitch Fix's founder and CEO, in March 2018***
>
> *"Data is really Stitch Fix's key differentiator…Stitch Fix knows who's buying what, who's trying and not buying what, what they like and what they don't like."*[2]
>
> ***– Eric Kim, Managing Partner, Goodwater Capital[a], in November 2017***

Stitch Fix, Inc. (Stitch Fix), an online personal styling service, employed algorithms and human stylists to deliver curated apparel to customers. It also employed algorithms to allocate orders to warehouses and to determine the amount and type of inventory to order. The company's algorithms learnt about customer preferences from each shipment and improved its selections over time. The styling service initially offered its service to women and then expanded into the men's segment as well. The company also employed machine learning[b] algorithms to come up with its in-house brands. Over time Stitch Fix started offering its styling service for the plus-size segment for women

[a] Goodwater Capital is a venture capital firm.

[b] Machine learning is a mechanism of data analysis that automates analytical model building. A branch of artificial intelligence it is based on the thought process that systems can learn from data, recognize patterns, and make decisions with minimal human intervention. (Source: "Machine Learning: What It Is and Why It Matters," www.sas.com, https://www.sas.com/en_in/insights/analytics/machine-learning.html)

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Chapter 3:

Disney's MagicBand System: Leveraging Technology to Enhance Customer Experience

Debapratim Purkayastha *and* Geeta Singh

> *"Disney could theoretically tailor the visitor's experience more effectively. . . MM+ is not solely for the benefit of Disney. Its intention is to simplify and enhance the visitor's experience. So while technology of this sort certainly benefits the business side, ultimately the consumer is the intended beneficiary."*[1]
>
> ***– James Crompton, Industry Analysts at IBIS World[a], in 2014***
>
> *"Disney's ability to do this, do it well, and do it in a way that doesn't jeopardize the information of guests isn't something I'm entirely confident about. It's also not entirely clear just what kind of data they'll be collecting from guests, what they'll be doing with this data, and who will have access to this data."*[2]
>
> ***– Ingram Connor[b], a Visitor of WDW, in 2013***

The world-renowned Walt Disney World (Disney) in Orlando, Florida, had always been a massive tourist attraction, and it had expanded into different sectors across the globe. Its theme parks, resort hotels, and transportation system had succeeded in attracting millions of visitors annually. For Disney, the focus had always been on improving customers' experience at its parks and its various other attractions. It believed in taking care of the minutest details to ensure the comfort and entertainment of customers and it had always updated its services to match the demands of a changing environment.

---

[a] IBIS World is an Australia-based research company.

[b] Ingram Connor, 25, from Casselberry, visits Disney World about twice a month.

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Chapter 4:

Big Data Strategy of IBM

Debapratim Purkayastha *and* Syed Abdul Samad

> *"Our goal is to offer the broadest and biggest depth and breadth of any vendor in the marketplace. As we fill up this portfolio, we're really filling in the holes that we had in (our) integration."*[1]
>
> ***– Nancy Kopp-Hensley, Director of Big Data strategy at IBM, 2013.***

On October 29, 2013, International Business Machines Corporation (commonly referred to as IBM) completed the acquisition of The Now Factory. The Now Factory, headquartered in Dublin, Ireland, was a provider of analytics software that helped communications service providers (CSPs) in delivering enhanced customer experiences and offered new revenue opportunities. With the new acquisition IBM expected to enhance its Big Data platform by augmenting its existing products *(Refer to Exhibit I for a note on Big Data).* For instance, the acquisition complemented the IBM MobileFirst analytics portfolio. Similarly, the IBM InfoSphere Streams augmented The Now Factory's data mediation and analytics and helped IBM expand into more real-time analytics.

IBM, a US-based computer hardware and software major, had been on an acquisition spree in the Big Data space since 2006. The company had implemented a Big Data strategy, where it offered solutions to store, manage, and analyze huge amounts of data that was generated daily and equipped large and small companies to make informed business decisions. It had acquired around 30 companies to expand its Big Data portfolio of products and services. The company believed that Big Data had the potential to analyze the huge amounts of data available with organizations and create value for them. The company believed that its Big Data and analytics products and service would help its clients become more competitive and drive growth. The Big Data platform offered valuable insights to companies and

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Chapter 5:

Amazon's Big Data Strategy

Debapratim Purkayastha *and* Adapa Srinivasa Rao

> *"At Amazon's recommendation team, we asked ourselves, how do we take this data and make a little bit more money, how do we apply it in this channel differently and it was really neat. Now it is being called 'big data' in the marketing and media world, but at the time we were doing this stuff, it was just kind of putting one foot in front of the other."*[1]
>
> **– David Sellinger, Former Software Manager (Customer Behavior Research), Amazon.com, Inc. (Amazon), in October 2013.**

Leading e-commerce company Amazon.com, Inc. (Amazon) and its subsidiary Zappos were ranked among the top ten retailers in the National Retail Federation Foundation/American Express Customers' Choice Awards[a] for two years (2010 and 2011) in a row. Industry observers felt that the coveted recognition was the result of Amazon's use of its big data[b] resources to provide superior service quality. Right from the time it had emerged as a dominant provider of Internet services in the early 2000s, Amazon had started to focus on big data to improve its performance. Along with many other major Internet

[a] The National Retail Federation Foundation/American Express Customers' Choice Awards were designed to know the consumer attitudes toward retailers' customer service. The survey collects data by polling consumers and is conducted by the marketing intelligence firm BIGinsight.

[b] Big data refers to the growth and availability of large volumes of data, both structured and unstructured. Such an exponential volume of data could not be analyzed by the traditional software used to handle databases. The latest trends in technology allowed decision making to be done largely based on data and analysis instead of past experience and intuition. According to a definition given by industry analyst, Doug Laney, big data spans three key dimensions, viz. Volume (amount of data generated), Velocity (speed at which data is streamed), and Variety (formats in which data comes in).

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Chapter 6:

Netflix: Leveraging Big Data to Predict Entertainment Hits

Debapratim Purkayastha *and* Tangirala Vijay Kumar

> *"Netflix has so thoroughly analyzed viewer patterns that they now know what viewers enjoy and don't enjoy — before viewers even see the show."*[1]
>
> **– Joe Kukura, in February 2013.**
>
> *"We've entered an era when product decisions can be made not by analysis of demographics or user testing but by extremely fine-tuned measurements of current user activities designed to predict what new activities they will be eager to engage in."*[2]
>
> **– Damian Rollison, Vice President of Product and Technology, Universal Business Listing[a], in February 2013.**
>
> *"My worry about BD (big data) was that it will steal spontaneity from our lives by figuring out what we like before we've even had a chance to decide."*[3]
>
> **– Mike Cassidy, in February 2013.**

Netflix, a company which operated in the DVD-by-rental segment and in the video streaming segment, had, since its inception, garnered significant insights into the viewing patterns of its customers. It knew what shows they preferred viewing, the time at which they watched the shows, the devices on which they streamed the videos, and other such viewing nuances. According to observers, the company's big data capabilities had received a shot in the arm from the cloud computing

[a] Universal Business Listing is a company focused on promoting online visibility for local businesses.

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Chapter 7

Big Data Strategy of Procter & Gamble: Turning Big Data into Big Value

Debapratim Purkayastha *and* Koti Vinodbabu

The Procter & Gamble Company (P&G), a leading consumer packaged goods company, was regarded as a pioneer in extensively adopting big data and digitization to understand consumer behavior and facilitate quick decision making. All its activities – internal communications, consumer research, product development, production systems, supply chains, marketing and promotions, and customer relationship management – sought to leverage data. According to analysts, this digitization drive had resulted in P&G becoming more nimble and efficient. The individuals mainly credited for this feat were the company's former Chairman and CEO, Bob McDonald (McDonald), and Chief Information Officer (CIO), Filippo Passerini (Passerini).

With Passerini stepping down in June 2015, Linda W. Clement-Holmes (Linda) who had previously acted as P&G's Global Information & Decision Solutions Officer, took charge as the new CIO. According to P&G's top management, digitization and analytics had helped the company save billions of dollars and was a key to its quick launch of products. Experts too thought that P&G *"is doing big data right"* and *"is building tremendous organizational capabilities around big data. While P&G appears to have fully embraced big data, they perhaps uniquely benefited from a forward-thinking CEO and nearly unlimited corporate resources to build out the organizational capability."*[1]

But some experts were skeptical about P&G's obsession with digitization, however well-intentioned it might be. They felt that the company might consume more time in analyzing the big data and this would hamper the speed of its decision making. Big data processing might even damage the company's operations and its reputation in the

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Chapter 8:

Baidu's Big Data Strategy – Impacting Chinese and Global AI Landscape

K B S Kumar *and* Indu Perepu

"Today, we look for information, In the future, information will look for us." [1]

– Ya-Qin Zhang, President, Baidu

In 2017, Baidu, China's biggest search engine increased its R&D spending to $464m, 28 per cent more than it had spent a year earlier. Baidu, which covered about 95% of China's population, had been betting big on bringing about a global revolution in Artificial Intelligence (AI) through some of its prestigious projects like Apollo, its autonomous driving program and DuerOS, an open platform to support applications in Artificial Intelligence (AI).

Pinning its hopes on Apollo – in 2017, Baidu floated a $1.52 billion autonomous fund exclusively to speed up the autonomous driving projects compete with its archrivals in the US. This was preceded by a US$2.9 billion spend on research and development in AI in 2016. Baidu roped in about 70 partners, which included big names like Microsoft, Ford, and Daimler, to accelerate the mission.

With over 44.5% of the mobile search market and 80.8%2 of the internet search market in China, Baidu had access to colossal amounts of demographic data. The company, which had over 70 million daily active mobile search users, 700 million internet users, and 6 billion search queries per day, had gathered massive amounts of data backstage, which it strategically channelized into the big data segment. In 2014, influenced by the rapidly transforming $34 billion global big data market3, Baidu shifted its strategic gears from 'All Mobile' to 'All AI' and changed its focus from internet and mobile to cloud

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Chapter 9:

Alibaba's Big Data – A Global Game Changer

K B S Kumar *and* Indu Perepu

"Alibaba is not a retail business, we are a data business."[1]

– Jack Ma, Founder and Executive Chairman of Alibaba Group.

The world's biggest online commerce company, China-based Alibaba Group Holding Limited (Alibaba), had a market share of 75% in Chinese online retail as of 2017 and was touted as the fastest growing tech-giant in the world. Alibaba, started in 1999 by an English teacher Jack Ma as an e-commerce company, went on to become an internet behemoth. It operated e-commerce platforms, each acting as a marketplace connecting buyers and sellers[a]. *(Refer to Exhibit I for different businesses of Alibaba).* Alibaba's retail marketplace platforms had 454 million active buyers, 1.5 billion listings and a Gross Merchandise Volume[b] (GMV) of US$ 547 billion as of March 2017.[2] According to estimates by the company, if Alibaba were a country, its economy would be 22nd largest in the world[3], (considering the GMV). *(Refer to Exhibit II for Annual Active buyers).*

Such a wide presence and usage generated massive data about the users. Alibaba collected data from the platforms in its system. The data was mined and analyzed to better understand the markets, consumers, and their preferences. Such data was shared with the vendors who were a part of the Alibaba system to help them improve

---

[a] Alibaba was active in the areas of shopping, mobile wallet, digital entertainment, travel booking, wholesale and retail marketplace, logistics, and financial services, to name just a few

[b] GMV is a measure of the total value of third party sellers' *transactions on the websites*.

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Business Continuity in a Crisis

Select Case Studies

Edited by:

Syeda Maseeha Qumer

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Editor:
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Chapter 1:

Domino's Pizza: Business Continuity Strategy during the Covid-19 Pandemic

Debapratim Purkayastha and Hadiya Faheem

> *"I remain highly confident in our strategy and optimistic about the opportunity and potential of our business. Our solid, resilient business model and strong financial position will continue to serve us well in these challenging times."*[1]
>
> **– Ritch Allison, CEO, Domino's Pizza, US, in March 2020**
>
> *"The restaurant chain is a tech leader within the food services industry and weathering the COVID-19 crisis well."*[2]
>
> **– Anne Burdakin, The Motley Fool, in March 2020**

On March 31 2020, American multinational pizza giant Domino's Pizza, Inc. (Domino's) released preliminary sales results for the first quarter ended March 22, 2020 *(See **Exhibit I**)*. It reported same-store sales growth of 1.6% for its US stores and 1.5% for its international stores.[3] While most dine-in restaurants were grappling with the impact of the novel Covid-19[a] pandemic on their sales, Domino's was one of the few companies which had not experienced a significant downturn. This was attributed to its prowess in delivery and a new initiative – 'çontactless' delivery at all its US as well as international stores. Commenting on the results, Ritch Allison (Allison), CEO of Domino's, US, said, *"Across the globe, Domino's will remain focused on execution, service and value as we continue to navigate through the headwinds created by COVID-19. We are carefully managing our balance sheet, cash flow and all areas of the business to ensure we are doing what we believe will help us best manage through the near-term and, as always, position ourselves for long-term success."*[4]

---

[a] Covid-19 or coronavirus is a pandemic caused by severe acute respiratory syndrome coronavirus 2 (SARS-coV-2), which started in Wuhan, Hubei province in China, in December 2019. As of April 15, 2020, more than 2 million people affected by Covid-19 were reported with more than 128,000 deaths, according to John Hopkins University.

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Chapter 2:

Swiggy: Delivering on Business Continuity amidst COVID-19

Syeda Ikrama and Syeda Maseeha Qumer

> *"COVID-19 and 2020 is a trial by fire for Zomato, Swiggy, and the likes. 2021 will either see them reduced to ashes or rise like a Phoenix to rule the Indian market.*[1]
>
> **– Pratik Bhakta and Priyanka Sahay, Special Correspondents at online business news website Moneycontrol.com in 2020.**

Introduction

In October 2020, as India embarked on the fifth phase of unlock from the COVID-19 pandemic[a] induced lockdown, Bengaluru-based online food delivery platform Swiggy announced that it had processed 100 million orders across food, medicine, groceries, and other categories since the lockdown was first announced in March 2020 and had recorded close to 85% of pre-COVID order values. The food aggregator also reported a five-fold jump in on-boarding of premium restaurants during the period with 7,000 new restaurants, on an average, joining the platform per month. In the pre-COVID days, this number had been around 4,000. According to a Swiggy spokesperson, *"More than 200 cities have reached 90 percent of their pre-COVID GMV levels, with more than 70 cities seeing a full recovery. Certain micro pockets within the country have also reached 200 percent of their pre-COVID levels and bulk ordering has pushed up average order values by 30-40 percent"* [2]

[a] The COVID-19 pandemic was a global pandemic of the coronavirus disease 2019 (COVID-19), caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The outbreak was first identified in December 2019 in Wuhan, China. The pandemic caused severe social and economic disruptions globally.

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Chapter 3:

Nike Inc.'s Business Continuity Strategy during the Covid-19 Pandemic

Hadiya Faheem and Sanjib Dutta

> *"Nike is recovering faster than nearly any company in our coverage universe. Major economic disruptions lead the strongest brands and companies to cement their dominant market position, and the COVID-19 crisis has been no exception. Nike is emerging from the crisis in a position of strength."*[1]
>
> **– Susquehanna Financial Group LLLP[2] analyst Sam Poser, in June 2020**

> *"We know in times like these that strong brands get even stronger. And I truly believe that no one is better equipped than Nike to navigate the current climate."*[3]
>
> **– Nike President and CEO John Donahoe, in March 2020**

In June 2020, US-based sportswear giant Nike Inc. (Nike) reported that for the financial year[4] 2020, its digital sales had increased by 47% to US$5.5 billion from US$3.8 billion in fiscal 2019.[5] This was attributable to the retailer ramping up its online presence since most of its physical stores were closed due to the lockdowns spurred by the novel Covid-19 pandemic[6].

---

1 Samantha McDonald, "Nike is Recovering Faster than Its Rivals amid the Pandemic — Here's Why," http://www.medinatheatre.co.uk, June 24, 2020.

2 Susquehanna Financial Group LLLP is a US-based brokerage firm.

3 Lisa Johnston, "Nike's China Strategy Serving as its U.S. Corona virus Playbook," https://risnews.com, March 27, 2020.

4 Nike's financial year is from June to May.

5 "Nike Levels up Digital Game in Wake of Coronavirus Hit," www.spglobal.com, July 9, 2020.

6 Covid-19 or coronavirus is a pandemic caused by severe acute respiratory syndrome coronavirus 2 (SARS-coV-2), which started in Wuhan, Hubei province in China, in December 2019. As of July 19, 2020, more than 14 million people affected by Covid-19 were reported with more than 604,963 deaths, according to reference website Worldometer.

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Chapter 4:

Amazon.com, Inc.: Tackling Challenges and Building Resilience amidst the Covid-19 Pandemic

Hadiya Faheem and Debapratim Purkayastha

> *"From online shopping to AWS to Prime Video and Fire Tv, the current crisis is demonstrating the adaptability and durability of Amazon's business as never before, but it's also the hardest time we've ever faced."*[1]
>
> **– Jeff Bezos, founder and CEO of Amazon.com Inc., in May 2020**

> *"During this crisis, Amazon has proven irreplaceable in delivering the daily necessities to people around the world, a fact that we believe will increase the number of customers on the platform, expand the list of products purchased by existing customers, accelerate the shift to ecommerce at large and enhance the company's brand."*[2]
>
> **– Brian Whit, analyst at Monness, Crespi, Hardt & Co., Inc.[a], in April 2020**

On May 1, 2020, American multinational conglomerate and technology company Amazon.com Inc. (Amazon) reported that for the first quarter ended April 30, 2020, it had recorded revenues of US$75.4 billion *(See **Exhibit I** for Amazon's Consolidated Statements of Operations for first quarter of 2020)*. The e-commerce giant reported a 26% increase in sales from the same period of 2019.[3] The increase was attributed to the novel Covid-19 pandemic that had forced hundreds of millions of people stuck in lockdowns to remain indoors and turn to the retailer for their essentials and entertainment.

[a] Monness, Crespi, Hardt & Co., Inc. is an equity research and trading firm based in the US.

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Chapter 5:

StarTimes: The Chinese Media Enterprise's Response to COVID-19 Crisis in Africa

Syeda Maseeha Qumer and Debapratim Purkayastha

In the second half of 2020, Pang Xinxing (Pang), founder and chairman of Chinese media company the StarTimes Group (StarTimes) found himself in a curious situation in Africa. While its viewership had grown amidst the COVID-19 pandemic, the company was unsure how to monetize this at a time when the industry was bracing for further challenges posed by the public health crisis.

The Chinese media enterprise was credited with revolutionizing digital television in Africa. It served about 30 million customers in 37 countries across Africa as of April 2020.[1] In line with its vision "to ensure that every African family can access, afford, watch and share the beauty of digital TV", StarTimes had overhauled the continent's broadcast infrastructure and had led its transition from analog to digital services. The company banked on affordability and innovative content in Africa, offering over 600 authorized channels that covered the gamut of news, movies, series, sports, entertainment, and children's programs.[2] It offered extremely affordable cable/satellite TV packages priced as low as US$4 per month.[3]

Since the outbreak of COVID-19 in Africa, StarTimes had taken many initiatives to tackle the associated problems. In February 2020, when the outbreak was first reported on the continent, Pang, announced four key initiatives to fight the pandemic: Healthy Environment, Healthy Mindset, Healthy Behavior, and Healthy Body.[4] However, according to some analysts, despite its many efforts in combating the COVID-19 crisis, the road ahead would be challenging for StarTimes due to rising operational costs amidst a tough business environment. Also, the company's decision to raise the prices of its subscription plans by an average of 22% effective August 1, 2020, met with a consumer backlash.[5]

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Chapter 6:

Unlocking in the Lockdown: Amul's Surge during Testing Times

Benudhar Sahu and Indu Perepu

On March 24, 2020, late in the evening, Narendra Damodardas Modi, Prime Minister of India, announced a stringent 21-day nationwide lockdown to contain the spread of the COVID-19[1] pandemic in the country. The lockdown limited movement of the entire 1.3 billion population of India. With the imposition of a self-proclaimed curfew[2] (though essential services were exempted from the lockdown), people rushed to nearby grocery stores to stockpile essential commodities. Like many, Rupinder Singh Sodhi (Sodhi), MD of the milk cooperative body Gujarat Co-operative Milk Marketing Federation Limited (GCMMF, popularly known as Amul), also rushed to the nearby milk booth to stock up on milk products for household consumption. But, when he reached the nearest milk parlor, he saw that the shelves were almost empty. He managed to get whatever little was left – two small packs of curd and a pouch of buttermilk. Millions of families across India faced a similar situation of having to stock up or of not finding stuff that night and resorted to panic buying. On reaching home, Sodhi wondered, *"If my own family is panicking what others must be going through."*[3] He assured consumers across India that milk supplies would become normal as dairy products, being an essential food item, were exempted from the lockdown.

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1 COVID-19 is an infectious disease caused by the coronavirus. The outbreak of the virus began in Wuhan, China, in December 2019. It later expanded to the rest of the world, with the result that it was declared as a pandemic by the WHO on March 11, 2020.

2 Self-proclaimed curfew is a voluntarily public curfew in an effort to contain the spread of the novel coronavirus.

3 Sayantan Bera, "How Amul Swung the Great Indian Milk Run," www.livemint.com, July 14, 2020.

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Chapter 7:

Zoom's Rise Amidst the COVID-19 Pandemic

Syeda Ikrama and Syeda Maseeha Qumer

Introduction

In Q2 2020, videoconferencing app Zoom, developed by US-based-tech Company Zoom Video Communications, Inc. (Zoom), became the most downloaded app worldwide with 37.8 billion downloads. According to mobile market intelligence platform Sensor Tower's Q2 2020 Data Digest, Zoom's Apple App store downloads surged by 22.6% to 9.1 billion while Google Play Store witnessed a 34.9% growth to 28.7 billion. Analysts attributed Zoom's tremendous growth to the COVID-19[a] pandemic, which had driven millions of people across the globe to use the videoconferencing app while working from home or to remain connected with family or friends. According to a senior mobile insights analyst at Sensor Tower, *"Zoom was the top app by downloads worldwide, in the US, and in Europe for the quarter. It was only the third app to reach 300 million installs in a quarter, joining TikTok and Pokémon Go in accomplishing this feat."*[1]

Founded in 2011 by Eric S. Yuan (Yuan), Zoom was a cloud-based conferencing tool that allowed users to interact virtually with each other through audio, video, and chat. The app's competitive advantage was centered on its ease of use as well as high-quality audio/video output. Zoom followed a freemium business model which focused on getting its free users to become paying customers. Post the outbreak of COVID-19, businesses had to revert to working from home and this accelerated the adoption and traffic on Zoom. Zoom became an instant success as it provided the best video conferencing experience to its users. In Q1 2020, Zoom's revenue increased 169% to US$328.2 million compared to the corresponding period of the previous year.

[a] COVID-19 or the Coronavirus Disease was declared as a pandemic by the WHO on March 11, 2020. The pandemic caused severe social and economic disruptions across the world.

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Chapter 8:

Etisalat Rises to COVID-19 Challenge in UAE

Faria Zafar and Indu Perepu

> *"Etisalat's innovative solutions have catered to the social distancing era, it has enabled remote working and education, and it minimized human interactions and increased the pace of automation. Our infrastructure has accommodated the surge in requirements and is ready for more acceleration in digital adoption."*
>
> **– Obaid Humaid Al Tayer, Chairman, Etisalat[1]**

Introduction

The year 2020 was marked by a pandemic that caused large-scale devastation in countries across the world. An outbreak of the viral disease, later called the coronavirus disease 2019 (COVID-19) was reported in December 2020 from China and it spread like wildfire to other countries of the world. The disease was declared as a pandemic by the World Health Organization (WHO) in March 2020. Caused by a new virus, COVID-19 was considered deadly, with no cure existing. By September 2020, it had affected 35,405,847 people and 1,026,769 people had succumbed to it ***(Exhibit I).***

People were advised to maintain social distance and remain indoors as the virus was said to spread through human contact. Several countries imposed lockdowns to curb the spread of the virus and national and international borders were closed. Schools, colleges, offices, shops, restaurants, and all places of public gathering were closed across the globe. People in many countries had to take a special permit for movement in case of emergencies.

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[1] Sami Zataari, "Etisalat shows COVID-19 immunity with Dh4.6b in first-half 2020 net profit," Gulf News, July 2020.

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Chapter 9:

Scotiabank: Helping Customers and Employees Navigate through the COVID-19 Crisis

Smita Ray and Sanjib Dutta

> *"We're in the technology business. Our product happens to be banking, but largely that's delivered through technology."*
>
> **– Brian J Porter, CEO - Scotiabank, in 2017. [1]**
>
> *"The significant investments made in our digital capabilities over the past three years have not only created convenience for our customers but also promoted health and safety by allowing them to continue to conduct their transactions remotely in light of the serious health risks associated with the pandemic."*
>
> **– Brian J Porter, CEO - Scotiabank, in June 2020.**

Introduction

In June 2020, Scotiabank (formerly known as The Bank of Nova Scotia), the Canadian multinational banking and financial services company with assets of over $1.2 trillion and approximately 97,000 employees, received the Retail Banking Security Innovation of the Year Award from Retail Banker International (RBI)[2]. This award was in recognition of Scotiabank's use of digital technologies to create a financial crimes risk management program. Over the years, Scotiabank had been at the forefront of using digital technologies like Smart Automation[3] in its banking operations and customer service. That helped the bank to improve its customer service and control online frauds.

---

1 "Scotiabank: Leading the pack in FinTech Digital transformation," www.v3b.com, 2017.

2 Retail Banker International (RBI) is a global editorially independent retail banking briefing service.

3 Smart Automation refers to blend of technologies used to automate complex business processes. It includes AI and intelligent automation, bots and natural language interfaces and robotic process automation (RPA).

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Chapter 10:

Procter & Gamble's 'Double Down' Strategy during COVID-19 Pandemic

Munmun Samantrai and Debapratim Purkayastha

> *"Our intent is to reach as many people as we can – with as little excess frequency as possible – with strong messages to help people understand: What is this product? How does it help you? Why is it better? Why should you buy it? That's why we're really doubling down on communication and advertising. People need our products and we want to make sure that it's available for them, so that's why we're continuing to press ahead."*[1]
>
> – **Marc S. Pritchard, Chief Brand Officer, P&G, in 2020.**
>
> *"We were expecting more variations in results and guidance due to global corona virus uncertainty. Instead, P&G seems to be benefitting from the solid, and often predictable, demand of household necessities."*[2]
>
> **– John Boylan, Analyst, Edward Jones, in 2020.**

In April 2020, the US-based multinational fast moving consumer goods (FMCG) giant, Procter & Gamble (P&G), decided to 'double down' its media plans amid the corona virus pandemic[3] (COVID-19).[4] While many global brands were holding back on marketing spend, P&G saw it as a huge opportunity to increase brand visibility by reminding

---

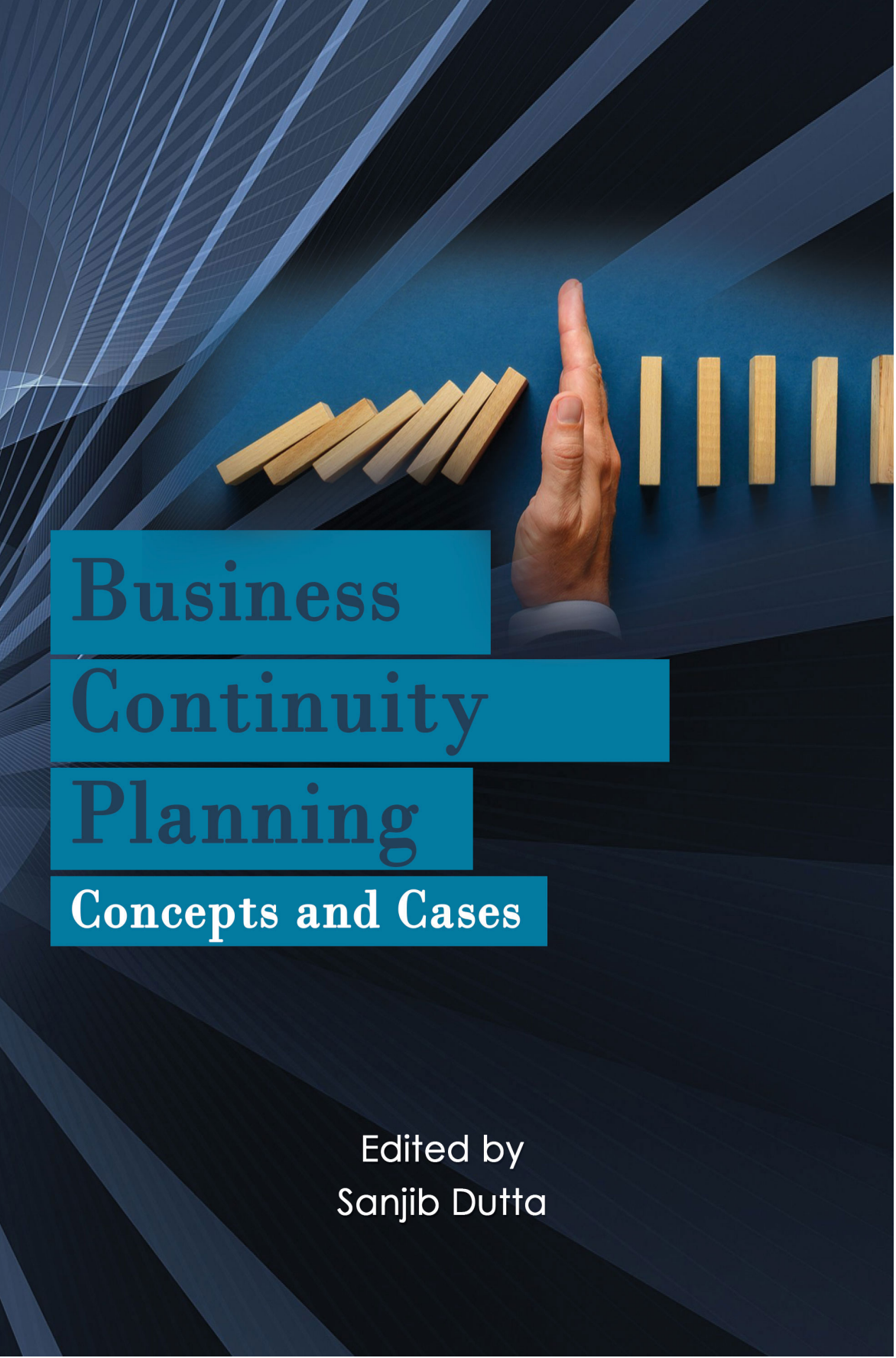
1 Anna Hamill, "P&G's Marc Pritchard: 'It has been the most extraordinary year'," https://www.warc.com, October 22, 2020.

2 "P&G Sees Best US sales in decades as shoppers stock up," https://timesofindia.indiatimes.com, April 18, 2020.

3 A pandemic (also known as COVID-19), caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).

4 Simon Gwynn, "P&G promises not to 'pull back' on marketing as corona virus boosts sales," https://www. campaignasia.com, April 21, 2020.

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Business Continuity Planning

Concepts and Cases

Edited by
Sanjib Dutta

Business Continuity Planning - Concepts and Cases

Editor:
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Chapter 1:

Understanding Business Continuity

Syeda Maseeha Qumer and Syeda Ikrama

Business continuity is an organization's ability to maintain essential functions during and after a disaster. It is about having a plan to deal with difficult situations, so that the organization can continue to function with as little disruption as possible. Business continuity features clear guidelines on what the organization must do to maintain operations.

Importance of Business Continuity

- Business continuity helps an organization maintain resilience in responding quickly to an interruption.
- Strong business continuity saves money, time, and the company's reputation. An extended outage might lead to the risk of financial, personal, and reputational loss.
- In undertaking the business continuity planning process, an organization can improve its communication, technology, and resilience.
- The organization can continue to provide for its customers.
- Having a business continuity plan can help lessen downtime.
- Business continuity planning establishes risk management processes and procedures that aim to prevent interruptions to mission-critical services.
- It enables the organization to function fully and as quickly and smoothly as possible.

What Does Business Continuity Include?

BC covers the planning and preparation needed to ensure an organization will have the capability to perform its critical business functions during emergency events. It identifies, plans for, and/or creates various things:

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Chapter 2:

Business Continuity During COVID 19 Pandemic

Syeda Maseeha Qumer and Hadiya Faheem

The British Standards Institution Code of Practice for Business Continuity Management defined BCM as "An holistic management process that identifies potential threats to an organisation and the impacts to business operations that those threats, if realised, might cause, and which provides a framework for building organisational resilience with the capability for an effective response that safeguards the interests of key stakeholders, reputation, brand and value-creation."

The Respond-Recover-Thrive Framework

Deloitte Consulting LLP developed the Respond-Recover-Thrive framework to help organizations cope with Covid-19.

According to the framework, required actions to address the Covid-19 crisis can be divided into three major stages:

1. Respond – react, prepare, and manage
2. Recover – learn and emerge stronger
3. Thrive – the ability to confidently prepare for the next normal

These three stages are interspersed with two additional interim stages, and conclude in a long-term operating environment called the "next normal".

The Respond-Recover-Thrive Framework

RESPOND: React, Prepare, and Manage

Potential Strategic Responses to Crisis:

Businesses should consider some critical key questions for effective response:

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Chapter 3:

Disaster and Disaster Management

G V Muralidhara and Hadiya Faheem

The United Nations International Strategy for Disaster Reduction (UNISDR) defines a disaster as "A serious disruption of the functioning of a community or a society involving widespread human, material, economic or environmental losses and impacts, which exceeds the ability of the affected community or society to cope using its own resources."

Boris Porfiriev, Editorial board member, International Journal of Disaster Risk Reduction, defines disaster as a "condition or state that destabilizes a social system. It disrupts or causes damage to communications and connections between different elements of a social system."

According to the International Federation of Red Cross and Red Crescent Societies, "A disaster is a sudden, calamitous event that seriously disrupts the functioning of a community or society and causes human, material, and economic or environmental losses that exceed the community's or society's ability to cope using its own resources. Though often caused by nature, disasters can have human origins." Natural hazards could be geophysical (earthquakes, volcanic activity, and tsunami), climatological (drought, wildfires, and extreme temperatures), hydrological (avalanches and floods), meteorological (cyclones and storms/wave surges), or biological (insect/animal plagues and disease epidemics).

Technological or man-made hazards (famine, industrial accidents, transport accidents, displaced populations, and complex emergencies/conflicts) are events that are caused by humans and occur in or close to human settlements. This could include pollution, environmental degradation, and accidents. Communities need to take counter-measures to re-establish stability in a disaster.

Communities today are hugely dependent on technological sub-systems such as communication, banking, transportation, defence, etc., which are interconnected. The destruction of any sub-system might, therefore, affect other sub-systems, making the entire community

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Chapter 4:

Chile's Earthquake and Disaster Management

G V Muralidhara and Hadiya Faheem

On February 27, 2010, at 3:34 am (local time), a massive earthquake with a magnitude of 8.8 struck the coast of Maule region of central Chile. The event, termed as F27, was strongly felt in six regions of Chile from Valparaiso in the north to Araucania in the south. The earthquake and the ensuing tsunami displaced 1.5 million people from their homes and left hundreds of people trapped under the rubble of collapsed buildings.[1] Around 370,000 houses were damaged, 220,000 of them severely. Several schools, hospitals, ports, buildings, and bridges were destroyed. Telecommunication, water lines, and Internet services were also cut. A total of 525 people lost their lives. The tsunami devastated all the fishing villages in the southern coast of Chile with fishermen losing their fishing equipment and boats. The wine industry also suffered huge losses to the tune of US$ 400 million. The F27 came at a time when the then President, Michelle Bachelet (Bachelet), was nearing the end of her term and Sebastian Pinera (Pinera) was to take over as the president of Chile.

Chile had had a long history of earthquakes and tsunamis. Positioned on the 'Ring of Fire[2,] it was one of the most disaster prone regions in the world. Ever since the Talca earthquake of 1928 that destroyed 95 percent of the buildings in the region, Chile had adopted seismic codes for buildings. The building codes which came into effect in 1935 enabled the buildings to bend and sway rather than break during temblors. Despite adopting these building codes, the 1960 Valdivia earthquake, known to be the largest earthquake ever recorded in the world, with a 9.5 magnitude killed 5,000 people and left another 2 million homeless. In the aftermath of the 1960 earthquake, in 1974, the

---

1 Alexei Barrionuevo and Liz Robbins, "1.5 Million Displaced after Chile Quake," www.nytimes.com, February 27, 2010.

2 Bordering the Pacific Ocean, the Ring of Fire is prone to frequent earthquakes and volcanoes and is the most earthquake-active line in the world.

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Chapter 5:

Odisha's Cyclone Phailin and Disaster Management

G V Muralidhara and Hadiya Faheem

On October 12, 2013, a massive tropical cyclone, Phailin, brought torrential rainfall to the coastal areas of India, making landfall near Gopalpur in Ganjam district in Odisha[1], a state located in eastern India, at 9:15 pm (Indian Standard Time). The cyclone and the resulting floods brought widespread devastation in their wake, affecting more than 13.2 million people and forcing them to evacuate their homes. Thousands of trees were uprooted and houses, schools, crops, and the fishing industry suffered damage that ran into hundreds of millions of dollars. The damage to cell phone towers, telephone lines, and electric poles contributed to a communication blackout in the state. A total of 44 lives were lost as a result of the cyclone. The impact of Phailin was not much in the coastal districts of Andhra Pradesh, the southern state in India, with a few trees uprooted and minimal damage to crops.

Though Phailin caused huge damage to infrastructure and crops in Odisha, disaster management experts commended the Odisha state government for limiting the loss of human lives. This was attributable to the proactive efforts of the Odisha State Disaster Management Authority[2] (OSDMA), formed after the 1999 Super Cyclone that had lashed Odisha, killing more than 10,000 people and causing damage of US$ 2 billion. In addition to this, the Super Cyclone damaged 275,000 homes and around 1.67 million people were homeless. The OSDMA played a significant role in the state's response to Phailin, which was of similar intensity to the Super Cyclone of 1999.

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1 Odisha was previously known as Orissa. In 2011, the name was changed to Odisha by passing the Alteration of Name Bill, 2010 and the Constitution Bill, 2010, in the Parliament, the supreme legislative body in India.

2 On December 28, 1999, the Government of Odisha set up the Odisha State Disaster Management Authority with the mandate to take up disaster mitigation activities, in addition to relief, rehabilitation, reconstruction, and other measures.

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Chapter 6:

Disaster Preparedness in Japan

Indu Perepu and Geeta Singh

On the afternoon of March 11, 2011, the fourth-most powerful earthquake[1] ever recorded in the world hit northeastern Japan, killing thousands of people and leaving several more injured. Within minutes, the earthquake triggered powerful tsunami with waves reaching height of 40.5 meters in Tōhoku and Sendai, East Japan. The tsunami caused a nuclear accident in the Fukushima Daiichi Nuclear Power Plant (NPP) complex.

The triple disaster – earthquake, tsunami, and nuclear accident – had a devastating impact on the people and the environment. It led to a massive loss of life and property, and was the costliest natural disaster in world history as per the World Bank.[2] Apart from this, the radioactive emission from the nuclear plant contaminated a wide area. Around 4.4 million households in northeastern Japan were left without electricity and 1.5 million without water.[3] Sectors like automobile, electronics, fisheries, power, agriculture, etc. were disrupted by the disaster while there was unprecedented damage to housing and the infrastructure industry. Analysts feared that though the material loss could be compensated over the next 5-10 years, it would be a challenging task to console people suffering from psychological trauma.

Being an earthquake and tsunami prone country, these disasters had become a part of people's life in Japan over the centuries. The country had therefore developed early warning systems. However, in the case of the 03/11 quake, seismologists and other officials underestimated the enormity of the earthquake and the resultant tsunami risk, forecasting that the quake to hit the Tohoku region would be of a magnitude of only 7.5. High sea walls had been built along the coastal areas as protection against the waves but proved powerless to stop the 15-40 meter giant tsunami waves. Area experts slammed the crisis

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1 The disaster is also known as the 03/11 disaster or the 03/11 quake.

2 Bo Zhang, "Top 5 Most Expensive Natural Disasters in History," www.accuweather.com, March 30, 2011.

3 "Millions of Stricken Japanese Lack Water, Food, Heat," www.npr.org, March 14, 2011.

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Chapter 7:

Disaster Management Lessons from Kerala Floods of 2018

G V Muralidhara and Shwetha Kumari

Kerala, known around the globe for its heavenly beaches, swaying coconut palms, and scenic tea plantations, is one of the most developed states in India. It is also a popular tourist destination. The state has the highest human development index, life expectancy, and literacy, and the lowest fertility and infant mortality rate along with the best medical facilities in India. It is considered one of the best places for investments in major sectors including Information Technology/ Information Technology Enabled Services, manufacturing, mining, and tourism.

Unfortunately, beginning in May 2018, unusually high levels of rain pounded Kerala. The destruction resembled the '1924 floods'[1] in the state. The extremely heavy spells of rain in 2018 battered almost all 14 districts of Kerala from the beginning of the Southwest monsoon in June 2018 and grew quickly in intensity after July 2018, triggering catastrophic deluges, a series of landslides, and devastation on the hills of the Western Ghats, which run along the entire state of Kerala.

The state received about 1,634.5 mm rainfall during the period May 1 to August 7 2018, which was more than the average rainfall (1,619.37 mm) during the summer monsoon period (June-September) 2018. Further, according to the data from the India Meterological Department (IMD), Kerala received around 2,087.67 mm of rain from June 1 to August 15, 2018.

A state of red alert was declared in Kerala on the evening of August 14 2018, as various dams that provided hydroelectricity to the state were flooding. By August 15, 2018, eight districts of Kerala were on red alert

1 Kerala floods of 1924, commonly referred to as the 'Great Flood of 99' as this is the year 1099 ME in the Malayalam Calendar (Kollam Era), occurred when the Periyar River in Kerala state of India flooded in the month of July 1924. The destructive flood claimed thousands of lives, animals and birds, and caused severe damages to the crops and property in Kerala.

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Chapter 8:

Amul's Operations During Covid-19 Pandemic

Indu Perepu and Benudhar Sahu

On March 24, 2020, late in the evening, Narendra Damodardas Modi, Prime Minister of India, announced a stringent 21-day nationwide lockdown to contain the spread of the COVID-19[1] pandemic in the country. The lockdown limited movement of the entire 1.3 billion population of India. With the imposition of a self-proclaimed curfew[2] (though essential services were exempted from the lockdown), people rushed to nearby grocery stores to stockpile essential commodities. Like many, Rupinder Singh Sodhi (Sodhi), MD of the milk cooperative body Gujarat Co-operative Milk Marketing Federation Limited (GCMMF, popularly known as Amul), also rushed to the nearby milk booth to stock up on milk products for household consumption. But, when he reached the nearest milk parlor, he saw that the shelves were almost empty. He managed to get whatever little was left – two small packs of curd and a pouch of buttermilk. Millions of families across India faced a similar situation of having to stock up or of not finding stuff that night and resorted to panic buying. On reaching home, Sodhi wondered, *"If my own family is panicking what others must be going through."*[3] He assured consumers across India that milk supplies would become normal as dairy products, being an essential food item, were exempted from the lockdown.

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1 COVID-19 is an infectious disease caused by the coronavirus. The outbreak of the virus began in Wuhan, China, in December 2019. It later expanded to the rest of the world, with the result that it was declared as a pandemic by the WHO on March 11, 2020.

2 Self-proclaimed curfew is a voluntarily public curfew in an effort to contain the spread of the novel coronavirus.

3 Sayantan Bera, "How Amul Swung the Great Indian Milk Run," www.livemint.com, July 14, 2020.

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Chapter 9:

Business Continuity at Walmart During Covid-19 Pandemic

Jitesh Nair and Barnali Chakraborty

In January 2020 when COVID-19 cases began appearing in the US, Walmart was one of the first major retailers to react. The company followed the guidance on behaviors recommended by the Centers for Disease Control and Prevention (CDC)[1] like frequently washing hands, maintaining social distancing, and cleaning frequently touched surfaces.

Challenges in the Wake of Covid-19 Pandemic

Operational Challenges

Walmart made significant operational changes at its stores, clubs, distribution centers, and fulfillment centers including installing sneeze guards at checkout and pharmacies, closing overnight for cleaning, using wipes and sprayers for cleaning carts, putting up signs on social distancing, and implementing a COVID-19 emergency leave policy.

Even though Walmart took preventive measures to keep its stores clean and maintain a healthy environment, the pandemic affected its operations across the country. The unprecedented crisis saw the temporary closure of many Walmart stores as part of the bid to prevent the spread of COVID-19 in the US. In May 2020, 81 employees of the Worcester Walmart were diagnosed with COVID-19, making it among the largest outbreak clusters at any retailer in the US. It became the first store in the US that was forcibly closed by local officials during the pandemic.

Challenges for Employees

Analysts pointed out several challenges faced by the associates at Walmart's stores and facilities. Many Walmart employees accused the company of failing to inform and protect them from the spread of COVID-

[1] The Centers for Disease Control and Prevention (CDC), headquartered in Atlanta, Georgia, is the leading national public health institute of the US.

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Chapter 10:

Business Continuity at Domino's Pizza During Covid-19 Pandemic

Debapratim Purkayastha and Hadiya Faheem

On March 31 2020, American multinational pizza giant Domino's Pizza, Inc. (Domino's) released preliminary sales results for the first quarter ended March 22, 2020 *(See **Exhibit I**)*. It reported same-store sales growth of 1.6% for its US stores and 1.5% for its international stores. While most dine-in restaurants were grappling with the impact of the novel Covid-19[1] pandemic on their sales, Domino's was one of the few companies which had not experienced a significant downturn. This was attributed to its prowess in delivery and a new initiative – 'contactless' delivery at all its US as well as international stores. Commenting on the results, Ritch Allison (Allison), CEO of Domino's, US, said, *"Across the globe, Domino's will remain focused on execution, service and value as we continue to navigate through the headwinds created by COVID-19. We are carefully managing our balance sheet, cash flow and all areas of the business to ensure we are doing what we believe will help us best manage through the near-term and, as always, position ourselves for long-term success."*

The Covid-19 crisis started in December 2019 in Wuhan, China. With awareness about the virus increasing, consumers had begun taking precautions to prevent transmission of the disease. With no cure or established treatment for the infection in sight, people in many countries were forced to stay indoors. While this affected many industries, the restaurant industry was badly hit as they were no longer allowed to serve dine-in customers. Worldwide, governments only allowed the food services industry to fulfill takeout and delivery orders. Domino's too was going through disruption with its 14 international markets closed and 23

1 Covid-19 or coronavirus is a pandemic caused by severe acute respiratory syndrome coronavirus 2 (SARS-coV-2), which started in Wuhan, Hubei province in China, in December 2019. As of April 15, 2020, more than 2 million people affected by Covid-19 were reported with more than 128,000 deaths, according to John Hopkins University.

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Chapter 11:

Business Continuity at Swiggy During Covid-19 Pandemic

Syeda Maseeha Qumer and Syeda Ikrama

In October 2020, as India embarked on the fifth phase of unlock from the COVID-19 pandemic[1] induced lockdown, Bengaluru-based online food delivery platform Swiggy announced that it had processed 100 million orders across food, medicine, groceries, and other categories since the lockdown was first announced in March 2020 and had recorded close to 85% of pre-COVID order values. The food aggregator also reported a five-fold jump in on-boarding of premium restaurants during the period with 7,000 new restaurants, on an average, joining the platform per month. In the pre-COVID days, this number had been around 4,000. According to a Swiggy spokesperson, *"More than 200 cities have reached 90 percent of their pre-COVID GMV levels, with more than 70 cities seeing a full recovery. Certain micro pockets within the country have also reached 200 percent of their pre-COVID levels and bulk ordering has pushed up average order values by 30-40 percent" i*

On March 25, 2020, Indian Prime Minister Narendra Modi (Modi) announced a 21-day lockdown to curb the spread of COVID-19 in India. The lockdown hit Swiggy's business hard with restaurants being shut and customers reluctant to place orders fearing the spread of the virus through food. In March 2020, food orders on Swiggy dropped by 60%. To cope with the pandemic and maintain business continuity, Swiggy adopted a multi-pronged approach and introduced several initiatives including overhauling its food order journey, maximizing food safety at each step of the order-delivery process, and working closely with its delivery partners to ensure their safety by providing access to hygiene equipment and offering free on-call medical consultation and training on

[1] The COVID-19 pandemic was a global pandemic of the coronavirus disease 2019 (COVID-19), caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The outbreak was first identified in December 2019 in Wuhan, China. The pandemic caused severe social and economic disruptions globally.

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Chapter 12:

Business Continuity at Nike During Covid-19 Pandemic

Sanjib Dutta and Hadiya Faheem

The Covid-19 outbreak led to the disruption of several businesses globally. Retailers worldwide also suffered huge losses as only the sale of essentials was allowed and high selling items such as non-essentials like toys and electronic equipment could not be sold. Thus, many department store chains and other "non-essential" retailers were forced to close down due to the pandemic.

The store closures were expected to deliver a huge blow to cash reserves and the 16 million people the US retail industry employed, as of March 2020.[1] According to American daily newspaper *Washington Post*, the week ending March 2020 witnessed around 1 million retail workers being furloughed from major retailing brands in the US such as Macy's, Gap, Kohl's, L Brands, and JC Penney. According to Deborah Weinswig (Weinswig), chief executive at research and advisory firm Coresight Research, around 15,000 retail stores would close down permanently by the end of 2020, marking a 60% increase from store closures in 2019.[2]

According to the US Department of Commerce[3], clothing stores in the US were worst hit with sales declining by more than 50% in March 2020.[4] On the other hand, groceries, pharmacies, and other essential businesses witnessed an increase in demand *(See Exhibit I for Retail Sales in the US for March 2020).*

---

1 Jason Del Rey, "Amazon Was Already Powerful. The Coronavirus Pandemic Cleared the Way to Dominance," www.vox.com, April 10, 2020.

2 Ibid

3 Founded in February 1903, the US Department of Commerce is a department under the US federal government responsible for promoting economic growth.

4 Sapna Maheshwari and Ben Casselman, "'Pretty Catastrophic' Month for Retailers, and Now a Race to Survive," www.nytimes.com, June 1, 2020.

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Chapter 13:

Business Continuity at Amazon During Covid-19 Pandemic

Debapratim Purkayastha and Hadiya Faheem

On May 1, 2020, American multinational conglomerate and technology company Amazon.com Inc. (Amazon) reported that for the first quarter ended April 30, 2020, it had recorded revenues of US$75.4 billion *(See **Exhibit I** for Amazon's Consolidated Statements of Operations for first quarter of 2020)*. The e-commerce giant reported a 26% increase in sales from the same period of 2019.[i] The increase was attributed to the novel Covid-19 pandemic that had forced hundreds of millions of people stuck in lockdowns to remain indoors and turn to the retailer for their essentials and entertainment.

The Covid-19 outbreak started in December 2019 in Wuhan, China. With awareness about the virus increasing, consumers began taking precautions to prevent transmission of the disease. As there was no cure or established treatment for the infection in sight, people in many countries were forced to stay indoors. While this affected several industries such as restaurant, travel, and retail, Amazon experienced a surge in orders for delivery with consumers spending US$11,000 every second on buying products or services on the company's e-commerce platform.[ii]

Analysts felt that Amazon, which was already a hit with consumers doing shopping online and which controlled 40% of all the online retail sales in the US as of March 2020, was in a good position to tackle the crisis due to its e-commerce prowess and its cloud computing[1] arm, Amazon Web Services[2] (AWS).[iii] According to Wedbush Securities[3] analyst

---

1 Cloud computing is the on-demand delivery of Information Technology resources over the internet. These resources include tools and applications such as data storage, servers, software, databases, and networking.

2 AWS ran websites which were often visited by companies such as Netflix, Facebook, and Pinterest. Some crucial government sites such as the Centers for Disease Control and Prevention and the Small Business Administration's Paycheck Protection Program were also hosted on AWS.

3 Wedbush Securities Inc. is a Los Angeles-based financial services and investment firm.

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Chapter 14:

Etisalat's Response to Covid-19 Pandemic

Indu Perepu and Faria Zafar

The Etisalat Group was founded in the year 1976 by British company International Aeradio Limited and its local partners[1]. Headquartered in Abu Dhabi, United Arab Emirates[2],it was the first telecom provider in the UAE.[3] It provided telecommunications and media services, and other related equipment in the United Arab Emirates, the MENA region, and internationally.

In 1983, the ownership structure changed and the UAE Government received 60% of the company's shares. The remaining 40% were sold at a public auction. In 1991, the Government of the UAE passed a law enabling Etisalat to provide wired and wireless telecommunications services in the UAE and other countries. This further established the company as a monopolist in the telecommunications market of the United Arab Emirates.

In 1994, the company launched the first GSM service in the MENA region. In 1995, Etisalat became the first company to provide Internet services in the UAE. In 2002, it provided its users with GPRS. In 2004, Etisalat launched the first 3G network in the Middle East. In 2010, the company announced the adoption of fiber-optic networks and the launch of 3DTV.

By 2019, the Etisalat Group was providing telecommunication solutions and services to 146 million subscribers in 16 countries across the Middle East, Asia, and Africa[4]. It had three regional offices in Abu

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1 "Overview of the Etisalat Telecommunication Company," Dubai-Freezone, Forbes, Accessed on 10th October, 2020.

2 "Etisalat," Forbes, Accessed on 10th October, 2020.

3 "About Us," www.etisalat.com, Accessed on 10th October, 2020.

4 *Ibid.*

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Chapter 15:

Scotiabank: Navigating through the Covid-19 Pandemic

Sanjib Dutta and Smita Ray

In June 2020, Scotiabank (formerly known as The Bank of Nova Scotia), the Canadian multinational banking and financial services company with assets of over $1.2 trillion and approximately 97,000 employees, received the Retail Banking Security Innovation of the Year Award from Retail Banker International (RBI)[1]. This award was in recognition of Scotiabank's use of digital technologies to create a financial crimes risk management program. Over the years, Scotiabank had been at the forefront of using digital technologies like Smart Automation[2] in its banking operations and customer service. That helped the bank to improve its customer service and control online frauds.

As the COVID-19 pandemic swept through the world, the biggest challenge for banks like Scotiabank was to provide continuous support to customers and employees to ensure uninterrupted banking. With the help of Smart Automation, Scotiabank continued to offer its products and services such as mortgage, direct deposits, and loans online.

Scotiabank also took several measures to support eligible Canadian Small Business and Business Banking clients affected by COVID-19. These included deferral of payment on small business credit cards and credit lines, payment deferral on business loans, online application for the Canada Emergency Business Account (CEBA) for small businesses, offering direct deposits through online application for the Canada Emergency Wage Subsidy (CEWS), providing assistance through the financial relief program, providing customers continued access to Small Business Advisors and Business Banking Relationship Managers for customized advice, and digital banking facilities for seniors.

---

1 Retail Banker International (RBI) is a global editorially independent retail banking briefing service.

2 Smart Automation refers to blend of technologies used to automate complex business processes. It includes AI and intelligent automation, bots and natural language interfaces and robotic process automation (RPA).

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Chapter 16:

P&G's Response to Covid-19 Pandemic

Debapratim Purkayastha and Munmun Samantrai

In April 2020, the US-based multinational fast moving consumer goods (FMCG) giant, Procter & Gamble (P&G), decided to 'double down' its media plans amid the corona virus pandemic[1] (COVID-19).[2] While many global brands were holding back on marketing spend, P&G saw it as a huge opportunity to increase brand visibility by reminding consumers of its brands and benefits.[3] The FMCG Company thus decided to ramp up its advertising plans rather than withholding budget during the pandemic. Commenting on the move, Jon Moeller (Moeller) Chief Financial Officer, P&G said, "*We need to work hard to ensure that we maintain mental and physical availability to the greatest extent possible, so that those consumers return to their beloved and trusted brands – which are ours – as they're more fully available. There's a big upside here in terms of reminding consumers of the benefits that they've experienced with our brands and how they've [met] their family's needs, which is why this is not a time to go off air.*"[4]

This announcement came soon after the company reported better-than-expected sales growth for the March-ended third quarter of the fiscal year 2020.[5] P&G posted a 6 percent surge in organic sales.[6] In addition, the company earned US$17.2 billion, a little below analysts' forecast of US$17.4 billion.[7] It also reported core earnings of US$1.17 per

---

1 A pandemic (also known as COVID-19), caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).

2 Simon Gwynn, "P&G promises not to 'pull back' on marketing as corona virus boosts sales," https://www. campaignasia.com, April 21, 2020.

3 "P&G Will 'Double Down' on Advertising despite COVID-19 Lockdown," https://www.mediapost.com, April 21, 2020.

4 Katie Deighton, "P&G ramps up marketing amid coronavirus demand: 'This is not a time to go off-air'," https://www.thedrum.com, April 17, 2020.

5 Sharon Terlep, "P&G reports biggest US sales rise in decades," https://www.marketwatch.com, April 17, 2020.

6 "P&G Registers Biggest Sales Increase in years amid COVID-19," https://www.pymnts.com, April 17, 2020.

7 Al Root, "P&G Beat Earnings Forecasts. Why Its Stock Refuses to Budge," https://www.barrons.com, April 17, 2020.

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Sanjib Dutta

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Editor:
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Chapter 1:
An Introduction to Marketing Strategy

Sanjib Dutta

A company's marketing strategy involves devising the brand strategy, the product strategy, the pricing strategy, the distribution strategy, the sales promotion strategy, and the advertising strategy. These strategies have to be carefully formulated and implemented to ensure long-term sustainability of the organization. Before formulating, executing, and implementing a strategy, an organization has to analyze the changes taking place in the environment and the various options available. The organization should ensure that the strategies help achieve its goals and objectives.

The vision and mission of an organization form the basis for adopting a particular strategy. They help the organization formulate its plans and future goals. The vision and mission of an organization instill a sense of purpose among employees and the strategies transform them into long-term and short-term achievable objectives.

Companies need to formulate effective strategies to deal with emerging technological breakthroughs, ever-changing customer needs, turbulent market situations, unpredictable competition, and changes in political, legal, social, economic, and technological environments.

Strategic planning involves framing corporate and divisional strategies. However, prior to that, the company has to identify its position in the market. Today, firms face global competition. To sustain itself in a global market, a company has to adapt to international standards. The strategic planning process may suffer if there is an increased resistance to change within the organization. To deal with such a situation, Igor Ansoff suggested a 'managed-resistance or accordion approach', in which the firm can employ a coercive strategy when there is a pressing need for change.

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Chapter 2:

Ambushing Adidas: Nike's 'Going Brazilian' 2018 FIFA World Cup Campaign

Hadiya Faheem *and* Debapratim Purkayastha

> *"Nike has claimed victory at the World Cup 2018, despite not being an official sponsor of the tournament."*[1]
>
> **– Stephen Lepitak, the Drum[a], in July 2018**
>
> *"Brasileiragem represents the culture of our football, of the informal pick-up games you can find all over Brazil, on football fields, in the streets, on different playing surfaces, all the way to the Brazilian national team with the best athletes in the world."*[2]
>
> **– Guilherme Mortensen, Director of Brand Communication for Nike Brazil, in June 2018**

In June 2018, US-based sportswear giant Nike Inc. (Nike) launched a new advertising campaign called 'Vai na Brasileiragem[b]' during the build up to the 2018 FIFA[c] World Cup hosted by Russia. The campaign was launched with the aim of inspiring the Brazilian team to win their sixth football World Cup. The advertisement featured professional football players such as Phillipe Coutinho, Willian Borges da Silva, and Tiago Silva in the dressing room. It also showed Brazilian

[a] The Drum is a global media platform and the biggest marketing website in Europe.

[b] The term 'Brasileiragem' in Portugese is a combination of 'Brasil' and 'ball playing style' and means Brazilian way of playing.

[c] The FIFA World Cup (commonly referred to as the football World Cup) is an international football competition contested by the men's national football teams of member nations of the Federation Internationale de Football Association (FIFA), the sport's global governing body. The event is held every four years.

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Chapter 3:
Hidesign's Positioning Challenge in India

Debapratim Purkayastha *and* K Sudhakar Rao

In 1978, when DilipKapur (Kapur), founder and president of Hidesign, started making leather goods as a hobby, little did he dream that he was taking the first step toward building a company that would go on to become one of the first brands from India to succeed in the global fashion marketplace. Forty years on, while his global ambitions are still intact, Kapur felt that India is where the real action is when it comes to the future of Hidesign. But the Indian market posed its own set of challenges. *"We are at the top of the pyramid. The growth of the industry is 15% and Hidesign is growing faster than this. We want to grow at 25%. Where does the growth come from? Expansion into areas such as malls is not always profitable. Should we go upward or downward on the pyramid?There are limiting factors.... We go upward, we face established global brands such as Michael Kors, Coach and so on, vying for a market that is smaller and very tough. If we go downwards into a larger market with products that are less expensive, how do we maintain the positioning?"*

About Hidesign

Hidesign manufactured and marketed leather products such as handbags, briefcases, laptop bags, travel bags, wallets, and accessories. More recently it had added shoes and sunglasses to its portfolio. As of 2018, it had five manufacturing facilities, one in Sikkim, another one at Baddi in Himachal Pradesh, two in Puducherry, and one tannery in Chennai in Tamil Nadu.

Over the years, Hidesign managed to develop a distinct brand image and establish a global presence, in large part due to the quality of its products. The company consistently emphasised being eco-friendly

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Chapter 4:

Gillette's 'We Believe' Ad: Challenging Toxic Masculinity?

Koti Vinod Babu *and* Indu Perepu

'We Believe' AD Stokes a Debate

On January 13, 2018, safety razors and personal products company Gillette[a], released a 1:49 minute advertisement for Gillette razors titled 'We Believe' that was telecast during the 2019 Super Bowl[b]. The ad triggered a huge backlash, prompting discussion on social media about its theme – 'toxic masculinity'[c]. The ad showed how the bullying, harassment, and violence hidden in men's attitudes, reflected negatively in their behavior toward others.

The ad projected the message that men should act against toxic masculinity and be a role model for boys in future in terms of respecting others. The ad, with scenes of men trying to intimidate women and boys, had a voice-over asking *"is this the best a man can get?"* The ad concluded with a comment on how men should act to change other men's actions of patriarchy[d], then replaced Gillette's traditional slogan, *"the best a man can get,"* with *"the best a man can be."*[1]

[a] Gillette is brand of personal care products owned by US-based FMCG major Procter & Gamble

[b] The Super Bowl is the annual championship game of the National Football League where the champion of the National Football Conference competes against the winners of the American Football Conference. It was first held in 1967.

[c] Toxic masculinity refers to the socially-constructed attitudes that describe the masculine gender role as violent, unemotional, and sexually aggressive which is harmful for men.

[d] A system of society or government in which men hold the power and women are mostly prevented from it.

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Chapter 5:
Snapchat: Failed Redesign

Benudhar Sahu *and* Indu Perepu

> *"There is a strong likelihood that the redesign of our application will be disruptive to our business in the short term, and we don't yet know how the behavior of our community will change when they begin to use our updated application. We're willing to take that risk for what we believe are substantial long-term benefits to our business."*[1]
>
> **– Evan Spiegel (Spiegel), CEO of Snap, in 2017**

In its second quarter earnings report released on August 7, 2018, US-based Snap Inc., (Snap) parent company of the popular messaging app Snapchat, said that the number of its daily active users (DAU) had shrunk to 188 million from 191 million users in the previous quarter.[2] This was the first ever quarterly drop in the number of users since 2014 (*See Exhibit I*) for a company that had disrupted social media space with features like multimedia messaging, augmented reality, and ephemeral photo messaging.

Spiegel attributed the decline to "*a slightly lower frequency of use among our user base due to the disruption caused by our redesign.*"[3] The company went for redesign in order to improve the advertising revenue and attract the new customers. The redesigned Sanpchat app released in January 2018 came with changes in the content and display. Spiegel believed that the redesign would help the company to re-disrupt the social media and combat its sluggish growth by tapping a larger demographic beyond the millennials. He opined that the redesign would be necessary to fuel Snap's business into the future. However, the changes came in for criticism from several users including celebrities, who chose to stop using the app and voiced their opinions on social media channels. This led to a fall in the number of users leading to the loss of positive consumer sentiment it had earlier enjoyed.

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Chapter 6:

goodfeel – A Specialized Feminine Garment for Tackling a Social Problem

Nitin Thigale, Nidhi Pandey *and* Debapratim Purkayastha

"Stress free social life for every women — with goodfeel."

– Ashutosh Joshi, founder of goodfeel

Launched on June 22, 2017, goodfeel, a specialized undergarment that allowed women to relieve themselves while standing, went on to win its inventor, Ashutosh Joshi (Ashutosh), a number of innovation and start-up awards. World Intellectual Property Organization (WIPO[a]) published all the technical papers on a patent for the product for Ashutosh on February 8, 2017. goodfeel had its genesis in an incident involving Ashutosh's daughter. The girl was diagnosed with urinary tract infection (UTI)[b] because she tried as much as possible to avoid using the often ill-maintained school toilets. Ashutosh was perturbed by the fact that his daughter was repeatedly contracting UTI. This prompted him to study various reports. *"In my studies for the first time I learnt that prevalence of UTI in women worldwide is 50%-60%, which is an alarming figure,"* he said. This, in turn, prompted him to try and find a solution to the problem.

Ashutosh along with his wife Sharada started working on a solution and they developed *"goodfeel",* a panty for women with an inbuilt tube which made it possible for women to urinate in a standing position without having to worry about getting infections from using unhygienic toilets *(See Exhibit I for a photo of Ashutosh and Sharada*

[a] The World Intellectual Property Organization is based in Geneva, Switzerland. It encourages creativity by patenting the intellectual rights of individuals and companies.

[b] Urinary Tract Infection–The infection is caused in any part of the urinary system like the kidney, bladder, or urethra. Women are more prone to the infection.

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Chapter 7:

Consumer Research at Procter & Gamble: From Field Research to Agile Research

Tangirala Vijay Kumar *and* Debapratim Purkayastha

> *"P&G is known for being rigorous in market research to understand the needs, motivations and behaviors of the consumer and to use its findings to build brands, drive consumer engagement and beat the competition."*[1]
>
> **– Pamela N. Danziger, Contributor, Forbes, in 2017**

The Procter & Gamble Company (P&G), the world's leading fast moving consumer goods (FMCG) company, was renowned for its consumer research. The company interacted with over five million consumers annually in around 100 countries. It undertook more than 15,000 research studies annually and spent more than US$350 million each year on consumer understanding.[2] P&G was among the first companies globally to undertake formal research on consumer requirements – the company set up its market research (MR) department in 1924. In the subsequent nine decades, the company devised many innovative MR techniques. Its researchers were equipped with the skills to get the information they needed from consumers. P&G used advanced technology to assess the feedback it garnered and generate the right conclusions.

P&G employed qualitative research tools such as focus groups, in-house visits, in-context visits, and in-store interviews and quantitative research tools such as blind tests and concept tests. Besides, the company appointed external agencies to undertake MR. In recent years,

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Chapter 8:
Maruti's Digital Initiatives

Smita Ray *and* Sanjib Dutta

"Customer experience is part of a well-defined digital transformation strategy we're rolling out that's very strongly supported by IT."

– Rajesh Uppal, Chief Information Officer, MSIL, 2017[1]

"We have all our milestones in place, but digital is not like one of those big band ERP implementations. Digital is a journey, where various steps will be implemented as you go along and get matured as we move forward and slowly get into the way of life. I also see a lot of opportunities emerging from it, which can be captured depending upon our process."

– Rajesh Uppal, Chief Information Officer, MSIL, 2017[2]

Introduction

In March 2018, Maruti Suzuki India Limited (MSIL) posted an increase of around 14% in domestic sales, selling 1.65 million units as against 1.44 million units in the same month a year earlier (*Refer to Figure I for MSIL's sales growth from 2014-2018*). The company also improved its market share to more than 50% in 2018 as compared to 47% in the last year (*Refer to Figure II for growth of MSIL's market share*). MSIL had been spending approximately US$ 80-100 million per year on data analytics[3] and was expected to continue its investment in data analytics and other digital technologies to sustain its leadership position in the Indian automobile market (*Refer to Exhibit I for key players in the Indian Automobile market*). Sanjeev Handa (Handa), vice-president (marketing), MSIL, commented, *"In just last three years, the company added more than 1 lakh customers using Big Data analytics, including 50,000 customers alone in last fiscal. We are targeting 10% of our total projected sale of 2 million by 2020 through big data."*[4]

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Chapter 9:

HUL'S Re-launch of Ayush to Combat Patanjali

Namratha V Prasad *and* Debapratim Purkayastha

Ayush's Re-launch

In December 2016, fast moving consumer goods (FMCG) giant Hindustan Unilever Ltd. (HUL)\ revived its Ayurveda brand, 'Lever Ayush' (Ayush), and launched 20 new personal care products. The products, priced between Rs. 30 and Rs. 130, were targeted at the mass market, helping Ayush shed its previous tag of a premium brand. The move was aimed at bolstering the company's personal care portfolio, apart from enhancing its competitive strength in the fast-growing Ayurvedic space.

Ayush's new tagline '*Sahi Ayurveda*' ('True Ayurveda') was expected to position the brand as an authentic Ayurvedic brand. To support this, HUL launched a new series of Ayush ads that sought to educate customers that not all products that claimed to be Ayurvedic were genuine. For the re-launch campaign that was run across various media, HUL roped in popular Hindi film actor Akshay Kumar as the lead brand ambassador and well-known actor Tamanna as the brand ambassador for products targeted at women. HUL also partnered with one of the leading institutions propagating the science of Ayurveda – 'Arya Vaidya Pharmacy' – to develop its new products.

Lever Ayush and Patanjali

HUL was the Indian subsidiary of one of the world's largest consumer goods company – Unilever N.V. Established in 1933, HUL was the market leader in the Indian FMCG sector. The company had launched Ayush in 2001, but by 2006, the brand had lost its

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Chapter 10:
Sephora's Digital Journey

Shubhanjali Chakravarty *and* Sanjib Dutta

"Sephora has always been an early adopter of new, digital experiences and an incubator of emerging brands.... From there, we'll continue to look for ways to use the technology to enhance our customers' in-store digital experience"[1]

– Bridget Dolan (Dolan), SVP Omni Experience & Innovation at Sephora

"..We are very proud to be named 'Retailer of the Year', which confirms that the Sephora concept enjoys appreciation on a global scale. As a brand we win best when we win together and this award recognizes and touches all the tens of thousands in the Sephora family who have made us successful all over the world."[2]

– Chris de Lapuente, CEO of Sephora worldwide, on April 27, 2018

Introduction

On April 19, 2018, France-based personal care and beauty products multinational 'Sephora' received the *"Retailer of the Year Award"* at the '2018 World Retail Congress'[a] for its outstanding run in the most competitive market of the decade (2008-2018).

Sephora's journey through the decade had been largely driven by digital initiatives. By 2018, it had made rapid strides in digitalization which included the launch of an e-commerce platform and a mobile

[a] The World Retail Congress brings in the leaders of the global retail business from everywhere. In 2018, the congress had 170 participants from the retail world. The congress provides a platform for up and coming retail companies to share their views and areas of concerns. The 2019 World Retail Congress will be held in May in Amsterdam, Netherlands.

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Chapter 11:
Lactalis' Product Recall

Namratha V Prasad *and* Smita Ray

"Lactalis is a huge multinational company that doesn't mean it should be allowed to operate above the law."[1]

– Quentin Guillemain, President of an association for victims affected by Lactalis Group's product recall, in February 2018.

Introduction

On December 21, 2017, France's Directorate-General for Health (DGH)[a] reported that a further 18 children had been hospitalized in the country due to salmonella poisoning[b], after consuming the baby milk powder offered by Lactalis Group (Lactalis).[2] This took the number of children who had fallen ill due to the contaminated milk powder in the month of December to 38. Lactalis on government orders then recalled all the baby milk powder manufactured at its affected factory in Craon in the north-west of France from all over the world – regardless of its production date.

It was Lactalis' third product recall in a month, in which it withdrew 720 batches of baby milk powder and infant cereals offered under various brands that included *Picot, Milumel, and Taranis*, made at

[a] Directorate-General for Health is a French government agency that is responsible for preparing the public health policy and its implementation. Its missions cover major health programs, prevention but also health supervision and security.

[b] Salmonella poisoning is caused by food tainted with the salmonella bacteria. It is dangerous for very young and elderly, as it can cause severe dehydration. Its symptoms include diarrhea, stomach cramps, vomiting, and fever. The symptoms of salmonella last for four to seven days and most people recover without treatment. According to The World Health Organization (WHO), salmonella is one of the four key global causes of diarrheal diseases.

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Chapter 12:

Casper: Employing Innovative Marketing Strategies to Engage Consumers

Tangirala Vijay Kumar *and* Debapratim Purkayastha

> *"…your brand is the way your customer feels about you when they interact with your product, when they open it, when they have an awesome service experience, so that's what we're focused on building."*[1]
>
> **– Neil Parikh, Cofounder and Chief Operating Officer, Casper, in 2017**

> *"Casper is not just breaking the traditional mattress sales convention, but also breaking industry norms with its advertising with its unconventional illustrations paired with quirky and humorous copy. The brand's tone of voice is friendly, conversational and reassuring, breaking the norm and herd mentality of traditional mattress companies."*[2]
>
> **– Mario Natarelli, Managing Partner, MBLM[a], in 2017**

Casper, a mattress company in the U.S., quickly gained a huge following among consumers. Two key reasons for the company's popularity were – it offered a single type of mattress as against the bewildering range of options offered at traditional mattress stores (which confused consumers) and it delivered the mattress directly to customers in a box, which they found convenient. However, the biggest factor to which Casper's success was attributed was the way the company engaged with consumers on social media and its humorous offline advertisements. Several customers uploaded videos of how they

[a] MBLM is a branding firm headquartered in New York.

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Chapter 13:
Multicultural Marketing at Western Union

Syeda Tahera Sadia *and* Debapratim Purkayastha

"Multicultural marketing is at the core of Western Union's business."[1]

– Gail Galuppo, former EVP and CMO of Western Union[a], in 2009

"You develop over the years. Or you don't. Some people never develop. But, being multicultural helps in this regard. You learn to adapt yourself more easily, to learn and to grow."[2]

– Hikmet Ersek, CEO of Western Union, in 2018

The Western Union Company (WU), a leader in global money-transfer services, was popular for the multicultural approach it used in marketing its products and services. With a wide range of customers from diverse backgrounds spread across the globe, it was crucial for WU to appeal to different sets of customers in different ways. This was also one of the biggest challenges the company faced. WU tried to face up to this challenge by studying and understanding the multi-cultural voice of its customers with the help of a broadly diverse team of top executives.

The rapid uptake of mobile technology all over the world, and in Asia and Africa in particular, had also presented new channels for the customers to make their transactions and WU found huge market opportunity in them. And so, over the years, the company had adopted digital and social media to remain well connected to its customers all through the year. According to industry experts, the 167-year-old company's success in covering the whole gamut from telegraph lines to mobile money transfers was mainly because it understood the

[a] Gail Galuppo was the 'Executive Vice President' and 'Chief Marketing Officer' of Western Union from September 2007 to October 2010

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Chapter 14:

Pret A Manger's Test Marketing of a New Product Line

Namratha V Prasad *and* Anil Anirudhan

> *"Our new 'Not Just for Veggies' campaign is both a response to the customer consultation, and a way of continuing the conversation further, It reaffirmed that Pret's role is to make eating less meat easy and delicious for everyone, not just for veggies."*[1]
>
> **– Mark Palmer, Group Director of Marketing, Pret A Manger, in April 2016.**

In June 2017, Pret A Manger (Europe) Ltd. (Pret) an international sandwich chain, launched 'All Veggie Fridges' across 250 of its stores in the UK, following the success of its *"Not Just for Veggies"* campaign under which it had introduced an all-new vegetarian product line-up. The Veggie Fridges contained the most popular vegetarian and vegan[a] dishes introduced during the campaign.

The *"Not Just for Veggies"* campaign had been launched in June 2016 to encourage meat eaters to eat less meat and try the new vegetarian options offered by the company. Pret claimed that the Veggie Fridges helped increase awareness among customers about the meat-free options available at the company's outlets. However, it decided to discontinue the Veggie Fridges after three months (by September 2017), when it realized that customers were more likely to select the vegetarian options when they were prominently mentioned and placed alongside the non-vegetarian products rather than being placed in a separate fridge.

[a] Vegan dishes are those products which do not contain any animal products including milk, cheese, butter, and eggs.

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Chapter 15:
Under Armour in Trouble

Barnali Chakraborty *and* Debapratim Purkayastha

"While the overall [Under Armour] brand remains visible, there is evidence to suggest that it does not have the clarity or a sense of purpose in the way that Lululemon or even Nike does. Our consumer data indicate that many people are increasingly uncertain of what Under Armour stands for, or which parts of the sports market it specializes in."[1]

– Anthony Riva, Retail analyst at GlobalData[a], in August 2017.

"After 6½ years of more than 20 percent top-line growth that ended in the fourth quarter of last year, we are clearly operating in a different environment, particularly in our largest market [of] North America. We are utilizing 2017 to ensure that operations across our diverse portfolio of sport categories, distribution channels and geographies are optimized as we are building a stronger, faster and smarter company."[2]

– Kevin Plank, CEO of Under Armour, in August 2017.

For the third quarter of 2017 ending September 30, 2017, Under Armour sales fell to US$1.4 billion, down 4.5% from the same period in 2016. This marked the first decline in sales ever for this global performance footwear, apparel, and accessories company, since it went public in November 2005.[3]

Earlier, in the first quarter of 2017, Under Armour reported its first-ever operating loss of US$2.3 million. Footwear sales – a key statistic for future growth for the company – increased by only 2% compared with the 64% growth in 2016. Under Armour's footwear sale

[a] GlobalData Plc is a leading provider of data and analysis for the consumer, technology, and healthcare businesses.

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Chapter 16:

Amazon vs. Wal-Mart: The Retail Price Wars

Syeda Tahera Sadia *and* Debapratim Purkayastha

> *"Each one is trying to become more like the other — Walmart by investing heavily in its technology, Amazon by opening physical bookstores and now buying physical supermarkets."*[1]
>
> **– Neil Irwin, senior economics correspondent, The New York Times, in 2017.**

Wal-Mart Stores, Inc. (Wal-Mart), a US-based multinational retailing corporation, had framed several strategies in its price war with American e-commerce and cloud computing company Amazon.com (Amazon) to not only retain its position as the top retailer in the US but also to become the market leader in the online retail business. In one such move against Amazon, Wal-Mart announced that starting April 19, 2017, it would offer discounts on 10,000 online-only products on Walmart.com, provided the shopper opted to pick up the ordered items from a Wal-Mart retail store rather than having the items shipped to his/her address. Wal-Mart also promised that the discounts would be extended to more than 1 million items by the end of June 2017.[2] However, this discount was not applicable to the items available in Wal-Mart's physical stores and on Wal-Mart's third-party marketplace. This marked the extension of Wal-Mart's aggressive pricing to other categories such as baby gear, electronics, and home goods. The discounts would vary with the specific item, weight of the product, and the product category, along with how much Wal-Mart would save on shipping costs. *"One of the things I love most about Wal-Mart's heritage is the maniacal focus on our customers and finding ways to offer them low prices – every day. We do this by creating efficiencies in our business so we can share the savings with them. And, in the online world, we can*

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Chapter 17:

The Economics behind Uber's Surge Pricing

Benudhar Sahu *and* Trilochan Tripathy

In June 2017, e-hailing ride share service Uber Technologies Inc. (Uber) came under fire for taking too long to turn off its *"surge pricing"* feature after a deadly terror attack in the heart of London. App users took to social media to complain about the inflated prices, saying that Uber should have reduced prices immediately as people tried to get away from the area in the aftermath of the rampage. Uber's controversial surge pricing model, which was designed to lure drivers to areas with high demand, was typically suspended during disasters and emergencies. But the company was criticized for not acting quickly enough in this case. *"Big fan of Uber but bitterly disappointed in profiting from a terrorist attack. £7 Knightsbridge to Victoria. Charging £40,"*[1] wrote a user on Twitter, accusing the company of being disrespectful to the situation. However, Tom Elvidge, general manger of Uber in London, said the company had suspended surge pricing within an hour of the attack and would refund all fares for riders in the affected areas following the attack.

Founded in 2009, Uber seamlessly connected rider to drivers through a smartphone app that used GPS technology. Uber's surge pricing, also called dynamic pricing, had been one of the most controversial aspects of the company's business model. The idea behind the surge pricing was that during periods of excessive demand when there were more riders than drivers, Uber increased its normal prices to encourage drivers to flood the zone. The idea was to put more cars on the road when and where they were most needed. However, surge pricing had long been Uber's Achilles' heel as customers felt it was complicated and equated it with price gouging. They felt that it took advantage of users in unfortunate situations. Going forward, Uber

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Chapter 18:

Economics of Apple, Inc.'s iPhone

Tangirala Vijay Kumar *and* Debapratim Purkayastha

"$$$$ = Desire"[1]

– Christopher Mims, Technology columnist, The Wall Street Journal

"It's very hard to gauge demand when you're selling everything you're making…"[2]

– Tim Cook, CEO, Apple Inc., in 2017

"…a company can sell a high-margin product at high volumes so long as it's an aspirational brand in a must-have product category, with high-value complements that support and strengthen its position."[3]

– Matt Asay, Contributor, InfoWorld[a]

The iPhone, a product of Apple Inc. (Apple), made its debut in 2007 and proved to be a trailblazer in the smartphone industry. The phone, several versions of which were launched over the years, was looked upon as a status symbol by many smartphone owners. It also commanded intense loyalty among its users as was evident from the way consumers queued up before stores at the time of the launch of a new version. This also allowed Apple to price its iPhones higher than other smartphones. The iPhone's appeal was enhanced by its ecosystem comprising the iOS operating system, applications, services such as iCloud and Apple Pay, and products such as the iPad and Apple Watch. According to industry observers, the iPhone brand's appeal was further enhanced with the launch of the iPhone X in September 2017.

[a] InfoWorld, published by IDG, was founded as a monthly information technology magazine in 1978, and transitioned a Web-only publication in 2007.

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Chapter 19:

Design Thinking: Key to Airbnb's Success

Munmun Samantarai *and* Indu Perepu

"We're trying to create an environment where people can see a glimmer of something and basically throw dynamite on it and blow it up to become something bigger than anyone could have ever imagined."[1]

– Joe Gebbia, Co-founder, Airbnb, in 2017

"Design thinking shifts a company's very DNA, enabling responsiveness in a world of constant marketplace disruption and fostering a cycle of genuine customer-centricity, sustained loyalty and even increasingly satisfied employees,"[2]

– Martha Cotton, Group Design Director, Accenture Interactive's Fjord, The Design and Innovation consultancy[a], in 2018

Introduction

In March 2018, San Francisco-based online marketplace and hospitality service company, Airbnb, Inc. (Airbnb), rolled out its own core typeface[b]called Airbnb Cereal. With this, it joined a number of other recent companies with their own-brand typefaces, including those

[a] Fjord, a global design consultancy which became a part of Accenture Interactive arm, is a design and innovation consultancy that reimagines and redefines people's relationships with the digital and physical worlds.

[b] Letters, numbers, and symbols in consistent type-weight and typestyle that make up a complete set (type family) of a distinctive design of printing type such as Ariel, Times Roman, etc.

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Chapter 20:

Innovation: The Recipe for Chipotle's Success

Koti Vinod Babu

"We put the food on center stage. For 19 years we haven't really added a lot to the menu, but we have improved the raw ingredients. That's the big innovation–better quality." [1]

– Steve Ells, Founder, Chairman and CEO of Chipotle, in 2016.

"We're certainly thrilled when people use words like 'love' and 'awesome' and 'amazing' when people talk about anything we do.... We think that we've really hit that right on the mark."[2]

– Chris Arnold, Communications Director of Chipotle, in 2014.

An Innovative Fast Food Concept

Chipotle Mexican Grill, Inc. (Chipotle), the US-based Mexican fast casual restaurant[a] chain which was in the business of selling burritos[b], tacos[c], guacamole[d], and chips, reported a net income of US$46.1 million for the first quarter ended March 31, 2017. According to its note to investors, revenue for the first quarter of 2017 was US$1.07 billion, up 28.1% from the first quarter of 2016. Steve Ells (Ells), Founder, Chairman and CEO of Chipotle, said, *"2017 is off to a strong start, as our restaurant managers and teams are energized by our renewed focus*

[a] A fast casual restaurant is an intermediate concept between fast food and casual dining and does not offer full table service. It is prevalent in the United States.

[b] A flour tortilla that is rolled or folded around a filling such as meat, beans, and cheese.

[c] A corn tortilla folded around a filling such as ground meat or cheese.

[d] A mashed avocado mixed with chopped tomatoes and onion.

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Chapter 21:

Patagonia's Fight for Public Lands: Brand Activism or a Marketing Play?

Syeda Tahera Sadia *and* Indu Perepu

> *"The national monuments under review are a critical part of our national heritage and these lands belong not just to us, but to future generations. We stand with the millions of Americans who spoke out in support of keeping protections in place for public lands. We hope Secretary Zinke will remember his roots and his words and protect these 'national treasures'."*[1]
>
> **– Rose Marcario, President and CEO, Patagonia**

On April 26, 2017, the President of the USA, Donald Trump (Trump), signed an executive order that would potentially affect the federally protected status of national monuments in the US, post Interior Secretary Ryan Zinke's[a] (Zinke) review of and visit to the monuments targeted for prospective reduction. This executive order asked for a review of the designations of monuments that made up 100,000 acres or more, thereby putting around 30 national monuments[b] in danger of losing their status *(Refer to Exhibit I for the list of National Monuments under review in the US).* On December 4, 2017, the President announced a sharp reduction in the size of two major national monuments, established by his predecessors, in Utah. This reduced the size of the 1.35 million acre Bears Ears National monument, created by President Barack Obama in 2016 just before he

[a] Ryan Keith Zinke is an American politician and businessman who is the 52nd United States Secretary of the Interior, serving in the Trump administration. Zinke served as the U.S. representative for Montana's at-large congressional district from 2015 until 2017.

[b] Named protected lands under the 1906 Antiquities Act,

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Chapter 22:

Pepsi's Kendall Jenner AD: Communication Gone Wrong

Syeda Tahera Sadia *and* Indu Perepu

> *"We talk a lot about drinking the cool aid but Pepsi is an example of an organization drinking too much of its own fizzy liquid."*[1]
>
> **– Andy Nairn, Founder of Lucky Generals[a]**

In April 2017, US-based multinational food and beverage company PepsiCo. Inc. (PepsiCo) launched a campaign titled 'Live for Now - Moments' in an attempt to portray its carbonated soft drink Pepsi as a millennial friendly brand. The protest themed advertisement with 21-year-old super model Kendall Jenner (Jenner) in it, however, faced a backlash, with several people criticizing it for its insensitive approach and for the improper execution of the message in the campaign. In the ad, Jenner was shown participating in a photo shoot and then joining up with protestors and approaching a cop with a can of Pepsi.

Critics took to social media to bash the ad as a sleazy attempt to co-opt political activism just to increase sales. Many Twitter users also criticized the ad for being tone deaf, saying it trivialized real-life protests where several people lost their lives.

The ad was also roasted badly for showing Pepsi as a solution to any major social or political issue. A user posted, *"So we should just give Putin & Assad & Trump a can of Pepsi & everything will be fine?"* Another posted, *"Shame on you @pepsi for such a tasteless ad."* Pepsi was also slammed for casting Jenner, who was considered a misfit in an

[a] Lucky Generals is a UK-based creative advertising agency.

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Chapter 23:

Building the LEGO Brand: Brick by Brick

Benudhar Sahu *and* Debapratim Purkayastha

> *"Lego is clearly rethinking its role, and migrating from a toy brand to a fully-fledged entertainment brand, while staying true to its DNA – and employing technology as a powerful means, not as a superfluous end."*[1]
>
> **– Rebecca Robins, a director at Interbrand[a], in 2015**

The LEGO Group (LEGO), a Denmark-based toy manufacturing company, was declared as the world's most powerful brand in 2015[2] by Brand Finance.[b] Its high quality products and services and accountability toward consumers created a unique brand identity for the company and established its higher brand equity around the world. It disrupted the global toy manufacturing industry as a distinct player by focusing on innovative technological developments around the brand. To cope with the growing demand of consumers around the world, LEGO continuously changed its strategy through product diversification, portfolio extension, and strategic partnerships. The brand reinvented itself from time to time to move ahead of the competitors and understand the customer wants better.

The enduring popularity and universal appeal of the brand enabled it to be selected by the *Forbes Magazine* as product of the 20th century that claimed to change people's lives. However, despite its strategic decisions of product intervention at regular intervals, some industry observers felt that LEGO had failed to cater to the requirement of children and this had adversely affected its brand reputation in the

[a] Founded in 1974, Interbrand is a US-based world's leading brand consultancy firm.

[b] Founded in 1996, Brand Finance is a leading independent brand valuation and strategy consultancy based in London.

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Chapter 24:

Monster: Reinventing the Energy Drink Market

Namratha V *Prasad and G* V Muralidhara

"The energy, the vibe… it's fun, it's a lifestyle, it's a brand (Monster) that can translate to the youth. There is so much that they connect with the youth and yet it's a brand that is respected in all of motorsports."[1]

– Kurt Thomas Busch, an American professional stock car racing driver sponsored by Monster Beverage Corp., in December 2016.

"If you're going to try to get ahead of the pack, in growth, in positioning, you have to be different. And to be different you've got to be creative and you've got to be ahead of the curve, which is a colloquial expression everybody uses, but you really need to come out with products that are different and do so ahead of the other people. And then what happens is that everybody copies very quickly, so you find yourself having to continue to innovate and be different."[2]

– Rodney Sacks, CEO of Monster Beverage Corp., in December 2007.

Introduction

In December 2016, Monster Beverage Corp. (Monster) signed a multiyear deal to be the title sponsor of NASCAR's[a] top stock-car racing[b]

[a] The National Association for Stock Car Auto Racing (NASCAR) is a US family-owned business venture that conducts over 1,500 auto-racing sports events at over 100 tracks across the US. Each of its sporting events draws 50,000 spectators or more and are often the weekend's most watched sporting event with several million TV viewers.

[b] Stock car racing is a form of automobile racing done primarily in the US and Canada. Drivers compete against each other by taking laps around an oval track, usually covering between 200 and 600 miles.

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Chapter 25:

Dove's 'Real Beauty Sketches' Campaign

Jayasri Bhimalapuram, Syeda Maseeha Qumer *and* Debapratim Purkayastha

In April 2013, UK-based consumer goods giant Unilever, Plc's global personal care brand Dove launched a global ad campaign 'Real Beauty Sketches'. The campaign went on to become one of the most watched online video ad campaigns of the year with over 163 million global views. It was also the most shared video ad in over a year with over 4 million shares across various online platforms *(See Exhibit I).* Commenting on the success of the campaign, Fernando Machado (Machado), Vice President of Dove Skin, said, *"The moment that the Dove Real Beauty Sketches film was uploaded to the Dove YouTube page, it quickly started to gain traction around the world with men, women, media, and even other brands sharing the film. The campaign evoked an emotional reaction in millions of people that inspired them to share the positive message with others. Beyond just the millions of views and publicity impressions, it is the outpouring of testimonials from around the world that are exciting us."*[1]

Dove was one of the biggest personal care brands of Unilever. The Dove Beauty Bar launched in 1957 was marketed as an alternative to soap. Over the years, Dove expanded its brand franchise in the women's personal care market to include antiperspirants, deodorants, body washes, beauty bars, lotions, moisturizers, hair care, and other related products. According to some industry observers, the Dove brand had changed the way women cared for their skin. Launched as part of Dove's 'Campaign for Real Beauty'[a], the three-minute ad campaign was

[a] In September 2004, Unilever launched a global campaign called "Campaign for Real Beauty" to challenge the stereotypes set by the beauty industry. The campaign featured regular women (non-models) who were beautiful in their own way and did not fit in with the idealized images of models, super-models, and celebrities. This campaign was a huge success as it was appreciated by many consumers and resulted in increased sales of Dove products.

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Chapter 26:

Bud Light Vs Miller Lite: Comparative Advertising and Question of Ethics

Koti Vinod Babu *and* Syeda Maseeha Qumer

Introduction

In 2016, US-based beer conglomerate MillerCoors (MillerCoors), which manufactured Miller Lite, a light beer, adopted an aggressive advertising strategy to take on rival beer brand Bud Light, owned by Belgium-based global brewing company Anheuser Busch InBev[a] (AB InBev). Released on October 2, 2016, the ad mocked Bud Light's tagline, 'Raise one to right now' as Miller Lite retorted, 'Bud Light says raise one to right now, so why not raise the right one,' before adding 'Miller Lite has more taste and half the carbs.' Talking about Miller Lite's strategy, MillerCoors Chief Marketing Officer, David Kroll, said he had tried to show a contrast between Miller Lite and Bud Light as MillerCoors talked about its beer while Bud Light *"has intensified its old approach of hiding behind sophomoric humor."*[1] He added, *"We are taking a more assertive stance."*[2]

The war for supremacy between these two brands started way back in 2002 when Miller Brewing Company (Miller Brewing), which owned the Miller Lite brand, launched comparative ads to take on the industry leader AB InBev and gain market share. The ads pitched Miller Lite as the low-carb alternative to Bud Light. The rivalry continued ever since. Over the years, the two brands were involved in mudslinging and aggressive comparative advertising in print and on television over attributes such as taste, formula, and origin. Industry observers felt

[a] Anheuser-Busch InBev is a multinational beverage and brewing company with global headquarters in Leuven, Belgium. Total revenue of AB InBev in 2015 was over US$43.6 billion.

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Chapter 27:

Johnson & Johnson and its Baby Powder Problem

Barnali Chakraborty *and* Debapratim Purkayastha

"It has been about 40 years since talc producers, the cosmetics industry, in general, and Johnson and Johnson, in particular, have been aware of a possible connection between cosmetic talc use and ovarian cancer."[1]

– Dr. Daniel Cramer, Professor of Gynecology and Reproductive Science at Brigham and Women's Hospital, in August 2016.

"For over 100 years, Johnson & Johnson has provided consumers with a safe choice for cosmetic powder products and we will continue to work hard to exceed consumer expectations and evolving product preferences." [2]

– Carol Goodrich, spokeswoman at Johnson & Johnson, in May 2016.

In May 2016, Johnson & Johnson (J&J) was ordered by a US jury to pay US$55 million to a woman who said that use of its talc-powder products for feminine hygiene had resulted in her developing ovarian cancer. According to her lawyers, the woman had been diagnosed with ovarian cancer and had had to undergo a hysterectomy and related surgeries. In her complaint, she accused J&J of failing for years to warn its consumers that talc, when used for feminine hygiene, was linked to an increased risk of ovarian cancer. Following a three-week trial in the Missouri state court, the plaintiff, Gloria Ristesund, was awarded US$5 million in compensatory damages and US$50 million in punitive damages. The same court had awarded a US$72 million jury award in February to the family of a woman who had died of ovarian cancer after years of using talc powder for feminine hygiene.[3]

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Chapter 28:

Russian River – A Craft Brewery: Building a Brand through Product Innovation

Namratha V Prasad *and* G V Muralidhara

"At Russian River, we don't have a mission statement. We don't want to get huge. We're not that type of company. Our vision and model, first and foremost, is good quality beer… whatever it takes."[1]

– Vinnie Cilurzo (Cilurzo), Co-Owner of Russian River Brewing Co., in 2016.

"For my money, Vinnie (Cilurzo) invented the American-style IPA. Today what we think of as an IPA is not the traditional English IPA. Hops have changed the taste and character. We had already used hops for aromatic characteristics, but the breakthrough was using American hops designed for bitterness."[2]

– Jim Koch, founder of Samuel Adams[a], in October 2015.

Introduction

It was mid-2016. The husband-wife duo of Vinnie Cilurzo (Cilurzo) and Natalie Cilurzo (Natalie) were in a dilemma. The popular US-based craft beer[b] company 'Russian River Brewing Co.' (RRBC) that they owned had been running successfully as a boutique winery with a limited production capacity. The company was known for its innovativeness and had won several awards over the years.

[a] Samuel Adams is the flagship beer brand of the Boston Beer Company founded in 1984. Based on sales in 2014, the Boston Beer Company is the second-largest craft brewery in the US.

[b] Craft beer is a beer made in a traditional or non-mechanized way at a small brewery.

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Chapter 29:

Nestlé India: Rebuilding the Brand

Syeda Tahera Sadia *and* Indu Perepu

> *"The Nestle we are building is for another 100 years. The actions for the next four years would certainly set the tone for the next few decades. The Nestle I would like people to know is for the purpose we stand for, which basically is to enable healthy and productive lives for our consumers in a framework where they'll like our products not only for taste dimensions but for the nutrition and health dimensions"*[1].
>
> **– Suresh Narayanan, Chairman & MD of Nestlé India**

In 2016, Nestlé India Limited (NIL)[2], launched nearly 35 products within a span of just six months, probably the maximum number of launches in a single window for the company. From 2015 onward, the company's top management had been focusing on reconstructing the Swiss company's Indian unit by expanding the company's portfolio. This was being done primarily to reduce the company's dependence on Maggi Noodles post the fiasco in 2015, when Maggi was banned in several states of the country, after it was found that the noodles had lead content beyond the permissible limit.

Nestlé was founded in 1866 by Henri Nestlé in Vevey, Switzerland, where its headquarters are located. Nestlé's Indian operations began in 1912, when it began trading as The Nestlé Anglo-Swiss Condensed Milk Company (Export) Limited. After India's independence in 1947, the economic policies of the Indian Government emphasized the need for local production. Nestlé responded by incorporating a company and setting up its first factory in 1961 at Moga, Punjab. From there, the company progressed to become one of the most reputed companies in India, with several brands spread across different segments.

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Chapter 30:

Freedom 251 Controversy: Smartphone at a Breakthrough Price

Benudhar Sahu *and* Trilochan Tripathy

On February 17, 2016, Ringing Bells Pvt. Ltd. (Ringing Bells), a Noida-based start-up, launched India's most affordable smartphone dubbed as 'Freedom 251' at a price of Rs.251 (less than US$4). With its promising price, the smartphone had the potential to disrupt India's smartphone market. However, after the highly publicized launch of the smartphone, the cheapest in the world, the company was caught up in a series of controversies. While the introduction of the device could revolutionize the smartphone scenario in India, analysts pointed out that its unsustainable price, ambiguity of design information in newspapers and on the website, and its weak communication with the media fuelled suspicion over the availability of the device in the market. Industry players questioned the viability of 'Freedom 251' at such a cheap price, its uncanny iPhone-like design, and its website glitches. Despite severe criticism and scrutiny from several quarters, Ringing Bells claimed that it would never close down the project and would keep its promise of delivering the handsets to customers within the stipulated time period.

Established in 2015, Ringing Bells was a little known smartphone company in India that claimed that it offered products of high quality and best-in-class features at an affordable price. With the launch of 'Freedom 251,' an Android mobile phone priced at Rs 251 ($3.67[1]), the company claimed that it aimed to further the Government of India's vision of 'Digital India."[2] Explaining how it was possible to price the smartphone so low, Ashok Kumar Chadha (Chadha), President of Ringing Bells, said while the manufacturing cost of the phone was around Rs 2,500, there was a unique business model by which the company could sell it at a price of Rs 251(*Refer to Exhibit I to know how*

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Chapter 31:

Corsodyl: Using Scare Tactics to Influence Consumer Behavior

Syeda Tahera Sadia *and* Indu Perepu

> *"The intention of the Corsodyl TV advertisement is to highlight how important it is not to ignore the early signs of gum disease. We aim to encourage consumers to re-appraise their oral care habits and treat their gum disease before tooth loss can become a reality."*[1]
>
> **– A GlaxoSmithKline Spokesperson**

Corsodyl, an oral care brand owned by British pharmaceutical company GlaxoSmithKline (GSK), had become known for its unnerving ad campaigns. Through these campaigns, GSK intended to highlight the results of ignoring the early signs of gum illness, which would eventually lead to tooth loss. Corsodyl repeatedly resorted to scare tactics to influence consumer behavior toward maintaining oral hygiene in general and using Corsodyl products in particular.

GlaxoSmithKline plc, a British pharmaceutical company headquartered in Brentford, London, was established in 2000, after a merger between Glaxo Wellcome plc and SmithKline Beecham plc. GSK, a science-led global healthcare company, was involved in researching and developing a wide range of innovative products in the three primary categories of pharmaceuticals, vaccines, and consumer healthcare. Corsodyl, one of GSK's prominent brands, offered a wide variety of oral care products ranging from mouthwashes, toothpastes, and oral spray, to mouth gel and toothbrushes. These were categorized under the 'Protect' and 'Treat' variants.

Corsodyl's variants contained the active ingredient chlorhexidine digluconate (CG), an antiseptic and disinfectant agent, proven to kill the micro-organisms associated with various mouth and throat infections

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Editor:
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Chapter 1:

Global Economic Impact of Coronavirus – Assessment and Mitigation (A)

Shwetha Kumari *and* G V Muralidhara

> *"This virus is as economically contagious as it is medically contagious. This one is economically big, because it is now hitting the big economies. The size of the economic shock is a different order of magnitude than any pandemic we have seen.*[1]
>
> **– Richard Baldwin, Professor of International Economics, the Graduate Institute in Geneva, March 9, 2020.**

"We envisage a slowdown in the global economy to under two per cent for this year, and that will probably cost in the order of $1 trillion, compared with what people were forecasting back in September," cautioned Richard Kozul-Wright, Director, Division on Globalization and Development Strategies at the United Nations Conference on Trade and Development (UNCTAD), on March 9, 2020.[2]

On December 31, 2019, China alerted the World Health Organization (WHO) to several cases of unusual pneumonia in Wuhan, a port city of 11 million people in the central Hubei province. The virus was unknown then. On January 7, 2020, Chinese officials declared they had identified a new virus, according to the WHO. The virus was named COVID-19 and was identified as belonging to the coronavirus family, which included the severe acute respiratory syndrome (SARS) virus and the common cold. By January 24, 2020, the death toll in China due to COVID-19 stood at 26, with the government reporting more than 830 infections. On January 26, the death toll rose to 56, with almost 2,000 cases confirmed even as travel restrictions were increased and Hong Kong closed its Disneyland and Ocean Park theme parks. By January 26, new cases were confirmed in the US, Taiwan, Thailand, Japan, and South Korea. The WHO declared coronavirus a

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Chapter 2:

Global Economic Impact of Coronavirus – Assessment and Mitigation (B)

Shwetha Kumari *and* G V Muralidhara

> *"I want to be optimistic and I want to say that the world will come together and we will come out of this eventually in a stronger, better form in terms of globalization. But I am worried at this point. We entered this crisis with a weakening appetite for globalization and for countries looking inward, and this crisis has accelerated that partly because of the nature of this crisis.*[1]
>
> **– Gita Gopinath, Chief Economist, IMF, May 21, 2020**

Introduction

On May 12, 2020, Indian Prime Minister Narendra Modi announced an economic stimulus package of $ 260 billion to help the country's economy tide over the COVID-19-induced crisis. Top United Nations (UN) economic experts hailed as 'impressive' the stimulus package, the largest till then among developing countries, which had been severely hit by lockdowns triggered by COVID-19. *"India's stimulus packages are very large. And also India has the domestic financial market and the large capacity to implement that large stimulus package,"* said the Chief of the Global Economic Monitoring Unit, Hamid Rashid, adding, the impact of the package would depend on the design of the stimulus.[2]

Global lockdowns in response to COVID-19 had resulted in economic turmoil worldwide, which was expected to lead to the worst downturn since the Great Depression in the 1930s. In the US alone, over 33 million workers had filed for unemployment since mid-March 2020, while the European Union had announced it was expecting a 7.4% contraction in its collective GDP for 2020. Further, the UN's

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Chapter 3:

Crude Oil Price in the US: Moving Towards Uncertainty

Benudhar Sahu *and* Indu Perepu

On April 20, 2020, the market prices of West Texas Intermediate[a] (WTI) crude oil turned negative for the first time in history, closing the day at US$-37.63 a barrel.[1] The price plunged due to a nationwide lockdown in the US to contain the COVID-19[b] outbreak that squeezed the demand for oil even as supply remained high. The COVID-19 pandemic and subsequent travel restrictions had compelled people to stay at home. As the pandemic brought the US economy to a standstill, refineries and airlines stopped buying oil due to lack of storage capacity. There was so much oil available in the country that American energy companies lacked sufficient space to store it. The overproduction of crude continued and there was almost no place left to store it. Fuel consumption across the globe also fell as people stayed at home due to the pandemic.

Besides the drop in demand, the oil industry was struggling due to a tussle among producers about reducing output. Although the Organization of the Petroleum Exporting Countries[c] (OPEC) and allies agreed to cut oil production earlier in April 2020, it was too late to prevent a massive oil glut as the storage capacity for oil had run out.

[a] West Texas Intermediate is one of the three benchmarks in oil pricing, the other two being Brent and Dubai. Crude WTI is the benchmark for US crude prices.

[b] COVID-19 is an infectious disease caused by the Coronavirus. The outbreak of the virus began in Wuhan, China, in December 2019. It then spread to the rest of the world, with the result that the World Health Organization declared it as a pandemic on March 11, 2020.

[c] OPEC is the 14-nation organization in charge of regulating world oil production.

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Chapter 4:

European Steel Industry: Impact of the Import Quota

Benudhar Sahu *and* Indu Perepu

On June 30, 2020, the European Union[a] (EU) announced that steel import quotas would go up by 3%[b] during the 12 months starting July 1, 2020.[1] The EU had introduced import curbs on steel in 2018 to prevent global shipments from being redirected to the European market after the US imposed a 25% steel tariff that discouraged many exporters from entering the US market.[2] The European steel industry was almost stagnant in 2019 due to multiple factors such as a cut in domestic production, persistent global overcapacity, growing imports, and weak demand from the manufacturing sector. The fall in European steel production compelled the manufacturers to place workers on short-time working hours or initiate temporary lay-offs. It resulted in a cut in new steel orders (down 70-75%),[3] resulting in the idling of steel plants and even the shutdown of a few.

The COVID-19 pandemic[c] had a massive impact on the steel sector across the world, and Europe was no exception. As of June 2020, the demand for steel in Europe had dropped by 50% since the start of the pandemic in March 2020,[4] triggering the fear that jobs could be lost and sales impacted adversely if more and more inexpensive steel was imported. In April 2020, the European Steel Association (Eurofer) requested the EU's executive arm in Brussels, the European

[a] The EU is a political and economic union of 27 member states that act as one economic unit in the world economy. Croatia became the 28th member of the union in 2013.

[b] Quotas were set at an average of imports during 2015-17 plus 5%.

[c] COVID-19 is an infectious disease caused by the coronavirus. The outbreak of the virus began in Wuhan, China, in December 2019. It then expanded to the rest of the world, with the result that it was declared as a pandemic on March 11, 2020, by the WHO.

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Chapter 5:

Proposed Federal Gasoline Tax: The US Government's Dilemma

Benudhar Sahu *and* Indu Perepu

On July 01, 2020, the tax on gas in California, one of the highest in the US, was increased to 50.5 cents per gallon, up from 47.3 cents per gallon as of June 2020.[1] The increase came after several months of lockdown due to the Covid-19[a] pandemic and related restrictions in the country that resulted in a decline in state and local tax revenue. On top of state taxes, drivers also had to pay federal fuel taxes at 18.4 cents per gallon for gas and 24.4 cents per gallon for diesel,[2] making it more expensive to fill the tank. However, the federal gas tax in the US had not been raised since 1993 despite the growing number of vehicles on the road and increasing transportation infrastructure needs. In February 2018, US President Donald John Trump (Trump) called for a 25-cent per gallon hike on the federal gas tax, which had remained unchanged for over the 25 years from 1993 to 2018.[3]

Trump said the money from increasing the gas tax would help fund the nation's infrastructure plans. For 25 years, the federal tax on gasoline had remained constant at 18.4 cents a gallon and 24.4 cents per gallon for diesel.[4] Trump's proposal to increase taxes on fuel gained momentum as several Party leaders and business associations felt that it was necessary to fund the country's infrastructure. Supporters of the gas tax hike remarked that since the gas tax had not been raised since 1993, there was an urgent need to consider it. Assuming the tax was hiked in 2018 it would generate government revenue of US$39 billion

[a] COVID-19 is an infectious disease caused by the coronavirus. The virus outbreak originated in Wuhan, China, in December 2019. It then expanded to the rest of the world, with the result that it was declared a pandemic by the WHO on March 11, 2020.

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Chapter 6:

‘The World’s Factory’: Can China sustain its Status amid the COVID-19 Turmoil?

Shwetha Kumari *and* G V Muralidhara

Introduction

“I don’t think China’s role as a major source of manufacturing is going to be eliminated. They will continue to be so, maybe at a somewhat lower level, maybe in certain industries less. There will be changes, but overall, the structure would persist,” said Morris Cohen (Cohen), professor of Operations, Information and Decisions at The Wharton School, on April 27, 2020. China emerged as the central player in global supply chains over the two decades from 2000 to 2020 as Western companies set up major operations in the Asian economic powerhouse to minimize costs and to cater to the world’s most populated country. The country accounted for almost 20% of global (gross domestic product (GDP) as of mid-2020, due to the staggering rise in foreign investments. According to a survey by a German firm, four in every five major companies relied on Chinese suppliers.

Many factors had contributed to making China ‘The World’s Factory.’ In addition to its low labour costs, strong business ecosystem, low taxes and duties, and competitive currency practices had made China as the manufacturing hub. Further, China’s business ecosystem of networked suppliers, component manufacturers, and distributors had evolved to make it a more efficient and cost-effective place to manufacture products. While Western manufacturers complied with various health, safety, employment, and environmental regulations, Chinese manufacturers generally operated under a much more permissive regulatory environment. China had often been accused of artificially depressing the value of its currency in order to keep the price of its goods lower. Since the COVID-19 pandemic first emerged in

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Chapter 7:

Huawei – Caught in the Crosshairs of the US-China Trade War?

Anil Anirudhan *and* Sanjib Dutta

"Following US sanctions against Huawei and updated technical advice from our cyber experts, the government has decided it necessary to ban Huawei from our 5G networks. No new kit is to be added from January 2021, and UK 5G networks will be Huawei free by the end of 2027. This decisive move provides the industry with the clarity and certainty it needs to get on with delivering 5G across the UK,"[1]

– Oliver Dowden, Secretary of State for Digital, Culture, Media, and Sport, UK Government July 2020.

"We would never compromise or harm any country, organization, or individual, especially when it comes to cyber-security and user privacy protection."[2]

– Press release, Huawei Technologies Co., July 14, 2020.

"The tide is turning against Huawei as citizens around the world are waking up to the danger of the Chinese Communist Party's surveillance state."[3]

– Mike Pompeo, US Secretary of State, July, 2020.

Introduction

On July 14, 2020, Oliver Dowden (Dowden), UK Secretary of State for Digital, Culture, Media, and Sport, announced that telecom companies in the UK were barred from purchasing new 5G equipment from the Chinese company Huawei Technologies Co. (Huawei) from January 2021.[4] As part of the ban, the UK Government also instructed the telecom companies to completely remove already installed 5G equipment from Huawei from their mobile networks by the end of 2027.

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Chapter 8:

Tesla in China

Benudhar Sahu *and* Debapratim Purkayastha

Just when it was looking as if Tesla, Inc. (Tesla) had finally cracked the Chinese market, the automaker found itself a victim of the unrelenting trade tensions between the US and China. Tesla had entered China in 2013, at a time when the demand for electric vehicles (EVs) in the country was soaring as a result of the government's plans to entirely phase out internal combustion engines. China soon became the second biggest market for Tesla, but this was before its deliveries in the country were hurt by China's imposing import duty on American-made cars in retaliation to US tariffs on Chinese goods. The automaker reported a shrinking share in China sales in 2018 and 2019, as the US and China kept imposing tit-for tat-tariffs.

Tesla's highly visible CEO, Elon Musk (Musk), and its China chief, Tom Zhu (Zhu), had the onerous task of navigating the company back to growth in these tough times. Musk described China as a *"wild card"* in the company's future. In July 2018, Tesla committed to starting a manufacturing plant in Shanghai which would eventually manufacture 500,000 cars a year. China too needed Tesla to realize its dream of global dominance in EVs, as annual EV sales in the country were expected to reach nearly 5.5 million units by 2025.[1]

As Sino-US trade tensions escalated, investors' concerns over Tesla's future and its ability to turn a profit sent Tesla's stock plunging. In May 2019, when China levied 25% tariffs on American imports in response to the US government's 25% tariff on Chinese imports, Tesla share price fell sharply by as much as 6.3%. The frequent changes in tariffs, exchange rates, and other economic factors forced Tesla to revise its prices in China multiple times, leaving prospective customers in a quandary.

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Chapter 9:

Fast Tracking Indian Economy: A Challenging Task Ahead

Shwetha Kumari *and* G V Muralidhara

Introduction

On November 08, 2019, global rating agency Moody's Investors Service (Moody) cut India's outlook from 'stable' to 'negative', in a reflection of the increasing risks to the country's economic growth and the government's failure to address long-standing economic and institutional weaknesses.[1] With this, Moody's joined a growing list of global agencies that had had cut its estimate for India's growth to 6.1% from 7% projected in July 2019, calling on the country to use monetary policy and broad-based structural reforms to address cyclical weakness and strengthen confidence. The World Bank also slashed the country's economic growth forecast to 6% from 7.5% while the Asian Development Bank (ADB) cut down India's growth outlook to 6.5% from 7.2 for the fiscal year 2019-2020.[2]

Several renowned economists also cautioned the Indian government and expressed concern about the grim situation the Indian economy was facing. Economists at the State Bank of India[a] (SBI), Nomura Holdings Inc[b]., and Capital Economics Ltd.[c] lowered their growth forecasts for the quarter ended September 2019 to between 4.2% and

[a] The State Bank of India is an Indian multinational, public sector banking and financial services statutory body.

[b] Nomura Holdings, Inc. is a Japanese financial holding company and a principal member of the Nomura Group.

[c] UK-based Capital Economics is one of the leading independent economic research companies in the world.

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Chapter 10:

Electricity Sector in India: Coping with Changes in Demand and Supply

Benudhar Sahu *and* Indu Perepu

On April 02, 2020, India's electricity power demand dropped by 43 Gigawatts to 125.81 Gigawatts compared to the same day the previous year, amid a nationwide lockdown to contain the Covid-19[a] outbreak in the country.[1] Over the years, India's power sector had undergone significant changes to meet the increasing demand for power after the Government took measures to promote investment in the sector to hike power generation in the country. In 2018, the power demand in the country witnessed the fastest pace of growth since 2013. But it failed to maintain a similar pace in 2019. While power consumption rose at 1.1% in 2019, it was the slowest pace of growth since 2013.[2] Power demand in the country dropped for the fifth straight month in December 2019. On the supply side, conventional sources of energy witnessed a growth of 1.15% during the seven months of the financial year 2020 (April 2019 to October 2019)[3]. The growth was the slowest compared to the previous five years. Power supply continued to fall in December 2019[b]. Analysts said the key indicators of the health of India's power sector, like demand and supply of power, painted a worrisome picture fueled by the economic slowdown. Some of the factors that impacted the power sector in the country were lower demand from the industrial sector, financial stress in the sector, energy efficiency measures, and the impact of the monsoon.

[a] COVID-19 is an infectious disease caused by the coronavirus. The outbreak of the virus began in Wuhan, China, in December 2019. It spread to the rest of the world, and was declared a pandemic by WHO on March 11, 2020.

[b] At a slower pace compared to the previous two months – in October 2019 it fell by 12.8% and in November 2019 by 4.2%

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Chapter 11:

India's "JAM Trinity" – Enabling Direct Transfer of Government Subsidies to the Masses

Anil Anirudhan *and* Sanjib Dutta

"In an analog world, government benefits reached poor people through an inefficient network of intermediaries. In a digital world powered by the JAM trinity, the government can reach people directly – and people can reach back."[1]

– Arshi Aadil, Manager – Government and Social Impact, Microsave Consulting, India – in September 2019.

"The JAM social revolution offers substantial benefits for the government, the economy and especially the poor. The poor will have access to financial services and be cushioned against life's major shocks. Government finances will be improved because of the reduced subsidy burden; at the same time, government will also be legitimised and strengthened because it can transfer resources to citizens faster and more reliably and with less leakage,"[2]

– Arun Jaitley, Former Finance Minister, Government of India – in August 2017.

"A single-minded focus on high-tech cash transfers as a foundation for social policy in India is fraught with dangers."

– Jean Dreze, Development Economist and Ex-Advisor, Government of India – in November 2015.

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Chapter 12:

A Comparison of GDP Per Capita of India and Bangladesh

Benudhar Sahu *and* Indu Perepu

On November 17, 2020, American brokerage firm Goldman Sachs revised its growth forecast for India upward to a 10.3% contraction in the financial year 2020-21 from the contraction of 14.8% it had projected in September 2020.[1] The investment bank projected India's Gross Domestic Product (GDP) to rebound to 13% in the financial year 2021-22.[2]

In October 2020, the International Monetary Fund[a] (IMF) had projected that India's per capita GDP, which was at US$1,877, would drop below the per capita GDP of Bangladesh, which was at US$1,888[3] as the Indian economy was projected to contract by a massive 10.53% in 2020. IMF said Bangladesh's economy would grow by 4% in 2020,[4] which would make Bangladesh one of the very few countries globally to avoid an economic growth contraction amidst the COVID-19 pandemic. According to IMF's forecast, India would experience the biggest contraction among major emerging markets in the wake of the pandemic. While both the economies had been impacted by the pandemic, the impact on India was far greater than on Bangladesh. Even before the pandemic, Bangladesh had maintained a steady pace of growth over the last decade (2010-2020) with its focus on low-skilled labor exports. The country's export-led growth enabled it to catch up with India in per capita terms. Despite the pandemic, Bangladesh's economy continued to grow and the country emerged as a South Asian economic powerhouse. Bangladesh's robust agriculture production and remittance stood testimony to the country's

[a] IMF is a US-based international organization that promotes global economic growth and financial stability, encourages international trade, and reduces poverty.

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Chapter 13:

India's 'Farm Bills 2020' – Boon or Bane for the Farmers?

Anil Anirudhan *and* Sanjib Dutta

"They (Central Government) want amendment in them (Farm Laws 2020) but we want these laws to be repealed. We don't want changes. We will end our protest only when these laws are withdrawn. Like the government brought the three bills, they should also bring a bill on the MSP."[1]

– Rakesh Tikait, Union Leader, Bharatiya Kisan Union, India in December 2020.

"The Farm Bills will definitely create tailwinds for agritech startups. Anyone working on market linkages, post-harvest services, or digital farmer platforms will benefit from the new laws, which enable direct interfacing with farmers. The Bills take much of the regulatory uncertainty in the agri value chain away, and agritech startups will be more nimble-footed than large agribusinesses in building farm-sourcing systems and related infrastructure."[2]

– Mark Kahn, Managing Partner, Omnivore Capital Management Advisors Pvt. Ltd. India – in October 2020.

"The Government is ready to consider with an open mind any provision in the new laws where farmers have any issues and we want to clarify all their apprehensions."[3]

– Narender Singh Tomar, Union Agriculture Minister, Government of India, in December 2020.

Introduction

On November 30, 2020, more than 300,000 farmers from the states of Punjab and Haryana in North Western India marched to New Delhi, the capital city of India, and set up camps to block the roads that

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Chapter 14:

The Indian Cement Industry Cartelization: A Bumpy Ride Ahead?

Koti Vinod Babu *and* Namratha V Prasad

> *"Infrastructure and housing sectors are enablers of economic growth and cement is a basic input. The cement industry, however, indulges in cartelization for profiteering."*[1]
>
> **– Mu. Moahan, president of Builders Association of India, in November 2020.**

In November 2020, the Builders Association of India (BAI)[a] urged the Indian Prime Minister (PM), Narendra Modi (Modi), to establish a cement regulatory authority for the sector to restrain cartelization[b] and undue profiteering by producers. In a letter to the PM, Mu. Moahan (Moahan), President of BAI, stated that such an authority would stop manufacturers from indulging in unethical trade practices, which had been causing severe damage to the country's economic growth and hurting the interests of the construction industry.

The letter by BAI mentioned that cement companies had reported production levels that were much less than capacity since 2017. The letter further said, *"This shows that the cement manufacturers are*

[a] The Builders' Association of India (BAI), founded in 1941, is the apex body of the Construction Industry with more than 20,000 business entities as members through its 200 branches throughout the country. It was established to promote unity, co-operation, and mutual trust among builders and to eliminate unhealthy competition among the contractor fraternity.

[b] A cartel is a collection of independent businesses or organizations that collude in order to manipulate the price of a product or service. Cartels are competitors in the same industry and seek to reduce that competition by controlling the price in agreement with one another. When all the manufacturers increase the price simultaneously, customers have no choice but to buy the product.

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Chapter 15:

Disinvestment of Bharat Petroleum Corporation of India

Nagendra Kumar M V *and* Indu Perepu

Introduction

In November 2019, the Government of India (GoI) announced that it was selling 53.98% of its stake in India's second largest fuel retailer, Bharat Petroleum Corporation of India (BPCL), to a strategic investor. This was part of the disinvestment target fixed by the GoI for the fiscal year 2020-21. The GoI had fixed a disinvestment target of Rs. 2.1 trillion to be raised from the disinvestment proceedings of select Public Sector Enterprises (PSEs) to meet the fiscal deficit of the budget for the year 2020-21. These PSEs included the Shipping Corporation of India[a] (63.75% stake), Container Corporation of India[b] (30.8%), Tehri Hydro Development Corporation India Ltd[c] (74.23%), and North Eastern Electric Power Corporation Limited[d] (100%).

[a] Shipping Corporation of India is a state-owned public sector undertaking headquartered in Mumbai, Maharastra, India. It was founded in the year 1950. It was primarily engaged in the business of managing shipping vessels both domestically and internationally.

[b] Container Corporation of India is a state-owned public sector undertaking headquartered in New Delhi, India. It operates under the management control of Ministry of Railways. It was incorporated in the year 1988. It was primarily engaged in the business of transportation through containers and manages seven inland container depots through railways. It was engaged in international operations and was also involved in the management of network container transportation rail and road transport.

[c] THDC India limited is a wholly-owned subsidiary of National Thermal Power Corporation (a Government of India enterprise). It was formed in the year 1988. It was electricity utility company formed for the purpose of maintaining Tehri Hydro Power Projects. It is a Mini Ratna Category-1 company of the Government of India.

[d] North Eastern Electric Power Corporation is a wholly-owned subsidiary of National Thermal Power Corporation (A Government of India) formed in the North Eastern Region of India to manage and control the power generation in the North Eastern Part of the country. It was formed in the year 1976.

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Chapter 16:

Indian Foreign Trade Deficit during COVID-19

Benudhar Sahu *and* Indu Perepu

In February 2021, India's exports registered a 0.67% year-on-year increase to US$27.93 billion while imports grew 6.96% year-on-year to US$40.54 billion,[1] India's trade suffered due to the country-wide lockdown that began on March 25, 2020, to contain the spread of the COVID-19 virus. The Indian economy was also hit hard by the pandemic-driven global economic crisis. During the financial year 2019-20, the country's exports fell 4.8% year-over-year to US$314.3 billion while imports declined 9.1% year-over-year to US$467.2 billion, leading to a trade deficit of US$152.9 billion.[2] In March 2020, India's merchandise exports slumped 34.22% to US$21.41 billion while imports declined 28.26% to US$31.16 billion compared to the same month the previous year as countries sealed their borders to combat the COVID-19 outbreak.[3] Sharad Kumar Saraf (Saraf), president, Federation of Indian Export Organizations[a] (FIEO), said India's trade was severely impacted due to cancellation of over 50% of orders, a gloomy forecast, major job losses, and growing bad loans among exporting houses.[4].

While the country's overall trade balance turned positive in April and May 2020, imports (both merchandise and service) fell drastically due to a drop in domestic demand amid the pandemic. During April-January of the financial year 2021, the cumulative value of the country's exports fell 13.58% year-on-year to US$228.25 billion while

[a] FIEO is the apex trade promotion organization in India, responsible for representing and assisting Indian entrepreneurs and exporters in foreign markets.

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Chapter 17:

PLI Scheme: A Recipe to Boost India's Food Processing Industry

Benudhar Sahu *and* Indu Perepu

On March 31, 2021, the Government of India (GoI) approved a production-linked incentive (PLI) scheme for the food processing industry with an outlay of Rs.109 billion.[1] The government had announced the PLI Scheme earlier that month with the objective of boosting domestic manufacturing and cutting down on import bills. The scheme aimed to give companies incentives based on incremental sales from products manufactured in domestic units. It not only encouraged domestic companies to set up business units or expand their existing manufacturing capacities, but also invited foreign companies to invest and set up food processing units in the country.

The production-linked incentive scheme for the food processing industry (PLISFPI) was to be implemented over six years (2021-22 to 2026-27), with the aim of creating global food manufacturing champions in the country and supporting Indian food product brands in the global markets. The scheme was expected to create 0.25 million jobs by the end of the year 2026-27, boost exports, encourage investments, and facilitate the expansion of food processing capacity to generate processed food worth Rs.334.94 billion in the sixth year (2026-27).[2] Under the scheme, incentive was linked to local production and sale of products and the companies would be rewarded with incentives if they undertook a minimum prescribed investment in plant and machinery in the initial two years.

Being a sunrise sector,[a] the food processing sector had immense potential to absorb the labor force in the country, analysts said. They

[a] Sunrise sector is a sector that grows fast and is expected to become important in the future.

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Chapter 18:

Reliance Jio: Marching toward Monopoly

Benudhar Sahu *and* Indu Perepu

In July 2019, Indian telecommunications company Reliance Jio Infocomm Limited (popularly known as Jio) overtook its rival Vodafone Idea Limited (Vodafone Idea) in terms of operating revenue to become India's leading telecom operator.[1] In less than three years of its launch, Jio emerged as the leading telecom service provider in India, offering unlimited voice calling and data benefits that lured customers.

Jio disrupted the Indian telecom market with its cheap tariff plans, which fundamentally transformed the market. With its growing popularity, competitors faced financial turmoil on the one hand and rapid loss of customers on the other. To counter Jio's aggressive growth, the Indian telecom industry witnessed massive consolidation that left smaller telcos with no choice but to either merge with their competitors or exit the sector. As a result, Idea Cellular Ltd.[a] and Vodafone India[b] merged to create the country's largest telecom firm; small companies like Telenor ASA[c] exited the market.

As of 2019, apart from Jio there were two large private telecom players – Vodafone Idea and Bharati Airtel Limited (Airtel). These two companies were facing shrinking revenue, mounting quarterly losses, and high debt in the September quarter of 2019. The companies, whose very survival was at stake due to Jio's growing popularity, were taken aback when in October 2019 the Supreme Court (SC) of India gave a

[a] Idea is an Indian mobile services operator that offers 2G, 3G, and 4G services, and has its own NLD and ILD operations and ISP license.

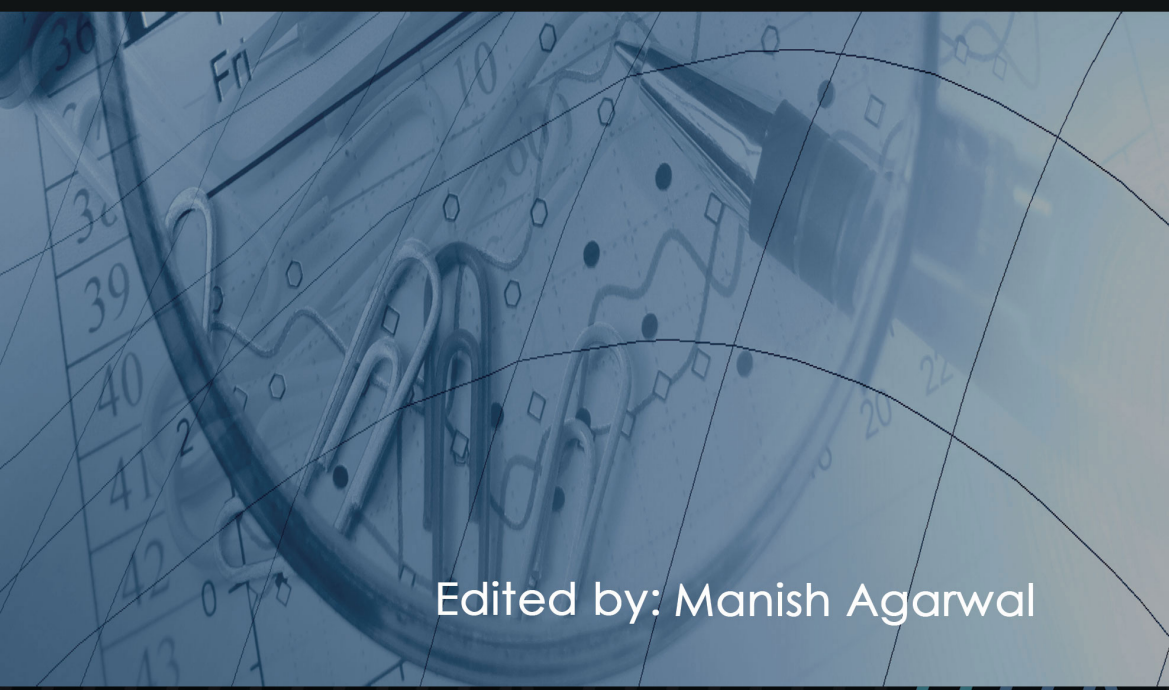
[b] Vodafone India, the Indian subsidiary of UK-based Vodafone Group plc, provides telecommunications services in India.

[c] Telenor is a Norwegian multinational telecommunications company with worldwide operations, focusing in Scandinavia, Eastern Europe, and Asia.

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Corporate Finance



Edited by: Manish Agarwal

Corporate Finance

Editor:
Manish Agarwal

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Chapter 1:

Unilever Limited: Transforming the Finance 'Function'

Fareeda *and* D Satish

> *"Top performing businesses have top performing finance functions, but few finance functions are top performing."*
>
> **- Scott Parker, Head of Financial Management, KPMG LLP (UK)**

In an era of globalisation, increasing economic pressures and stringent regulatory norms, the role of finance function is becoming much broader than ever before. The head of finance function, the Chief Financial Officer (CFO) has become the strategic business partner to CEO and is playing a leading role in company's decision-making process. In this context, the finance function is all the more important especially in conglomerate and multinational companies. Unilever Ltd. is one such company that has a highly diversified geographical presence and wide financial operations.

Role of Finance Function - Interface of Finance Function with other Functions

In the rapidly changing business world, many CEOs are realising that achieving organisational objectives becomes impossible without the active support of finance function. It is obvious that finance function is one of the driving forces of an organisation. Irrespective of a firm's size and scale, finance forms basis for all economic activities. As it is a scarce resource, optimum utilisation of finance is necessary and any mismanagement of such resources can prove disastrous for the company.

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Chapter 2:

Infosys and Satyam Computers: Whose Wealth is Maximised?

Fareeda *and* D Satish

> *"The founders of Infosys emphasised on how much wealth it could create for its stakeholders - its customers, shareholders and employees."*[1]
>
> **- Tarun Das, Chief Mentor,**
> **Confederation of Indian Industries (CII)**

> *"Creating shareholder wealth is integral to our values. We try to meet expectations, maximise shareholder returns and give them the best possible information to evaluate us."*[2]
>
> **- B. Ramalinga Raju, Founder and Former Chairman,**
> **Satyam Computers**

What is the primary responsibility of a company? Shareholders' wealth maximisation. What is the primary responsibility of a CEO? To ensure that shareholders' wealth is maximised by leading and navigating the company through the market dynamics. What is the responsibility of a CFO? Does any one out there know for sure? CFO is the money boss in any company. However, what intrigues everyone is: how few CFOs are able to generate far superior returns while many other CFOs fall wayward? What defines the roles and responsibilities of a CFO? For want of a clear definition of roles and responsibilities, a careful examination of roles played by two CFOs at two different Indian IT companies - Infosys and Satyam Computers might just do the needful. At the end of the description, one is intrigued with a simple yet powerful question: How was it that Infosys CFO could generate better returns for the company than his counterpart at Satyam Computers?

Any listed company is responsible to maximise the returns of its shareholders through its operations and earn good reputation. Maximising investors' returns has become a factor of competitive

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Chapter 3:

Financial Statement Analysis of Tata Consultancy Services Limited

S Vijaya Lakshmi

> *"Financial statement analysis identifies aspects of financial statements that are relevant to investment decisions."*[1]
>
> **– J. A. Ou and S. H. Penman, in 1989**
>
> *"Financial statement analysis is ubiquitous and involves a wide variety of ratios and a wide variety of users, including trade suppliers, banks, credit rating agencies, investors and management, among others."*[2]
>
> **– W. H. Beaver, M. Correia, and M. F. McNichols, in 2011**

Introduction

It was April 10, 2019, Amit Basin (Amit), an analyst with Silver Oak Research (Silver Oak), a financial service provider based in Mumbai, India, was in his cabin waiting for Akanksha Garg (Akanksha), an intern from one of the leading business schools in India. On April 9, Amit had been given the task of evaluating the Indian IT industry and submitting a report by the end of the month. Amit was a little concerned about completing the work on time as one-third of the month had already elapsed. He thought of taking Akanksha's help to complete the work within the given timeframe. Amit had identified the top five Indian IT companies[a] based on revenues and when Akanksha arrived, he asked her to start with TCS and send in her report by Friday, April

[a] In 2019, the top five IT companies in India were TCS, Infosys, Wipro, HCL Technologies, and Tech Mahindra.

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Chapter 4:

Cash Flow Classification and Analysis for Decision Making

Nagendra Kumar M V *and* Indu Perepu

Introduction

Amit had successfully run his café *business "Amit Traditional Hot Beverages (ATHB)"* for three months. It was the start of a new financial year (2019-20) and he was doing short-term planning for another three months. He had a fixed deposit account that he had maintained for ATHB and he withdrew the money from that and placed it in the current account (The total amount withdrawn included interest of Rs.5,000). In addition, he also introduced another Rs. 500,000 into the business and placed that amount in government bonds that were encashable to their full value at any point of time.

Amit was confident about improving sales margins over the next three months and he asked the Supervisor and mentor of the food making and serving section at ATHB, Rama Rao (Rao), to make preparations accordingly. Amit wanted an improvement of 10% in sales margins every month for the next three months.

Besides, he also wanted to gain contracts to supply tea/coffee and snacks to offices located in the areas surrounding the café. He planned to incur an additional expenditure of Rs. 50,000 on advertising and marketing.

But before going ahead with his idea, Amit wanted to know the actual cash balance lying with him and then take a decision on managing the expenses depending on the expected sales margins.

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Chapter 5:

ABC Wealth Advisors

Swapna Pragada *and* D Satish

"A bird in hand is worth two in the bush", is a famous adage applicable aptly to the concept of time value of money. Value of money today is more than the value of money tomorrow. One would opt to invest money today, as there would be substantial return for it in the future. It is also because the value for money in the present is more than its future value. As such, everyone considers the time value of money for making investment decisions. Recently, many consulting firms came into being to advise people on the best investment options. One such firm is ABC Wealth Advisors, a wealth management and personal financial planning firm that advises on various investment options, taking into account the time value of money.

ABC Wealth Advisors: Client Portfolio

ABC Wealth Advisors has many departments of which one is the personal finance-planning department. It advises its clients on various ways of investing their money in order to maximise their returns and save for future needs/expenditures. John Hardy (John) j oined the department 3 years ago as a consultant and is now the head of the department. As per his daily routine, he checks out his appointments diary the previous evening to analyse different clients' needs and be ready with appropriate solutions when he meets the clients personally, the next day. The client list for one particular day is as follows:

The first client who has an appointment with John is Anirudh, a college student. He had won a prize amount of INR 10,000 in a quiz competition. He wants to invest the amount for a period of 5 years so that he can use the amount from the investment for joining a computer course. He wants to know the amount he would receive at the end of the tenure in order to meet his expenses.

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Chapter 6:

Selecting Assets: Silver Oak Research's Risk-return Dilemmas

Manish Agarwal *and* D Satish

> *"So many people are infatuated with the equity markets, but to earn that return you'd have to accept a lot of risk."*[1]
>
> **– John Puchalla, Senior Economist at Moody[a]**
>
> *"Assets with higher returns invariably carry with them stomach-churning risk, and safe assets almost always have lower return."*[2]
>
> **– William J. Bernstein, American Financial Theorist**

Rohit Kumar (Rohit), senior research analyst at Silver Oak Research (Silver Oak), was crestfallen after receiving a public admonition. V. Tirthankar Rao (Rao), head of Equity Research, had taken serious objection to Rohit's risk-return trade-off analysis for a client seeking long-term growth across several capital market instruments. *"The analysis was not only misplaced but totally miscued with the assumptions going completely haywire",* Rao told Rohit sharply.

Rohit had been a star performer in the team, having had six promotions over the last 3 years. What went wrong with Rohit's risk-return trade-off analysis and how can Rohit salvage his reputation?

[a] Moody based in New York, is one of the leading credit rating agencies in the world.

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Chapter 7:

Cost of Equity: A CAPM Approach

Manish Agarwal *and* and D Satish

In the second week of the Financial Year (FY) 2010, Prashant Shah (Prashant), the fund manager at ABC Assets Management Company (ABC Assets), was in his office considering a new strategy for the current year. ABC Assets, which had a total corpus size of INR 25,000 million at the end of FY09, had grown tremendously under the financial expertise of Prashant since 1999. Amit Sethi (Amit), founder chairman of the company, was quite impressed with the investment style of Prashant.

ABC Assets: Managing Assets Efficiently

Amit set up ABC Assets in the late 1980s at Mumbai, the financial capital of India, with an investment of INR 2 million. For the first 5 years, he struggled a lotto develop client base. However, the stock market boom that started in 2004 helped him to generate stunning returns for his clients. After that, the company never turned back and grew at the Compound Annual Growth Rate (CAGR) of 30% in two decades. He always focused on clientele relationship and objectives of the clients. He believed in active investment in mid-and small-cap stock. Initially, Amit used to invest in five to eight industries. However, he gradually began to concentrate on just three to four industries.

Till late '90s, Amit was completely involved in managing fund. However, to give more attention to corporate and business strategy (especially expansion plan of ABC Assets in other countries, such as Dubai, Malaysia and Nepal), Amit employed the young and talented Prashant as his fund manager. Prashant had earlier worked as an associate vice president and assistant fund manager, Equities, at a reported international bank with huge investment banking expertise and exposure. He believes in diversifying fund in index stocks, while keeping

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Chapter 8:

Weighted Average Cost of Capital for Shree Cement Limited

Manish Agarwal and Sangram Keshari Jena

> *"The weighted average cost of capital is a widely used concept in the theoretical literature of finance as well as in the analysis of capital expenditures of business firms. The importance of the concept derives from its use as the cutoff point for investment in capital projects and as an indicator of optimal capital structure."*[1]
>
> **– Raymond R. Reilly and William E. Wecker, 1973**

Introduction

"Good evening, all of you," said Dr. John Martin (Martin), Professor of Finance, to the first-year MBA students chit-chatting in the corridor leading to the campus library at Alien Business School, Mumbai. For a few seconds, the corridor echoed with the voices of the students greeting the Professor, who was one of the popular faculty members in college. *"Professor, we are going to have a discussion on the basic concepts of finance in preparation for the upcoming finance class. Would you like to join us?"* asked Ritu. *"Oh, great!"* replied Martin. *"By the way, which concepts have you picked for discussion?" "Cost of capital,"* replied Hina. *"Okay, fine. We will discuss it in the reading room,"* said Martin. Minutes later, around 10 students and the professor were in the reading room next to the campus library, ready to discuss the concept of cost of capital.

"Professor, are cost of capital and cost of equity the same?" Harsh set the ball rolling. *"It depends on the structure of the capital. If the capital is financed only through equity, then the cost of equity will be equal to the cost of capital. Otherwise not,"* said Martin. *"Does this mean*

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Chapter 9:

Financial Feasibility Analysis of Shale Gas Extraction

V D M V Lakshmi, Garima Sisodia *and* Manish Agarwal

> *"Everything is always feasible if you run a corporate finance exercise: you can always try to come out with a justification on how things could work. But the real issue is to say how do you translate that into practice."*[1]
>
> **– Sergio Pietro Ermotti, CEO, UBS Group AG**

Introduction

It was early August 2019 and like on any other working day, Sumit Asthana (Asthana), Chief Executive Officer (CEO), Petro India Limited (PIL) – one of the leading oil and gas companies in India, came home around 9 p.m. after a hectic day at the office and turned on the TV to relax. Coincidentally, one of the leading news channels was airing a program titled *"Shale Gas*[a]*– Need of the Hour."*

The channel reported that at the World Economic Forum[b] meetings, major discussion points of late were the faster depletion of conventional oil and gas sources, the problem of greenhouse gases, and the need for non-conventional sources of energy to meet the increasing energy requirements around the globe. According to the news channel,

[a] Shale gas is a natural gas that is extracted from rocks by hydraulic fracturing, which involves pumping of sand and huge amounts of water into rock to extract gas.

[b] The World Economic Forum is an international organization for public private cooperation established as a not-for-profit foundation in 1971 in Geneva, Switzerland. It engages leaders around the world to shape global, regional, and industry agendas by acting as an independent forum.

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Chapter 10:

Risk Analysis of Shale Gas Extraction Project♦

Garima Sisodia, V D M V Lakshmi *and* Manish Agarwal

> *"Of all the decisions that business executives must make, none is more challenging – and none has received more attention – than choosing among alternative capital investment opportunities. What makes this kind of decision so demanding, of course, is not the problem of projecting return on investment under any given set of assumptions. The difficulty is in the assumptions and in their impact. Each assumption involves its own degree – often a high degree – of uncertainty; and, taken together, these combined uncertainties can multiply into a total uncertainty of critical proportions."*[1]
>
> **– David Bendel Hertz, Researcher and Academic, September 1979**

In August 2019, while doing a financial feasibility analysis of Shale Gas Extraction at Petro India Limited (PIL)[a], Animesh Shah (Animesh), Chief Financial Officer (CFO) of PIL, presented the inputs *(Refer to Exhibit I)* required for estimating the cash flows and ascertaining the viability of shale gas extraction project to his CEO, Sumit Asthana (Asthana).

♦ This case is a continuation of the case titled *'Financial Feasibility Analysis of Shale Gas Extraction'* Case Code FCF0027 published by the www.ibscdc.org.

[a] For more details refer to the case titled 'Financial Feasibility Analysis of Shale Gas Extraction' case code FCF0027 published by www.ibscdc.org. Some of the inputs have been modified here as the focus of this case is on risk analysis techniques in capital budgeting.

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Chapter 11:

The SBI Card IPO

Manish Agarwal *and* Sanjib Dutta

> *"We have performed very consistently in terms of top line and bottom line. Both things have ensured that we have a very consistent performance against some kind of a one-off performance than one would see. If you look at our RoA and ROE since 2017, we have been consistently performing at 4 percent and 28 percent."*[1]
>
> **– Hardayal Prasad, MD and CEO, SBI Card, March 2020.**

Introduction

On March 16, 2020, SBI Cards and Payment Services Limited (SBI Card), the second-largest credit card issuer in India and a subsidiary of State Bank of India[a] (SBI), was listed on the stock exchange and became the first-ever Indian credit card company to be listed. At the National Stock Exchange (NSE), SBI Card debuted at Rs. 661 per share and traded in the range of Rs. 656-755. By the end of the day, it closed (adjusted) at Rs. 680.14. This was 9.92% down against the Initial Public Offer (IPO) price of Rs. 755 per share. Experts stated that this had happened mainly due to a sudden jump in COVID-19 cases around the world. Share market participants around the globe adopted risk-off sentiments as the number of countries affected by COVID-19 was increasing.

Some analysts recommended to investors to sell off their stocks. Manali Bhatia, a Senior Research Analyst with Rudra Shares & Stock Brokers Limited[b], said*, "We suggest investors who receive allotment may exit once at listing price."*[2] However, some of the analysts recommended

[a] State Bank of India (SBI) is the largest bank in India in terms of deposits, advances, and branches.

[b] Rudra Shares & Stock Brokers Limited is a stock broking company based in Kanpur, India.

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Chapter 12:

Tata Steel's External Commercial Borrowings: The Payoffs

Mora Sowjanya *and* D Satish

> *"As Indian business heads have slowed down their major activities owing to the financial crisis, demand for overseas borrowings took a back seat in 2008 compared to the previous year."*[1]
>
> **–D.S. Rawat, Secretary General, ASSOCHAM**

With the introduction of liberalisation and deregulation reforms/ policies in the Indian financial market, the scope of overseas borrowings has increased tremendously. At the same time, the contribution of External Commercial Borrowings (ECBs) to the Indian corporate world cannot be undermined. Many Indian companies across various industries availed the benefits of ECBs and raised substantial amounts for pursuing their various goals and objectives. One such Indian company, Tata Steel Ltd., had raised $500 million worth ECBs for the acquisition of Corus. However, in the recent times, due to liquidity crisis and economic slowdown, companies that raised funds through ECBs are finding it hard to repay their borrowings. Increase in cost of borrowing and fall of rupee has also impacted the ECBs' performance. In the light of financial turbulence, how can companies, in particular Tata Steel, manage these redemption pressures?

Indian Financial Market: Role of ECBs in Raising Funds

Till mid-1980s, India's financial markets were underdeveloped and unstructured because of tight regulation and administrative restrictions. However, in the early 1990s, with the introduction of financial reforms as part of economic reforms, there was a paradigm

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Chapter 13:

India Inc Cash Surplus: Strategy or Lack of Opportunity?

Nitya Nand Tripathi *and* D Satish

> *"Only companies with large surpluses will take some risk and invest in equities. These long-term investors expect just 14-15% returns on equity investments. The total cash pile of BSE 500's Richie Rich has grown to Rs. 1,285 billion (bn) from Rs.1,100 billion (bn) 2010, excluding banks and NBFCs."*[1]
>
> **- Ramkrishna Kashelkar, The Economic Times[a], July 12, 2011**

On July 12, 2011, a popular business newspaper in India carried an article that showed that about hundred out of the five hundred companies of the BSE -500 had accumulated huge cash balances. The total cash balances accumulated by these companies amounted to 93% of market capitalization of the BSE-500 shares. The previous year, there had been 116 companies with huge cash balances. However, the cash holding increased by 17%[2] from the year 2010. The companies which held huge cash balances included bigwigs like Tata Motors with Rs. 109479.3 million, Infosys with Rs. 150,900 million, and Reliance Industries with Rs. 301,390.3 million.

The cash was invested in short-term instruments but the companies had a strong reason for keeping such cash pile. Rather than keeping the shareholders' cash idle or in liquid investments, the companies were planning their future strategy around the surplus excess cash. On the right strategy with the excess cash, Seshagiri Rao, CFO & joint MD of JSW Steel Group, commented, *"The company keeps*

[a] The Economic Times is a leading business daily newspaper in India.

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Chapter 14:

EIC Framework: Company Analysis of Bajaj Auto Limited

Manish Agarwal *and* D Satish

> *"I do not want to be a just Make for India. I want to be Make in India for the world. In that case, all history of successful global companies tells me to become a successful global champion only if you do one thing right... I want to be one of the top players in my field."*[1]
>
> **– Rajiv Bajaj, Managing Director, Bajaj Auto Ltd., in April 2015**

On February 2, 2018, Bajaj Auto Limited (Bajaj Auto) announced the results of its third quarter of FY18 (Q3FY18). The company's total income had fallen by about 4% from Rs. 68.64 billion in Q2FY18 to Rs. 65.95 billion in Q3FY18. The net profit also dropped by more than 15.1%, falling from Rs. 11.94 billion in Q2FY18 to Rs. 10.13 billion in Q3FY18.[2]

Although the third quarter numbers were lower than the second quarter numbers, they were better than the previous year's third quarter results. The consolidated total income from operations had increased by 16.3% in Q3FY18 over Q3FY17. In the same comparable period, consolidated net profit grew by 3.7% on a yoy basis.[3] According to experts, the company had showed an improvement over the previous year's quarterly results because the Q3FY17 result was affected by external economic factors such as the demonetization announced by the Indian government in November 2016.

Industry observers pointed out that Bajaj Auto's two-wheeler business was continuing to lose market share. In the first nine months of FY18, Bajaj Auto's market share dropped from 18.6% to 15.8%. In the same period, Bajaj Auto's sales volume also fell to 7.6% compared to a 9.8% growth in industry volume.[4] However, two-wheeler export volumes grew by 20% on a yoy basis. According to industry experts, the

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Chapter 15:

Max Software Services: Relative Valuation

Manish Agarwal *and* D Satish

"Hey Pradeep, very busy?" said Kunal to his teammate who was preoccupied with his work. *"Oh! Hi Kunal, as you know, we have to deliver the valuation report based on multiples analysis to Manish by Thursday so that he can prepare the final report by Saturday,"* replied Pradeep. He further continued, *"By the way, what about your data collection? Any data regarding Max Software Services (Max Soft) (Annexure I)?" "Yes, I have almost finished. Hopefully, I would provide sufficient data by Tuesday. What's the progress on multiples analysis? Have you decided on the multiples for this purpose?"* said Kunal. *"Yes, I am planning to work out all the major multiples of the top four IT players (TCS, Infosys, Wipro, and HCL Tech) in India,"* replied Pradeep *(Annexure II).*

Pradeep and Kunal are CFA charterholders and Information Technology (IT) industry experts at Golden Step Service Plc. (Golden Step), a private equity firm focused on service industry. James Dowdell (James), founder chairman and CEO of Golden Step, has been nourishing the company since 1998. Under his leadership, the $20 million small firm developed into a $3,600 million public listed company with delivery centres in New York, Sydney, Mumbai and Hong Kong.

Market Atmosphere

Over the past decade, the Indian economy experienced rapid growth with the ingress of multinational companies and became the hub of outsourcing services. Especially, the development of software industry has significantly contributed to the boom in the Indian economy. By the end of Financial Year (FY) 2008, the sector contributed

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Chapter 16:

Earning Profits from Stock Warrants

Manish Agarwal *and* Sanjib Dutta

> *"At Bank of America, some huge mistakes were made by prior management. Brian Moynihan has made excellent progress in cleaning these up, though the completion of that process will take a number of years. Concurrently, he is nurturing a huge and attractive underlying business that will endure long after today's problems are forgotten. Our warrants to buy 700 million Bank of America shares will likely be of great value before they expire."*[1]
>
> **– Warren Buffett, Chairman, and CEO, Berkshire Hathaway, Inc., December 2019.**

In 2020, Bank of America Corporation[a] (BoA) was the second-largest bank in the US with an assets base of US$2.26 trillion *(Refer to Exhibit I for list of top 15 largest banks in the US by Assets).*[2] The bank had generated US$85.53 billion in revenues, net to interest expense, and US$17.89 billion in net profits by the end of December 31, 2020.[3] It also ranked 25thamong the largest Fortune 500 corporations in the world.[4]

Earlier, in 2011, BoA was struggling financially due, among other things, to the unfortunate acquisition of Countrywide Financial in 2008, US$8.8 billion losses in the second quarter of 2011 because of huge legal settlements due to mortgage loans, and various legal issues related to the subprime mortgage crisis.[5]

In August 2011, Warren Buffett (Buffett), the globally renowned American investor and Chairman and CEO of Berkshire Hathaway, Inc. (Berkshire), a multinational conglomerate holding company based in Omaha, Nebraska, U.S., made an offer for additional capital to BoA.

[a] Bank of America Corporation (BoA) is based in Charlotte, North Carolina, U.S. It came into existence in 1998 with the merger of BankAmerica and NationsBank.

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Chapter 17:

Tesla's Convertible Bonds

Manish Agarwal *and* Sanjib Dutta

> *"When we build a portfolio, Tesla will be a part of it. But what we'll probably be doing is adding more on the convertible side, not on the equity side."*[1]
>
> **– Ross Gerber, Co-Founder, President, and CEO, Gerber Kawasaki[a], May 2019**

Introduction

On March 1, 2021, the stock price of Tesla, Inc. (Tesla), known for its electric cars, closed at US$718.43. The same day, Tesla's convertible bondholders converted the bonds issued to them in March 2014 and earned almost 900% returns. Tesla had generated and collected more than US$7.69 billion between May 2013 and May 2019 through convertible bonds. However, analysts believed the incredible growth in Tesla's stock price would end the era of convertible bonds at the company. They opined that if Tesla was able to improve its credit rating and profitability, it could adopt a less complicated method of financing to raise funds.

A Note on Tesla

Tesla was known for its electric vehicles and solar energy products (solar roof, solar panels). The company was started by engineers EMartin Eberhard and Marc Tarpenning on July 1, 2003, as Tesla Motors. In February 2004, the company went in for 'Series A'

[a] A wealth and investment management firm.

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Chapter 18:

Dividend Decision at Rolls-Royce

Surojit Mahato *and* G V Muralidhara

Introduction

On November 12, 2015, Rolls-Royce Holdings PLC (Rolls-Royce), one of the largest aircraft engine manufacturers in the world, issued its fifth profit warning within twenty months[1]. In an update on the operational review, Warren East (East), CEO of Rolls-Royce, said the earnings were expected to be lower by £650 million in 2016 and the company was contemplating a dividend cut in the near future.

The announcement saw shares of Rolls-Royce plunging by 20% to £536.5 the same day, the biggest share price drop for the company in 15 years. According to analysts, a series of profit warnings since 2014 and the sudden change in dividend policy were not received well by markets since the company had no record of dividend cuts in the preceding 24 years despite several instances of underperformance.

Based in the city of Westminster, UK, Rolls-Royce was perceived as one of the flagship companies of the country and was known for its superior technological capabilities. The company had a diversified business portfolio in civil and defense aerospace, marine, nuclear, and power systems. Rolls-Royce recorded a revenue of £14.6 billion in 2014, a major part of which came from after sales service, and boasted of an order book of £76.5 billion as of June 2015. Profit for the year was recorded at £58 million down from £1,379 million in 2013(*Refer to Exhibit I*). The company had invested £1.2 billion in research and development in 2014. It had 54,100 employees in 50 countries and customers in more than 120 countries (*Refer to Exhibit II)*.

After exiting the market for engines for narrow-body passenger jets in 2011, the company had been investing in the technology to build engines for wide-body passenger jets. In a 10-year market outlook, the

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Chapter 19:

Dividend Policy at Whirlpool

Nagendra Kumar M V *and* G V Muralidhara

On January 19, 2016, the Institutional Investors Advisory Services Limited (IiAS)[a] released a report on dividend payment trends among the top 500 S&P BSE companies[b]. According to the analysis of IiAS, around 73 companies out of the 500 had the potential to pay double the amount of dividend for the fiscal year 2015-16 than what they had actually paid for the fiscal year 2014-15[1]. The report observed that while other companies were paying higher dividends, these 73 companies were refraining from paying higher dividends and piling up their cash reserves without making substantial investments[2].

Also, 10 of the 73 companies, despite earning profits for the previous three years, did not paid any dividends to the shareholders[3]. One such company was Whirlpool of India (Whirlpool), a leading electronics home appliances manufacturer and a subsidiary of Whirlpool Corporation (WC), USA. The company was criticized for paying more heed to paying the royalty to its parent company WC rather than paying dividends to its shareholders[4] *(Refer to Figure I for Cash and Bank balances Position of Whirlpool)*.

Whirlpool was operating as a fully-owned subsidiary of WC from the year 1996. Since then until the year 2008-2009, its business was not consistently profitable – the profits were very low and the company

[a] An independent research and advisory organization on corporate governance practices in the Indian capital markets.

[b] The list includes top 500 companies in India trading on the Bombay Stock Exchange. An index was prepared based on market capitalization of these 500 companies, which indicated the market trend of Indian stock markets. The top 500 companies represent 20 core industries of the Indian economy. The BSE S&P 500 index came into effect on August 9,1999

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Chapter 20:

Manohar in the Wonderland of Derivatives

Manish Agarwal *and* D Satish

> *"First of all, there is no such word as safe in the investment world. But I hope to buy some more agriculture. Agriculture has been relatively stronger than other commodities this year. I hope to hold on to them for a longer period."*[1]
>
> **– Jim Rogers, Author, Investor, and Co-founder of Quantum Fund[a], in January 2015.**

It was the night of June 6, 2015. Manohar, a 25-year-old farmer, tossed and turned in bed, unable to sleep. In his mind, he kept hearing the words of advice his childhood friend, Ramesh, an MBA student, had recently given him. With those words haunting him now, he wondered what to do. Manohar came from a conservative background, and found himself faced with a dilemma. Was it really good to think outside the box? But whichever way he looked at it, Ramesh's idea didn't seem to have any major shortcomings. Gathering up courage, Manohar decided to go to New Delhi with Ramesh so that he could get more information and implement the idea.

Manohar had fifty acres of land in a remote area in Uttar Pradesh. He was a matriculate but took up agriculture as his profession. He mainly produced wheat. He worked hard and was rewarded with a good crop that was up to his expectations. But he found that there was no substantial increase in his income as the traders in his village manipulated and fixed a low price for wheat. The farmers had to either wait for a right price or go to some other place, which meant that they

[a] Quantum Fund was founded by Jim Rogers and George Soros in 1973.

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Chapter 21:

Derivatives Trading in India

Gautam *and* Vivek Gupta

"The introduction of derivatives trading will separate leveraged positions from the spot markets and make it easier for exchanges to implement rolling settlement. This should reduce volatility in the existing markets, and make risk containment and regulation easier by making markets safer."[1]

– Ashish Kumar Chauhan, Vice-President, National Stock Exchange (NSE).

"It had to start at one point of time or the other. Just like a plant needs soil, water and minerals to nurture well, for derivatives you need a healthy cash market in place."[2]

– Alok Churiwala, Member of Bombay Stock Exchange (BSE).

Introduction

On June 9, 2000, the Bombay Stock Exchange (BSE) introduced India's first derivative instrument – the BSE-30(Sensex) index futures. It was introduced with three month trading cycle – the near month (one), the next month (two) and the far month (three). The National Stock Exchange (NSE) followed a few days later, by launching the S&P CNX Nifty[a] index futures on June 12, 2000.

The plan to introduce derivatives in India was initially mooted by the National Stock Exchange (NSE) in 1995. The main purpose of this plan was to encourage greater participation of foreign institutional investors (FIIs) in the Indian stock exchanges. Their involvement had

[a] S&P CNX Nifty is a diversified 50 stock index of NSE. The 50 stocks that are included account for 23 sectors of the economy and are the most liquid stocks on NSE. The name S&P CNX reflects the identity of both the promoters i.e. NSE and Crisil & their consulting partner Standard & Poor (S&P).

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Chapter 22:

Hedging Dilemma in Volatile Markets

Kanaiyalal Shantilal Parmar *and* Manish Agarwal

> *"What we know best about financial markets. Markets do fluctuate. Change is the only constant. This is why risk management has become so prominent in recent years."*[1]
>
> **– Philippe Jorion, Professor of Finance, University of California-Irvine, April 2002.**

Introduction

The end of 2014 saw a lot of optimism among investors about the Indian capital markets. Most analysts forecast that the CNX Nifty[a] would cross the 10,500 mark by the end of December 2015. Nandita, Chartered Accountant, worked as a Portfolio Manager at Silver Oak Research & Investment Services (Silver Oak), a brokerage firm. On the advice of the fundamental and technical equity research team at the firm, she instructed the dealers to purchase shares of DLF Limited[b] (DLF) and Infosys Technologies Limited[c] (Infosys) during the first week of January 2015. Her proposal was implemented and the shares were purchased with a holding period of approximately one month. However, the stock prices started to fall soon after. Concerned over the development, Nandita sought advice from the derivative strategy team on managing the downside risk.

[a] CNX Nifty is the benchmark stock market index at the National Stock Exchange (NSE), a leading stock exchange in India.

[b] DLF Limited (DLF) is a real estate developer in India.

[c] Infosys Technologies Limited (Infosys) is one of the leading Information Technology (IT) companies in India.

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Chapter 23:

Efficient Market Hypothesis: Evidence from Bonus Issue

Manish Agarwal *and* G V Muralidhara

> *"One way of rewarding shareholders is to give dividend. Another is by giving bonus shares and capitalizing reserves."*[1]
>
> **– Sanjiv Bajaj, MD, Bajaj Capital, December 2011.**

On Friday, April 24, 2015, India-based IT major, Infosys Limited (Infosys), announced a 1:1 issue of bonus shares to its shareholders. This meant that each shareholder of Infosys would get one share of Rs. 5 face value for every stock he/she held on the record date[a]. This was not the first time that Infosys had issued bonus shares *(Refer to Exhibit I)*. Nevertheless, this issue was unique as it was the second bonus issue by the company within a span of seven months[b].

Under the bonus issue, Infosys had allotted 1,148,472,332 fully paid up equity shares during the quarter ended in June 2015. The authorized capital of the company increased from Rs. 6 billion at the end of March 2015 to Rs. 12 billion at the end of March 2016. In the same period, the issued, subscribed, and paid-up equity capital increased from Rs. 5.74 billion to Rs. 11.48 billion.[2]

The issue of bonus shares increased the number of shares in the hands of shareholders, but their percentage of holding in the company did not change. On the record date, the share price got adjusted in the

[a] Record date is also known as cut-off date. On this date, the bonus takes effect and shareholders on this date are eligible for the bonus.

[b] In the quarter ended December 2015, the company issued 574,236,166 fully paid up equity shares.

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Chapter 24:

Merger of ING Vysya with Kotak Mahindra Bank

Manish Agarwal *and* D Satish

"Most private sector banks ... do not really have coverage across India and are regional players at best. Consolidation, especially amongst the private sector players, is probably the quickest and most efficient way forward to attain the size and geographical coverage to compete for retail customers in a growing India."[1]

– Aman Bhargava, Director of Financial Services Advisory at Grant Thornton India LLP[a], November, 2014.

"This is a historic day in our 84-year heritage. I truly believe that the merger is a game-changer for us, laying the foundation to help us leap-frog by several years and be part of, and further scale a truly national franchise. The combination creates a company that will deliver maximum value for our shareholders, enormous opportunities for employees, and deliver the entire suite of financial products and services to our customers."[2]

– Uday Sareen, CEO designate of ING Vysya, November, 2014.

"In the banking space, one needs to look at the long-term perspective and we have seen in the market-driven M&As a lot of shareholder value has been created over a period of time."[3]

– Robin Roy, Associate Director, Financial Services, PwC India, November, 2014.

[a] In 2014, Grant Thornton India LLP was part of the global business consultancy firm Grant Thornton.

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Corporate Finance
- Concepts and Cases



Edited by
D Satish

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Chapter 1:
Corporate Finance Function

D. Satish

Introduction

The finance function has transformed in a major way over the years. It is the key function which works with the top management and CEOs as every decision the company takes has financial implications. The function which was seen as a cost centre has not only reduced the costs of financial operations thanks to the use of technology, but has also become a valuable profit center.

The finance department through the treasury function is investing and making money in the short period of time the cash is idle. The investments are global in nature, looking at the best possible return, given the time limitation and the risk appetite of the shareholders.

Finance departments which were known for transaction based services have started working on value addition to the company. Robotic Process Automation is increasingly used in automating transaction activities. Machine learning algorithms and analytics are used to manage risk. The algorithms highlight the focus areas, saving the executives valuable time.

The department has a huge amount of data and uses data visualization techniques and advanced analytics to improve decision making. The finance department is actively taking part in policy setting, strategic planning, financial planning, optimizing the capital structure and risk management. Refer to *Table 1* and *Table 2* for the names of some of the top CFOs of Indian and global companies.

Chapter 2:
Financial System

Richa Gupta

A financial system of a country shows the economic growth and wealth of the state in terms of mobilization of savings, distribution of funds into industrial investment, and rapidity of capital formation. It consists of regulatory bodies such as financial institutions/ intermediaries, financial markets, financial services, financial instruments, etc. It is a platform where institutions, such as banks, insurance companies, and stock exchanges are allowed to exchange funds. Financial systems are used everywhere be it an individual, a firm, an organization, a company, or a nation. The financial system also comprises the decisions made by borrowers, lenders, and investors on where to invest, how to invest, and who will invest. Financial systems can be structured by market principles, central planning, or a combination of both.

Importance of Financial System:

- It is important for capital formation.
- It is crucial in the economic development of the country as it encourages both savings and investment
- It assists in mobilizing and allocating the savings of an individual.
- It enables the growth of financial institutions and markets.
- It provides a link between the investor and savers or depositors.
- It promotes distribution of financial resources.
- It helps in generating new financial instruments over a period of time.
- It improves liquidity of financial claims through securities trading.

Chapter 3:
Financial Statement

Satish Chandra Tiwari

Introduction

The very first question that comes to our mind is Why financial statements is useful? The main goal of financial reporting is to supply information to investors, creditors, and other stakeholders to make a convincing investment. The objective of this chapter is to develop an understanding of end-users of financial statements in order to take rational decision-making for future perspectives.

A financial statement is a joint name for the tools and techniques that are proposed to provide appropriate information to decision-makers. The financial statement analysis is prepared to evaluate the financial health and performance of firms. Financial statement analysis compares the performance of the same company over a period of time, or else, it simultaneously does a comparison with other companies of the same industry or other industries.

The financial statement enables investors and creditors to (a) assess previous performance and financial position (b) forecast future performance.

Equity investors are primarily interested in the long-term earning capacity of the company, its ability to grow, and most importantly, its ability to pay dividends and increase in value. On the Other hand, creditors need somewhat different analytical tactics. Short-term creditors are more focused on the liquidity of a business to get an early payback of their investment; however, long-term investors are concerned about the long-term assets of the company and its earning power.

Chapter 4:
Financial Statement Analysis

C. Padmavathi

Introduction

Financial Analysis is a process undertaken by companies to accomplish the objective of Corporate Investment decisions and Financing Decisions. This process commences with understanding, examining, and analyzing the information provided in the Corporate Reports of the company. A systematic financial analysis process involves clearly defining and articulating the purpose and the context of analysis, collecting the data (information), processing the data, using tools and techniques to analyze the data, and interpreting the processed information for decision making.

Financial Statement Analysis is both an art and science, involving examining the information in financial statements and the application of analytical tools and techniques to derive measurements and relationships that are useful in decision making. Myers says, *"Financial statement analysis is largely a study of relationship among the various financial factors in a business as disclosed by a single set of statements, and a study of the trend of these factors as shown in a series of statements".*

Financial Statement Analysis is used to judge past performance, current position, and also to forecast and predict the future. The term 'analysis' focuses on the simplification and methodical classification of the financial data given in the financial statements. The term 'interpretation' is examining and explaining the meaning and significance of the data so simplified. Analysis and interpretation are interlinked and complementary to each other.

Chapter 5:
Time Value of Money

Naseem Ahamed

Introduction

The time value of money is one of the most important concepts of financial management. It is based on the premise that the value of money doesn't remain static with the passage of time. The value of money depreciates with time because of factors like inflation, opportunity cost, uncertainty about the future, etc. Suppose you can buy 12 bananas for Rs.60 today. However, you can buy only 11 bananas of the same quality for the same amount after one year. You cannot purchase the same quantity or more because the purchasing power of money has declined over time. This is called time value of money. Inflation is one of the most important factors that lead to the decline in the purchasing power of money with the passage of time. This whole idea, when applied to the business world, means investing in the present market in those projects which will yield higher returns in a future period or comparing the future yields from the project to the present market. The process of compounding and discounting helps us find the equivalent value of a certain sum of money in the future and the present respectively. This unit intends to provide an overview of time value of money and the applicability of various concepts of time value of money.

Objectives

After reading through the unit, the student should be able to:

- Explain the meaning and concept of time value of money
- Describe the process of compounding and discounting

Chapter 6:
Valuation of Debt

M. Venkata Narasimha Chary

Debt Instruments as a Source of Finance

Debt financing is the second most popular source of financing for businesses, the first being equity financing. Debt financing enables the business to not only meet its working capital requirements but also to expand its business.

Debt instruments are assets that require a fixed payment to the holder, usually with interest. However, a major advantage of debt instruments is that the amount paid in interest is tax-deductible, effectively reducing the net obligation. We also know well in advance exactly how much principal and interest will be the pay-back each month. This makes it easier to budget and make financial plans.

Valuation of Debt

The book value of debt is the total amount which the company owes, which is recorded in the books of the company. It is basically used in liquidity ratios where it will be compared to the total assets. Total assets are also equal to the sum of total liabilities and total shareholder funds.

Market Value of debt refers to the market price investors will be willing to buy a company's debt for, which differs from the book value on the balance sheet. A company's debt doesn't always come in the form of publicly traded bonds, which have a specified market value.

Although the book value of debt is most commonly used in empirical finance, the market value of debt is more accurate because it involves both the cash and debt of a firm, thereby taking into account the firm's capital structure.

Chapter 7:
Valuation of Equity

Rajneesh Ranjan Jha

Introduction

The value of a company is measured in the equity it holds. The amount of money invested by each individual investor, or shareholder, in exchange for shares in the company is their equity. If you are an entrepreneur starting a business, knowing how to determine the valuation of your company can help you decide whether to pursue an opportunity or not. This article will teach you how to calculate the equity value of a company. It is also known as market capitalization or share value. The value of a company is the present value at the time of the investment. The valuation method that we use to determine this figure is based on discounted cash flows (DCF). DCF is an analysis tool used by many financial analysts and investors to determine a company's intrinsic value. When determining this figure, we take into account future revenues, operating costs, and taxes. In addition, we must also consider the discount rate that will be used in calculating this figure – which represents the investment risk involved

Equity valuation is the process of estimating the value for a company based on its equity. The main purpose of this process is to estimate the value of a firm's common stock, as well as preferred stock. There are many different approaches to equity valuation and they can be grouped into two main categories: top-down and bottom up. Top down methods use macroeconomic variables to derive an aggregate view of the market while bottom up methods focus on individual companies or industries. Equity Valuation (or stock valuation) is a term that refers to the process of estimating the present value of a company's future earnings stream. The value of equity is usually determined by discounting these future cash flows at a required rate of return.

Chapter 8:
Money Markets

Pavana Jyothi

Introduction

Every business has two types of finance requirements –short-term requirements and long-term requirements. Short-term finance requirements are for meeting daily expenses like purchase of raw material, payment of wages and salaries, electricity and telephone charges, fuel expenses etc. Short-term requirements are funds required for a period of 364 days or less. The money market is a market for short-term funds. In these types of markets, borrowing and repayment take place in 364days or less. This short-term fund management, also be called liquidity management, is the problem of every type of business organization.

The main aim of money markets is to solve this liquidity problem of the companies. Hence, money markets provide an avenue for borrowing and lending for the short-term. Further, they also help in shifting vast sums of money between banks, and also provide a means by which the surplus of funds available with the corporations can be used by banks and other institutions which need short- term money. Thus, the money market refers to the market for short term securities. Examples of money market instruments are treasury bills, certificate of deposits, commercial papers.

Unlike stock exchanges, money markets do not have a fixed place, but activities take place between different entities. They play a very important role in the financial system of the country by bridging the liquidity gap and providing a way to utilize the excess funds in a proper manner, which results in satisfying the requirements for short term funds of corporations.

Chapter 9:
Capital Markets

T. Sita Ramaiah

Introduction

The economic development of a country is imitated by the progress of various economic units, classified into the corporate sector, government, and household sector. While performing their activities, these units are placed in surplus/deficit/balanced budgetary situations.

There are some people with surplus funds and others with a deficit. A financial system or financial sector functions as an intermediary and facilitates the flow of funds from the areas of surplus to the areas of deficit. A Financial System is a composition of various institutions, markets, regulations, and laws, practices, money manager, analysts, transactions, and claims and liabilities.

Financial Market can be defined as the market in which financial assets are created or transferred. As against a real transaction that involves exchange of money for real goods or services, a financial transaction involves creation or transfer of a financial asset. A financial market can be categorized as money market, capital market, forex market, and derivative market.

Capital Market

The capital market is designed to finance long-term investments. The transactions taking place in this market will be for periods a year. Herbert K. Dougall defines the term Capital Market as *"a complex of institutions and mechanisms whereby intermediate term funds (loans up to 10 years maturity) and long lean funds (longer maturity loans and corporate stocks) are pooled and made available to business, government*

Chapter 10:
Sources of Short-Term Capital

Rana Pratap

Finance is an essential element of any business concern because it is connected with all activities performed by the business concern. Arrangement of the required finance to each department of a business concern is a highly complex exercise and needs a careful consideration. The significance of finance may depend upon the nature and situation of the business concern. But, the requirement for finance may be broadly classified into two parts:

Sources of finance means the ways to mobilize various terms of finance for the requirements of the business. The financial requirements of a business vary from firm to firm and the nature of the necessities is based on terms or period of financial requirement – it may belong term or short term.

Long-term Financial Requirement means the finance required to get land and building for business concerns, purchase of plant and machinery, and other fixed expenditures. A long-term financial requirement is also called fixed capital necessities. Fixed capital is the capital used to purchase the fixed assets of the firms such as land and building, furniture and fittings, plant and machinery, etc. Hence, it is also called capital expenditure.

Short-term Financial Requirements are the kind of expenditures to meet with the help of short-term financial requirements which will meet the operational expenditure of the firms. Short-term financial requirements are popularly known as working capital.

A few short-term sources of finance are highlighted here:

- Bank Credit
- Customer Advances

Chapter 11:
Sources of Long Term Capital

N. S. Sudesh

Long-Term Capital

Companies' need for funds can be categorized in two ways:

- Funds for long-term deployment, usually known as capital expenditure
- For short term usage, also known as working capital requirements

The long-term deployment involves starting the firm, expansion, diversification, modernization, and other similar financing needs that will serve the company over a long period of time, such as 10, 15, 20 years, or more. These activities, naturally, involve huge investment and these decisions are also mostly irreversible. Because these investments provide long term benefits, financing them also needs to be long term. For instance, if a machine is being purchased that serves for 10 years, the company needs to finance the machine with a 10 year pay-back period. If the machine is financed by 5-year or 6-year funds, the company's balance sheet will not be reflecting the actual financial scenario at the end of the 5th year. Assets will outweigh liabilities.

The most important consideration for an investment and financing decision will be proper asset- liability management. Companies will face a severe asset-liability mismatch with improper funding decisions. Secondly, such a mismatch will lead to an interest rate risk increasing the interest burden. When a 10-year income has to match a 5-year payment, interest will increase. This might also lead to liquidity risk with the short-term payments being addressed through long-term projects. Let us consider the costs and means of finance of a few projects.

Chapter 12:
Cost of Capital

Satish Kumar

Introduction

The cost of capital to a company is the minimum rate of return that it must earn on its investments in order to satisfy the various categories of investors who have made investments in the form of shares, debentures, or term loans. Unless the company earns this minimum rate, the investors will be tempted to pull out of the company, with little question of their participating in any further capital investment in that company. For example, equity investors expect a minimum return as dividend on their perception of the risk undertaken based on the company's past performance, or on the returns they are getting from shares they have of other companies. The weighted arithmetic average of the cost of different financial resources that a company uses is termed as its cost of capital.

Assumptions

Given this definition of cost of capital, it must be noted that the use of this measure for appraising new investments will depend upon two important assumptions:

(a) The risk characterizing the new project under consideration is not significantly different from the risk characterizing the existing investments of the firm, and

(b) The firm will continue to pursue the same financing policies. Put differently, there will be no deviation from the debt-equity mix presently adopted by the firm.

Chapter 13:
Capital Budgeting

Rajyalakshmi

Nature and Purpose of Capital Budgeting

Capital budgeting is a crucial long-term investment decision. It relates to the allocation of funds to the acquisition and improvement of fixed assets. It has a long term impact on the Risk and return as well as the future growth and profitability of the firm. It involves substantial and irreversible commitment of the funds of the firm. Capital budgeting is a continuous process in any organization. It is a process of identifying and evaluating capital projects for the company by carefully considering the expected benefits against the costs associated with the investment.

The Capital Budgeting Process

Capital budgeting process involves the following steps.

1. Generation of the idea: A good quality project idea is the first step. It can be generated internally by the senior management, people from various departments, or the marketing personnel who are in direct contact with the customers. It can as well be generated from outside the organization.

2. Analysis of project proposals: Expected cash flows need to be projected and by applying the capital budgeting techniques, one need to analyze and identify which projects are more beneficial to the organization.

3. Creation of corporate capital budget: After analyzing and identifying which are more profitable projects, one need to prioritize them as per the corporate strategy, and profitability. A budget needs to be allocated to the selected projects.

Chapter 14:
Leverage Analysis

P. Bhanu Sireesha

Capital budgeting decisions enable the selection of the most beneficial option for a business firm to invest. These decisions are followed by financing decisions, where the total amount of funds required for the selected option will have to be raised by the finance manager using a combination of sources, debt, and equity. This enables the finance manager to be involved in determining the best mix of different sources to be used in raising the required funds, which is called capital structure planning. A firm may use several techniques that allow it to quantify the risk-return characteristic of the alternative capital structures. Two widely used techniques are the Leverage Analysis and the EBIT-EPS Analysis, of which the first is discussed in this chapter.

Definition of Leverage

The term leverage, in general, refers to the relationship between two inter-related variables, where the existing resources are utilized to attain something else. In financial analysis, leverage is measured between two financial variables, and the response of one variable to a particular change in another variable is explained. For a business firm, these variables can be costs, output, sales revenue, EBIT, EPS, etc. The emphasis is on the measurement of the relationship between the two inter-related variables rather than their independent measurements.

Leverage may be defined as the percent change in one variable as against the percent change in some other variable. For example, a firm increases its sales promotion expenses from Rs.5 lakh to Rs.6 lakh, due to which the number of units of sale have increased from 20000 units to 30000 units. Here, we can see that the sales promotion expenses have increased by 20% and the total number of units sold raised by

Chapter 15:
Capital Structure

Y Rama Krishna

Introduction to Capital Structure

Firms raise funds through short-term sources of finance and long-term sources of finance. Short term sources are predominantly used to finance day to operations, and long term sources are used to finance the economic resources of the business entity. Long term sources of funds can be broadly classified into debt funds and equity funds. Debt funds are fixed obligation funds on which the firm has to pay interest or coupon amount and return the investment at the end of the contract period. On the other hand, equity funds are contributed by the owners or investors of the firm and also include the retained earnings of the firm. In addition, debt is considered as a secure investment for the investors, because of the priority in payment of the interest amount, repayment of the principal amount, and supported by claims on the assets of the firm. Equity is treated as risky because of the uncertainty in earnings, and as a last resort at the time of liquidation. However, equity has an advantage over debt when the firm earns profits and increases the market value of the firm. Based on these advantages and disadvantages of debt and equity, there is a lot of research in the academic and corporate world on what should be the ideal combination of debt and equity. The theories surrounding this topic are called capital structure theories and the decisions made by managers are called capital structure decisions. The primary objective of the capital structure decisions is to increase the market value of the firm, which is a combination of market value of debt and market value of equity. You may be wondering why capital structure decision is such an important decision for the firm's finance manager. Due to the important characteristics just mentioned, the cost of debt is cheaper when compared to cost of equity. On the other side, the required rate of suppliers of debt is lower and suppliers of equity is higher. Let's

Chapter 16:
Dividend Policy

Sager Reddy

Introduction

A dividend is the share of earnings after taxes that are distributed to shareholders in the business and the investment made in the company by the shareholders receives the return. The top management of the company must utilize these earnings to make its various shareholders happy. The dividend policy of many companies dictates the sum of dividends paid to their shareholders by the organization and the incidence with which the company pays out the dividends. When a business entity earns a profit, it necessitates a decision being taken on what to do with the profits earned by the entity. They can either keep hold of the profits earned by the company in the form of retained earnings as reserves on the balance sheet, or they can share out the cash to shareholders in the form of dividends.

Why do Companies Pay Dividends?

Paying a dividend to shareholders is not compulsory. Any corporation or business entity that desires to make the most of shareholder wealth in general, invests in each project with the purpose of giving a superior return than shareholders may perhaps make investing the funds in another place. In case that investment amount is less than the company income, the company distributes the remaining either through a buyback of shares or by paying in the form of dividends. If that investment amount is higher than the company income, it will raise new funds by way of having a loan of or issuing of new shares. Any organization, which is able to generate consistent and continuous returns, which will not only reserve the earnings but raise the additional capital for new investments.

Chapter 17:
Working Capital Management

Jyothi Chittineni

Introduction

Working capital is the part of capital required to meet the day-to-day operations of a business. A study of working capital management helps to understand the operating efficiency of the business and the short-term liquidity position of the business. Hence, working capital management is considered one of the important functions of financial management. Working capital refers to a firm's investment in current assets.

Components of Working Capital

Working capital management is concerned with the firm's current assets and current liabilities.

Current Assets: The assets that a firm expects to convert into cash within an accounting year. They are generally short term in nature.

Current assets include:

a. Cash and bank balances
b. Marketable securities
c. Inventories
    i. Raw materials
    ii. Work-in-progress
    iii. Finished goods
d. Sundry debtors
e. Pre-paid expenses

Chapter 18:
Inventory Management

Abhishek Sinha

Introduction

Inventory Management refers to managing the raw materials, semi-finished goods, and finished goods related to tangible products being produced for the purposes of sale in the normal course of the company's operations. For example, for an automotive company which manufactures cars, the raw materials include steel, wheels, semi-conductors, glass, etc. Semi-finished goods may include the chassis of a car without wheels. On the other hand, finished goods include a car ready to be sold. Inventories management is aimed at optimizing the cost of maintaining and ordering inventory without disrupting the supply chain. For manufacturing companies, it is of prime importance to ensure adequate supply of raw material.

To quote the annual report 2020-2021 of Tata Motors, a leading global automotive player:

*"Our ability to supply components to our manufacturing operations at the required time is of importance in achieving production schedules and meeting consumer demand."*To ensure the same, the company *"works closely with suppliers to define inventory maintenance norms, build safety stocks, explore localization and alternative sources, among others"* (Annual Report – 2021 Pg. 26).

Inventory and its role in Working Capital Management

Inventories are an integral part of the working capital. They play an important role in ensuring timely delivery of products to the end users. However, excess inventory may lead to a longer Cash Conversion Cycle. This, in turn, impacts short-term liquidity. Inventory

Chapter 19:
Receivables Management

D S Prasad

Receivables Management

When a firm sells goods and services, it may accept cash on or before the date of delivery or it can extend credit to customers, say for a period of 45 days or 60 days. It is quite common for the firms to grant credit to promote sales. But, at the same time, it has to consider the costs associated with increased sales. These costs primarily arise from carrying higher levels of receivables and an increased default risk, among others. Account receivables arise when a business extends credit to its customers. Receivables management is a process of managing the account receivables within a business organization. It involves several decisions regarding the level of investment to be made in trade debtors by an organization. Deciding upon the optimal amount of credit sales is quite important as it affects the residual income of a business entity significantly. It also affects the liquidity level of the business which has important implications for its successful functioning and operations. Accounts Receivables constitute around 20% of the assets of industrial concerns and it is no surprise that accounts receivables represent a significant investment of financial resources of Indian companies.

Credit Policy Variables or Components of Credit Policy

The most important components of a firm's credit policy are:

- Credit Standards
- Credit Terms or Credit Period
- Cash discount and Cash discount period
- Collection Policy

Chapter 20:
Cash Management

Koya Raghu Nadh

Cash is the medium through which personal or commercial transactions are settled between two entities. Without a mechanism for settling business or personal transactions, the society grinds to a halt. Thus, management of cash is absolutely crucial for the smooth functioning of a firm. In this chapter, we will examine the following:

1. Motives for holding cash
2. Differences between cash, liquidity, and profits
3. Need for cash management
4. Compensating cash balances
5. The concept of float
6. Cash management models
7. Deployment of short-term cash surpluses
8. Sources to meet short-term cash deficits

Motives for Holding Cash: The need for holding cash arises from a variety of reasons and motives. The chief motives for holding cash are the: Transaction motive, Precautionary motive, and Speculative motive. The need for holding cash also arises because cash receipts and payments are non-synchronous, and because of the asymmetrical consequences of cash shortages and surpluses. Firms always need to hold adequate cash to conduct their day-to-day transactions like purchasing materials, payment of wages and utilities, etc. Firms would like to err on the side of caution and tend to be conservative in maintaining daily cash balances. Likewise, firms might want to take advantage of unanticipated favorable business dynamics that might arise, which will benefit them financially. For example, an unanticipated temporary drop in the price of raw materials

Chapter 21:
Introduction to Risk Management

D Satish

Introduction

A volatile and uncertain world calls for effective risk management practices. Effective management of risk will help companies smoothen their cash flow and increase the value to the shareholders and all stakeholders. The majority of investors are low to medium in their risk appetite and would prefer to invest in assets or companies which have low or reasonable amount of risk. Having said that, there are a few who are risk takers and would like to take a substantial amount of risk provided they see a great amount of return coming.

Risk management has never been in focus so much as it is in the current environment. The factors which could lead to an increase of risk of doing business are ever increasing. On the political front, there is talk of a renewed cold war and even a possibility of war in the Balkans with Russia amassing troops near the Ukraine Border. The skirmishes in the South China Sea between the US and the Chinese military, the aggression of China against Taiwan, the issues with Iran and North Korea have all added to the risk.

Adding to the political uncertainty is the grave economic situation of the globe which has been paralyzed by the Covid pandemic for nearly 2 years now. Talk of the end of low interest rates which have fuelled asset prices, especially in the stock markets, is doing no good. The increase in uncertainties, with many natural disasters occurring in the recent times, have not only added to the risks locally but also contributed to supply side disruptions and non availability of key components to the manufacturing sector, especially automobiles.

Chapter 22:
Derivatives and Derivative Markets

Jyoti Kumari

Introduction

The term "derivatives" is used to refer to financial contracts/instruments which derive their value from some underlying assets. The underlying assets could be equities (shares), debt (bonds, T-bills, and notes), currencies, commodities, and even indices of these various assets, such as the Nifty 50 Index and even non traded underlying viz. weather.

Are Derivatives New to Indian Exchanges?

Badla trading involved buying stocks with borrowed money, with the stock exchange acting as an intermediary at an interest rate determined by the demand for the underlying stock and a maturity not greater than 70 days.

Example: Suppose you buy 1,000 shares of Infosys at Rs 2200, your cash outflow is Rs 22 lakh. Instead of paying cash, you can ask your broker to find a borrower to finance your trade. This process of buying stocks with borrowed money is badla trading.

The stock exchange acts as an intermediary between you and the actual lender. You will be charged an interest rate for borrowing, which will be determined by the demand for that stock under badla trading. Thus, the higher the demand for Infosys under badla trading, the higher will be the interest rate. You can keep your borrowing unpaid for a maximum of 70 days, after which you will have to repay the badla financier through the exchange.

Badla trading was banned in 1993, legalized in 1996, and again banned in 2001 following the introduction of futures.

Chapter 23:
Forwards

Joy Chakraborty

Introduction

Forward contracts are commitments entered into by two parties to exchange a specific amount of money for a particular commodity or service at a specified future time. More informally, a forward contract may be described as an agreement to buy or sell an asset at a predetermined price and at a specified future time. Thus, in a forward contract, the contract is initiated at one time but the performance occurs at a subsequent time.

The terms of the contract, such as the price, delivery date, and quantity and quality of asset are specified at the time of initiating the contract, but actual payment and delivery of the asset occur later. The asset involved may be a commodity such as wheat, gold, etc. or a financial asset such as a foreign currency like US dollars.

One of the parties to a forward contract agrees to buy the underlying asset on a certain specified future date for a certain specified price. The other party to the contract agrees to sell the underlying asset on the same date for the same price. The buyer is said to have a 'Long position' while the seller has a 'Short position'. The price specified in the forward contract is referred to as the Delivery price and the time specified is referred to as the Delivery date.

A forward contract is settled at maturity. That means the seller of the contract delivers the specified asset to the buyer of the contract on the specified delivery date in return for payment of the specified price. A Forward contract is, therefore, a contract for forward delivery rather than a contract for immediate or spot or cash delivery, and generally no money is exchanged between the counterparties until delivery.

Chapter 24:

Futures

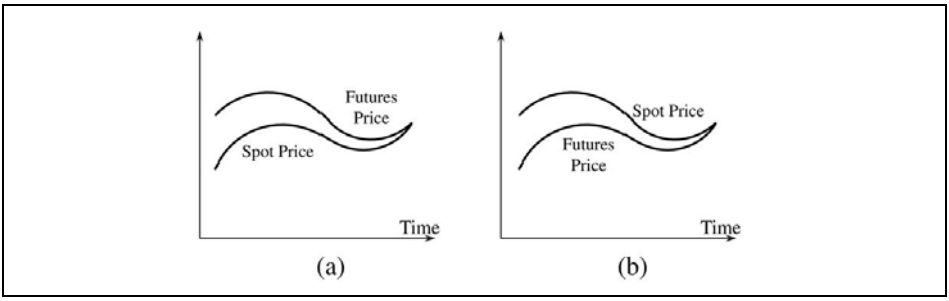
Ranajee

Futures Contracts

Futures are financial derivatives that bind the parties to trade an asset at a fixed price and date in the future. Regardless of the prevailing market price at the expiration date, the buyer or seller must acquire or sell the underlying asset at the predetermined price. It is Exchange traded, settled daily (marked to market), and is available on a wide range of assets.

Mechanisms of Futures Market

1. **Asset Specification:** Every future contract specifies:
   - Assets that can be delivered
   - Place of delivery&
   - Time of delivery
2. **Convergence of Futures to Spot**



Chapter 25:
Options

Nityanand Tripathi

Introduction

Options are one of the actively traded derivative instruments in the financial markets. An Option is a contract in which the seller (also called the writer) gives the buyer the right but not the obligation to purchase from a designated asset at a specific price which is agreed upon at the time of entering into the contract. It is important to note that the option buyer has the right but not an obligation to buy or sell. But, if the buyer decides to exercise his right, the seller of the option has an obligation to deliver or take delivery of the underlying asset at the agreed price. An option means a choice. An option in a financial market is created through a financial contract. This financial contract gives a right to its holder to enter into a trade at or before a future specified date. The underlying assets on options include stocks, stock indices, foreign currencies and debt instruments, commodities, and futures contracts. These are called stock options, index options, commodity options, currency options, and futures options. An option is different from other derivatives in that it provides a downside protection against risk and also an upside benefit from favorable movements in the underlying asset prices.

In Simple Language

"An option gives an investor the right, but not the obligation, to buy or sell a specified asset on a specified future date."

Structure of Global Options Market

Options are traded either on an organized exchange or on Over-The-Counter (OTC) market.

Chapter 26:

Swaps

VDMV Lakshmi

Like forwards, swaps are over-the counter (OTC) contracts, whereas futures and options are exchange traded. In general usage, swap means exchange. It is an over-the-counter contract between two parties to exchange cash flows in future. Financial swaps are primarily of two types, i.e., interest rate swaps (IRS) and currency swaps.

Interest Rate Swaps (IRSs)

IRS is a forward contact in which a series of interest payments is exchanged for another based on a specified notional principal amount. Any company which has concerns about a fall in interest rates in future may purchase **fixed to floating swap** where it receives cash flows based on a fixed interest rate and pays based on a floating rate. Similarly, the company which has concerns about a rise in interest rates in future buys **floating to fixed swap** in which it receives floating cash flows and pays fixed cash flows. Thus, the companies enter swap agreements to protect themselves from unwanted interest rate fluctuations i.e. interest rate risk.

However, there is no exchange of principal; the notional amount of principal is fixed only to determine the interest amount to be paid or received. Sometimes, both the payments can be in floating. In practice, banks or financial institutions that are authorized to deal with swaps act as intermediaries and market makers between the corporates. Using swaps, a fixed rate liability (asset) can be transformed into floating rate liability (asset) and vice versa. IRSs are not directly linked with original borrowings or investments, but help hedge from interest rate risk.

Chapter 27:
Currency Risk Management

M.V.S. Kameshwar Rao

Introduction

The world economic order has been changing during the past three decades to facilitate a hassle free flow of trade, and capital. Global factors, today, affect every business entity, due to the emergence of global value chains, and increasing cross border movement of capital. While the alluring side of this change is an expanded set of opportunities for profit making, this change has its set of risks to mitigate – notably Country Risk, Political Risk, and Exchange Rate Risk (also known as Currency Risk). This chapter develops an understanding of Currency Risk and its Management, by addressing the following questions.

1. What is Currency Risk?
2. Why does Currency Risk arise?
3. What is the difference between Currency Risk and Currency Exposure?
4. How does one measure Currency Exposure?
5. What are the different types of Currency Exposures?
6. Should Currency Risk be managed at all by a firm?
7. What is the typical Currency Risk management process?
8. What are the techniques of managing Currency Risk?
9. How do the exposures and risk management metrics change based on the nature of firm?

Chapter 28:
Asset Liability Management

D. Sreenivasa Chary

Introduction

Striking a balance between the cash inflows and cash outflows to avoid liquidity risk in an organization is called Asset and Liability Management. This exercise facilitates knowing the probable cash gaps at different time periods in future and to make suitable arrangements in advance. To put it simply, it is a cash management exercise.

The banking business is fraught with risk of several types. Liquidity risk is one of them. If liquidity risk is not properly addressed, it may result in the insolvency of a bank and cause its closure.

Banks accept deposits from the public and use such funds for lending and investments. Though the deposits are classified as demand and time deposits, the option available to the deposits to foreclose the deposits makes all the bank deposits repayable on demand. Thus, banks are required to repay the deposits together with interest, whenever public demand. On the contrary, there is no guarantee that the loans and advances which are made out of deposits, will get repaid on the due dates. Banks are required to resort to preventive, remedial, and legal measures for recovery of loans. This warrants management of assets and liabilities in banks.

ALM: Objectives

ALM is a technique used to mitigate the risks associated with the mismatch of assets and liabilities. It is used to cope with the risks and maximize rewards in banking operations through the proper management of volume, mix, maturity, rate sensitivity, quality, and liquidity of assets and liabilities. The objectives of ALM include:

Chapter 29:
Risk Management in Banking

B Brahmaiah

This chapter provides an introduction to risk management. It covers the definitions of the concepts of risk, credit risk, market risk, interest rate risk, liquidity risk, and operational risk, and also deals with measuring and managing credit risk, interest rate risk, and liquidity risk in banks. The chapter elaborates on risk management techniques such as the 5Csof credit appraisal and proposals. It also discusses the techniques of maturity gap, duration, sensitivity analysis, and value at risk.

The financial and banking sector serves the economic function of financial intermediation by ensuring efficient allocation of resources in the economy. Financial intermediation is undertaken through a four-pronged transformation mechanism consisting of asset liability transformation, size transformation, maturity transformation, and risk transformation. Risk is inherent in the very act of transformation. Prior to the economic reforms of 1991-92, banks were not exposed to diverse financial risks mainly because interest rates were regulated, financial asset prices moved in a narrow range, and the roles of different categories of intermediaries were clearly defined. The greater integration among the various segments of financial markets and increased globalization, emergence of new private sector banks, and the rapid developments of financial technologies (Fintech) in the Indian financial system have contributed for the volatility of interest rates and foreign exchange rates. There are several other structural changes that have taken place and the operating environment of banking has undergone a sea change. Risks are inherent in all the business lines of the commercial operations of banks. Banks aim to achieve an appropriate trade-off between the risks and the returns. To ensure sustainable and consistent growth in business, asset quality, and profitability, banks have to develop a sound, efficient, and effective risk management

Chapter 30:
Treasury and Risk Management

Anita C Raman

Introduction

Traditionally, finance managers have been focusing on investment decisions such as capital budgeting (long term) and working capital management (short term) such as cash management besides financing decisions (sourcing capital) and dividend decisions (dividend payments to equity shareholders). These have continued to be a key functional area in many organizations.

However, the dynamics of financial markets the world over are undergoing a transformation as businesses have globalized and more and more economies are becoming market driven. As a result of this changing scenario, one of the major consequences is the increasing volatility in the level of market (interest) rates, exchange rates, money supply, and general level of prices. This has led to the evolution and creation of a specialized function in the finance domain `Treasury'.

Many prominent financial practitioners and professionals – not surprising when the functions and operations of the treasury differ widely from organization to organization – have defined treasury management differently.

Depending on the size of the organization and nature of the business, the role of treasury can vary from simple cash management to all financial affairs excluding financial accounting, internal audit, and other functions of a controller. For example, the functions of a treasury in a large textile unit are very different to a treasurer in a commercial bank.

Chapter 31:

Value at Risk (VaR)

Kaushik Bhattacharjee

Introduction

Like any risk, market risk is also concerned with the possibility of adverse events. There are several measures for assessing market risk – the most prominent and popular being Value at Risk (VaR). If the Risk manager asks a question like, "What is the maximum loss that I can suffer on this investment?" VaR almost answers it. The qualifier 'Almost 'appears because the answer comes with two qualifiers:

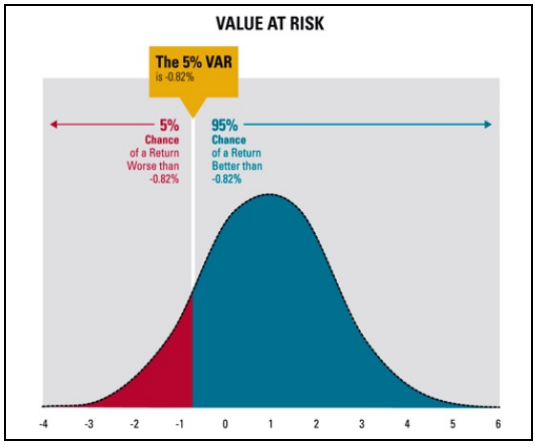
The time horizon (i.e., next 1 or 5 business days), and

The confidence level (i.e.,95% or 99%).

In other words, VaR is the loss level that we do not expect to be exceeded over the time horizon at the specified confidence level. Suppose that the time horizon is seven days and the confidence level is 95%. A VaR of INR 1 crore would mean that we are 95% certain that the loss during the next seven days will be less than or equal to INR 1 crore. In other words, there is a 5% probability that the loss over the next seven days will be greater than INR 1crore.

Figure 1:

Value at Risk



Source: Google Image

Chapter 32:

The Changing Face of Asset Management

A V Vedpuriswar

Introduction

In March 1868, the Foreign & Colonial Government Trust announced it would invest £ 1 m in a selection of bonds. For £85, an investor could buy one of 11,765 certificates giving an equal share. The trust promised a 7% yield. Its aim was to give middle class investors reasonable returns at lower risk by spreading the investment over a number of different stocks. The modern asset-management industry was born. Harry Markowitz who developed the portfolio theory in the early 1950s took the idea forward. William Sharpe developed the Capital Asset Pricing model in the 1960s. Both won the Nobel Prize for Economics in 1990.

Asset Management is a big business with over $100 trn worth of assets being managed by professionals today. Asset managers support jobs and growth by directing capital to businesses with the best prospects. The returns help ordinary savers to reach their financial goals—retirement, education and so on. Thus, the industry is central to capitalism in terms of capital allocation.

The Business Model

Asset managers charge a fixed fee on the assets they manage, but customers ultimately bear the full costs of investments that sour.

Profit margins in asset management are high by the standards of other industries. For all the talk of pressure on fees, typical operating margins are well over 30%.

Chapter 33:
The World of Venture Capital

A V Vedpuriswar

Introduction

Venture Capital (VC) is associated with some of the most well-known and influential firms in the world. These include Alphabet, Apple, Amazon, Facebook, Microsoft, Alibaba and Tencent. More generally, firms backed by venture capital have a much higher success rate and represent nearly half of the entrepreneurial companies that graduate to the IPO stage. In this article, we examine the evolution of VC, how Venture Capitalists (VCs) work and some key issues that must be addressed to shape the VC industry. The two main references for this article are:

- Josh Lerner, Ramana Nanda, *"Venture Capital's role in financing innovation: What we know and how much we still need to learn"* Journal of Economic Perspectives, Summer 2020 (Most of the exhibits in this write up are drawn from this article.)
- Paul Gompers, Will Gornall, Steven Kaplan, Ilya Strebulaev, *"How Venture capitalists make decisions"*, Harvard Business Review, March- April 2021

History

Venture Capital has been around since ancient times in some form or the other. Most business historians, however, trace the origins of the institutional venture capital industry to 1946, when Harvard Business School professor Georges Doriot formed the American Research & Development Corporation (ARD) to invest in young ventures

Chapter 34:
Understanding the SPAC Phenomenon

A V Vedpuriswar

Introduction

The amount of money raised by SPACs in the US, in the past 12 months, has soared to over $120bn. 248 SPACs were launched last year, raising $83 bn, 6 times the amount raised in 2019. Things have only accelerated in 2021. In January alone, an average of five SPACs were created each working day, collecting more than $26 bn in capital. Because they tend to raise more cash once they find an acquisition target (around five times the amount raised initially), SPACs may be targeting firms worth as much as $500bn. The big question today is: Are so many targets available? This article looks at SPACS and how they compare with traditional IPOs. Before we come to SPACs, we will look briefly at another alternative to IPOs, i.e. Direct Listings.

Direct Listings

In an IPO, new shares are created, underwritten and sold to the public. In a direct listing, no new shares are created. The focus is not on raising more capital. Only existing, outstanding shares are sold with no underwriters involved. Besides saving on fees, the direct listing process can avoid the usual IPO restrictions, including lockup periods that prevent the promoters from selling their shares. Direct listings are also more friendly to retail investors. In a standard IPO, the main beneficiaries of a first day increase in share price are the professional investors—often mutual funds or hedge funds—that get the shares from the company at a lower price before they start trading publicly. Since no investment bankers are involved, the shares should be attractive to investors and sell on their own. That means the company should be well known with some amount of brand recognition. In 2020, Palantir and Asana used this route. In the past, Spotify and Slack have used direct listing.

Chapter 35:

The Real Revolution on Wall Street

A V Vedpuriswar

Introduction

For nearly a fortnight, the world was mesmerized by the fortunes of GameStop. Shares of the video games company rose sharply from a few dollars in 2020 to above $480 on January 28th, before falling to $81 on February 2nd and $50 by Feb 11. A firm that was worth $200m in April last year was briefly valued at $30 bn.

The force behind the rapid increase in the GameStop price has been WallStreet Bets, an investment forum on Reddit, whose 8 million followers together bid up the prices of some obscure firms in late January. This triggered huge losses at hedge funds that had gone short and also put pressure on online brokers which had to post collateral as volatility rose. Since January 28th, the most prominent, Robinhood, has raised billions of dollars to shore itself up.

So What is Really Going on Here?

Information technology is making trading free, shifting information flows and catalyzing new business models. In the process, it is transforming how markets work.

In recent decades, trading costs for shares have collapsed to roughly zero. Progress towards freer stock market access began in 1975, with the abolition of huge fixed commissions and the entry of discount brokers like Charles Schwab. Then came automated trading and the decimalization of share prices. The rise of passively managed mutual funds which focus on cutting costs is also part of this trend. At

Corporate Social Responsibility



Edited by

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Corporate Social Responsibility

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Syeda Maseeha Qumer

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Chapter 1:

SC Johnson and the Global Ocean Plastic Crisis

Syeda Masseha Qumer and Debapratim Purkayastha

> *"Human life on this planet depends very heavily on the health of the ocean ecosystem, and the changes that are taking place are scary, whether it's ocean acidification, plastic in the ocean, overfishing – all of those things... Plastic waste is probably the single biggest environmental issue for our company. ... It was only natural for us to get involved with Plastic Bank and their effort to collect ocean-bound plastic. I like it because it not only gives us a source of plastic we can recycle back into our products, but it's got a great environmental benefit and a social benefit as well."*[1]
>
> **– H. Fisk Johnson, CEO, SC Johnson, in March 2020.**

In October 2019, SC Johnson & Son, Inc. (SCJ), US-based global leading manufacturer of household consumer cleaning products, expanded its partnership with social enterprise Plastic Bank[a] to develop recycling infrastructure in developing nations and prevent plastic waste from entering the oceans while providing economic and social benefits to communities. Under the new agreement, it planned to set up a total of 509 plastic collection points across the globe, projected to collect 30,000 metric tons of plastic waste over a period of three years – the equivalent of preventing about 1.5 billion plastic bottles from entering waterways and the ocean. As part of the program, local waste collectors could bring the plastic they had collected to any collection point and exchange it for digital tokens they could use to buy the goods and services they needed.

[a] Plastic Bank, founded in 2013, is a Canada-based social enterprise committed to stopping ocean plastic while reducing poverty.

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Chapter 2:

Planned Obsolescence: Undermining Apple's Commitment to Sustainability?

Syeda Maseeha Qumer

In October 2018, in an unprecedented ruling on planned obsolescence, the Italian Competition Authority (AGCM) fined tech giant Apple Inc. (Apple) €5 million (US$5.7 million), stating the company had engaged in dishonest practices by failing to provide its customers with an effective way to recover the full functionality of their devices. It stated that Apple had deliberately limited the useful life of its products by prompting users to install software updates that significantly reduced the performance of their phones. As a result many consumers had had to upgrade their handsets. Apple was fined an additional €5 million for allegedly failing to provide adequate information on how to maintain and replace batteries in the company's flagship device, the iPhone.

In December 2017, Apple acknowledged that its iOS software slowed down the performance of older iPhones with aging lithium-ion batteries but this was to prevent these phones from shutting down unexpectedly. The company denied that it had ever done anything to intentionally shorten the life of a product. After facing criticism over its battery policies, Apple apologized formally and cut the price of out-of-warranty iPhone battery replacements from US$79 to US$29, an offer that ended on December 31, 2018.

However, the iPhone throttling controversy fueled conspiracy theories that Apple was engaging in planned obsolescence by deliberately limiting the useful life of its products to compel users to upgrade to its new iPhone models. Based on anecdotal evidence, some critics accused the company of designing its products in a way that made repairs tricky and expensive, thereby shortening the lifespan of these devices. According to them, planned obsolescence would have serious social, environmental and economic implications, thereby weakening Apple's commitment to sustainability. The practice would

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Chapter 3:

Amazon Web Services' Efforts toward Green Computing

Koti Vinod Babu and V. Namratha Prasad

> *"In addition to the environmental benefits inherently associated with running applications in the cloud, investing in renewable energy is a critical step toward addressing our carbon footprint[1] globally."[2]*
>
> **– Kara Hurst, Vice President of Sustainability at Amazon.com, Inc. in March, 2020.**

Introduction

On March 12, 2020, US-based multinational technology company Amazon.com, Inc., (Amazon)[3] announced four new renewable energy projects in Australia, Spain, Sweden, and the US that would power the data centers of Amazon's subsidiary Amazon Web Services (AWS). These projects were also expected to support Amazon's commitment to reaching 80% renewable energy by 2024 and 100% renewable energy by 2030, on its path to achieving net zero[4] carbon emissions by 2040.[5]

---

1 A carbon footprint is historically defined as the total greenhouse gas emissions caused by an individual, event, organization, or product, expressed in terms of the carbon dioxide equivalent.

2 "Amazon Continues Renewable Energy Investments with Wind and Solar Projects in Australia, Europe, and the US," www.press.aboutamazon.com, March 12, 2020.

3 Amazon.com, Inc., is a US-based multinational conglomerate technology company based in Seattle. It focuses on e-commerce, cloud computing, digital streaming, and artificial intelligence and was founded in 1994.

4 Net zero refers to achieving an overall balance between emissions produced and emissions taken out of the atmosphere.

5 "Amazon Continues Renewable Energy Investments with Wind and Solar Projects in Australia, Europe, and the US," www.press.aboutamazon.com, March 12, 2020.

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Chapter 4:

Environment Sustainability Initiatives at Cisco

Faria Zafar and Indu Perepu

"Cisco IT has a strategic opportunity to show "green" business value."

– Sean Worthington, vice president, IT Business Services, Cisco[1]

Introduction

In 2019, US-based multinational technology conglomerate Cisco Systems Inc. (Cisco) was awarded three Climate Leadership Awards from The Center for Climate and Energy Solutions (C2ES) and The Climate Registry (TCR)[2]. Two of these awards were for its efficiency in greenhouse gas management and the other for supply chain leadership.

Cisco had always believed in the benefits of environmental sustainability for economies as well as human life. The company continuously incorporated actions into most aspects of its business to achieve environmental sustainability.

Actions like reducing greenhouse gas emissions, preserving biodiversity and natural resources, and designing the products of the company to minimize waste and environmental impact had also helped Cisco in bagging various awards and recognitions for its efforts toward conserving the environment *(**Exhibit I**)*. Cisco's efforts paid off in 2019 when the company managed to use renewable energy to meet 80% of its electricity needs globally.

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1 "Implementing Green Strategies for IT," Cisco News, Second Quarter 2008.

2 Austin Belisle, "Cisco Receives Three Climate Leadership Awards for Tackling Climate Change," Cisco Blogs, Match 2019.

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Chapter 5:

Eliminating Modern Slavery from Supply Chains: Can Nestlé Lead the Way?

Syeda Maseeha Qumer and Debapratim Purkayastha

Introduction

In March 2017, a federal judge in California dismissed a long running (12-year) class action lawsuit against Nestlé SA (Nestlé) and two more companies over claims the global chocolate manufacturer facilitated the use of forced child labor in West Africa. Nestlé, one of the world's largest food processing companies, had been grappling with accusations of aiding and abetting child slavery on cocoa plantations in Ivory Coast[a] for more than a decade.

Earlier in 2015, Nestlé surprised many by admitting that it had found forced labor in its seafood supply chain in Thailand. Magdi Batato (Batato), Executive Vice President and Head of Operations at Nestlé, self-reported that Nestle had uncovered child labor exploitation on fishing boats in Thailand that supplied its factories. He reported details of the investigation and also initiated a detailed action plan on how it intended to tackle the issue. The news generated a mixed response from industry observers. Hailing Nestlé's honesty, Brian Griffin, CEO of digital marketing agency Vero PR, said, *"First of all, what Nestlé did was brave, and from a moral perspective, they did the right thing to let stakeholders know about this issue. They will feel some pain from this initially, particularly from a consumer standpoint, and it's not hard to imagine that sales of seafood products may decline. There is no question that the issue must be cleaned up, and that it must happen now. We should appreciate what Nestlé has done to bring even more attention to the issue.*[1] However, Nestlé's critics contended that the company had done this only to fend off

[a] Ivory Coast, also known as Cote d'Ivoire, is a tropical country in southern West Africa. It is the world's largest producer of cocoa, the raw ingredient used in making chocolates.

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Chapter 6:

‘Enrich Not Exploit’: Can New CSR Strategy help Body Shop Regain Glory?

Syeda Maseeha Qumer and Debapratim Purkayastha

On February 2, 2016, The Body Shop International Plc. (Body Shop), a UK-based retailer of natural-based and ethically-sourced beauty products, unveiled a new global CSR strategy to reassert its leadership in ethical business. The commitment, entitled ‘Enrich Not Exploit’, outlined 14 new sustainability targets to be achieved by 2020 that touched all areas of the business. According to Jeremy Schwartz (Schwartz), Chairman and CEO of Body Shop, *“The Body Shop can be both a force for good and a successful, profitable business. 40 years ago [founder] Anita Roddick set out a challenge for The Body Shop to tackle the big issues of her time. We’re now tackling the big issues of today, We want our Enrich Not Exploit™ commitment to inspire a new generation of customers, supporters and especially millennials who truly care about how a company operates. Re-establishing The Body Shop as a leader will come from delivering our ambitious aim to be the world’s most ethical and truly sustainable global business.”*[1]

Founded in 1976 by Dame Anita Roddick (Roddick), Body Shop was regarded as a pioneer of modern CSR. Since its inception, the beauty retailer, which was strongly associated with the social activism of Roddick, had endorsed and championed various social issues that complemented its core values –opposition to animal testing, developing community trade, building self-esteem, campaigning for human rights, and protection of the planet. Through these initiatives, Body Shop had cultivated a loyal customer base. But following its acquisition by beauty care giant L’Oréal SA (L’Oréal) in March 2006, both Body Shop and Roddick came under severe criticism. Loyal customers felt betrayed as Roddick had previously been quite vocal in her criticism of companies like L’Oreal that tested their cosmetics on animals, exploited the sexuality of women, and sold their products by making women feel insecure. After its acquisition, the fortunes of Body Shop took a sharp

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Chapter 7:

Conflict Palm Oil and PepsiCo's Ethical Dilemma

Syeda Maseeha Qumer and Debapratim Purkayastha

In September 2015, US-based consumer food giant, PepsiCo Inc. (PepsiCo), was dropped from the annual Dow Jones Sustainability Indices (DJSI)[a] as, according to some reports, the company's sustainability performance had failed to make the grade. PepsiCo was singled out by a number of environmental groups for its continued use of large quantities of Conflict Palm Oil[b], the production of which was responsible for large-scale destruction of rainforests, human rights violations, and climate pollution in tropical countries like Indonesia where palm oil was produced. The groups criticized PepsiCo for not having a robust sustainable palm oil policy and for not acknowledging the damage its supply chain had caused in countries such as Indonesia and Malaysia. According to an international environmental and human rights organization, the Rainforest Action Network (RAN), *"What Pepsi does has a huge impact on the climate, the rainforests of Southeast Asia, and the people and animals that rely on these forests for their lives and livelihoods. The company is a major Conflict Palm Oil laggard. It is dragging its feet and is refusing to admit it even has a problem. It could rise above its competitors and do the right thing, but, instead, it has relied on half measures and a commitment with gaps big enough to drive a bulldozer through."*[1]

Palm oil obtained from the fruit of the oil palm tree and the most widely used vegetable oil in the world, went into the processing of a wide array of food and non-food products. Over the years, the demand for palm oil had increased sharply as it was one of the cheapest

[a] The DJSI is the first global index to track the leading sustainability-driven companies worldwide based on a range of social, environmental, and governance-based criteria, including assessments on corporate governance, crisis management, and environmental policy.

[b] Conflict Palm Oil is produced under conditions associated with destruction of rainforests, drainage of carbon-rich peatlands, and human rights violations, including the use of forced labor and child labor.

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Chapter 8:

Unilever's Sustainable Living Plan: Putting Sustainability at The Center of Business Strategy

Shwetha Kumari and G V Muralidhara

> *"Unilever has a long history of trying to do the right thing that stretches all the way back to its founders, who talked about shared prosperity and making hygiene common place. This is the original inspiration for our long-term, multi-stakeholder model, where shareholder returns are the result of our activities, not the objective – or put another way, profits through purpose. After all, we are ultimately here to serve society, which in my view is the only sustainable way to earn your license to operate."*[1]
>
> **– Paul Polman, Ex-CEO, Unilever, 2020**

Introduction

"As the Unilever Sustainable Living Plan journey concludes, we will take everything we've learned and build on it. We will do more of what has worked well, we will correct what has not, and we will set ourselves new challenges," said Alan Jope (Jope), CEO, Unilever, on the occasion of the tenth and final year of the Unilever Sustainable Living Plan (USLP) in May 2020.[2] Unilever, a multi-national corporation of Anglo-Dutch parentage formed in 1930, owned many of the world's consumer product brands in foods, beverages, cleaning agents, and home care and personal care products. Unilever's market extended over 190 countries around the world.[3] In 2004, consequent to a fall in market share and financial performance and its first ever profit warning, the company brought in Paul Polman[a] (Polman), an outsider, as its CEO. In

[a] Paul Polman was the chief executive officer (CEO) of Unilever from 2009 to 2019.

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Chapter 9:

Corporate Philanthropy: Best Practices at Novartis AG

Indu Perepu and Vivek Gupta

"*One vital way of improving health conditions for poor people of the world is to establish strong partnerships involving all parties – governments, NGOs, the private sector and international organizations. The cooperation between The World Health Organization (WHO), the Novartis Foundation for Sustainable Development (NFSD) and Novartis to eliminate leprosy exemplifies this form of partnership.*"[1]

- Paul Hunt, UN Special Rapporteur on the Right to Health, in 2004.

"*We are committed to applying our core strengths in discovering, developing, producing and distributing high quality medicines to ensure that patients around the world receive the treatments they need.*"[2]

- Dr. Daniel Vasella, Chairman and CEO, Novartis, in 2005.

Introduction

In December 2005, Switzerland-based pharmaceutical giant Novartis AG (Novartis) received the 'Business Ethics Award 2006' by German Business Ethics Network, for implementing the principles of the Global Compact across the company (Refer Exhibit I for The Principles of the Global Compact). The award recognized the activities of the Novartis Foundation for Sustainable Development (Novartis Foundation), which provided a link between the company and society, by bringing out issues pertaining to development policies and bringing external views to the attention of Novartis.

---

1 Novartis Foundation for Sustainable Development Celebrates 25th Anniversary with Symposium on the "Right to Health: A Duty for Whom?" www.novartisfoundation.com, December 02, 2004.

2 "Novartis Receives Top Philanthropy Award," www.unglobalcompact.org, February 28, 2005.

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Chapter 10:

Can Barry Callebaut Attract Sustainable Investment with its 'Forever Chocolate' Strategy?

Debapratim Purkayastha, Trilochan Tripathy and Benudhar Sahu

> *"I am pleased to be able to increase and extend our revolving credit facility with our core banks, which is proof of our excellent long-standing relationship. Following the announcement of our ambitious sustainability strategy 'Forever Chocolate' last November, I am proud that we are one of the pioneers in the green loan area. Linking the interest rate to our sustainability performance makes perfect business sense for us and the financial industry."*[1]
>
> **– Victor Balli (Balli), CFO of Barry Callebaut, in 2017**

In June 2017, ING Group[1] (ING) issued a syndicated loan facility to Barry Callebaut (Callebaut) with the interest rate of the facility coupled to its sustainability performance and rating. The move was in line with Callebaut's sustainability strategy 'Forever Chocolate', targeting 100% sustainable chocolate by 2025. Forever Chocolate aimed to address the four biggest sustainability challenges in the chocolate supply chain – child labor, farmer poverty, its carbon and forest footprint, and sustainable sourcing. In its future chocolate plan, the company strove to scale up its own, besides promoting industry efforts to raise industry standards. By committing itself to sustainability ambitions, the company not only ensured availability of financial resources, but successfully linked the tenure of the credit facility and interest rate to its sustainability performance. The company was confident that it could reach its sustainability goals and make sustainable chocolate the norm by 2025. However, the company's

[1] The ING Group is a global banking and financial services institution of Dutch origin.

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Cultivating an Ecosystem for Social Entrepreneurship



Select Case Studies
Volume I

Edited by: Debapratim Purkayastha

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Editor:
Debapratim Purkayastha

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Chapter 1:

Roundabout Outdoor and PlayPumps International: A Hybrid Business Model to Tackle the Water Scarcity Problem♦

Debapratim Purkayastha

Introduction

Trevor Field, who wanted to help solve the water problem faced by communities in Africa through his 'business solution for a social problem', found himself confronted with various challenges in scaling up operations. His innovative PlayPump and the business model he adopted to achieve his mission were both widely appreciated by experts. However, issues related to funding and other challenges related to international expansion posed potent roadblocks in the way of his achieving his mission.

In Africa, 40% of the people lack access to potable water supply *(Refer to Exhibit I for key facts & figures).* The lack of access to water leads to deaths and economic loss. Moreover, women and girls, on whom the burden of obtaining water for the family falls, have to trek long distances and spend hours collecting water from dams, springs, rivers, streams, and farm reservoirs. Where such traditional sources of water are not available, they have to rely on bore wells and toil hard to work the hand pumps. While this is back-breaking work, alternatives

♦ This case study is a revised and updated version of the case "Trevor Field and the PlayPumps of Africa. It won the First prize in the oikos Global Case Writing Competition 2009 (Social Entrepreneurship Track)" organized by the oikos Foundation for Economy and Ecology, University of St. Gallen, Switzerland.

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Chapter 2:

WaterHealth International: Providing Safe Drinking Water to the Bottom of the Pyramid Consumers♦

Debapratim Purkayastha *and* Hadiya Faheem

Introduction

In February 2009, Irvine, California-based WaterHealth International Inc. (WHI) received a funding of US$ 15 million from the International Finance Corporation[a] (IFC) to expand its operations in India. With the funding, it was expected that more than 600 communities in India would be able to set up WaterHealth Centers[b] (WHCs) with a capacity to serve over 3 million people. On receiving the funding, Tralance Addy (Addy), founder of WHI, said, *"In response to the need to address the urgent problem of water-borne diseases, WaterHealth plans to expand rapidly. As we continue to do so as a*

♦ This case won the third prize in the oikos Global Writing Competition 2010 (Social Entrepreneurship track), organized by oikos Foundation for Economy and Ecology, University of St. Gallen, Switzerland.

And this case also won in the 2012 EFMD Case Writing Competition: 'Best of the Best' (Overall Winner) category, organized by the European Foundation for Management Development, Brussels, Belgium.

[a] The International Finance Corporation was established in 1956. It promotes economic growth in developing countries by mobilizing capital in the international financial markets, financing private sector investment, and providing advisory services to businesses and governments.

[b] WaterHealth Centers are the main offering of WHI which harnesses the company's proprietary UV Waterworks technology to provide a water facility for communities. An average WHC can provide a community of 3,000 residents with up to 20 liters of potable water per person per day.

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Chapter 3:

Elephant Pumps: Pump Aid's Business Solution to a Social Problem

Debapratim Purkayastha *and* Syeda Maseeha Qumer

> *"To break the cycle of poverty in Africa, access to clean water for drinking and water for irrigation must be improved. Pump Aid builds appropriate technology water pumps, called Elephant Pumps that can be maintained by poor rural communities without any outside assistance."*[1]
>
> **– Kathryn Llewellyn, International Director, Pump Aid, in 2008.**

A Social Innovation?

In December 2009, UK-based international water and sanitation charity, Pump Aid, announced that it had been chosen as the UK NGO partner of Live Earth 2010[a], the biggest fundraising event for water causes in the world. The Live Earth Run for Water global events, scheduled to be held on April 18, 2010, would see more than 100 countries participating and six kilometer running events being organized to raise money for water causes. London and Manchester were to host the UK events and all the funds raised were to go to Pump Aid projects in Zimbabwe, Malawi, and Liberia. According to Kathryn Llewellyn, International Director of Pump Aid, *"Pump Aid is proud to have been chosen as the sole UK beneficiary and partner of Live Earth 2010. We're so excited to be involved in such an ambitious event and the global push to raise awareness of water poverty. You can give water for*

[a] The brainchild of former US Vice President AL Gore and US Emmy award winning producer Kevin Wall, Live Earth worked to raise awareness about the significant impact of climate change through global music and fundraising events.

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Chapter 4:

Husk Power Systems: Lighting up the Indian Rural Lives♦

D Satish *and* Manish Agarwal

> *"I can guarantee that the pleasure and happiness you will get when you see a village light up every evening is literally "priceless". No amount of Wall Street bonuses or Hedge Fund's profit sharing can bring you that level of satisfaction, happiness, and of course recognition."*[1]
>
> **– Manoj Sinha, Co-founder, Husk Power Systems, in September 2011.**

In June 2011, Husk Power Systems (HPS), a social enterprise based in Bihar, Eastern India, won the prestigious Ashden Award for Sustainable Energy[a], considered as the 'Green Oscar'. The international award carried prize money of £[b]120,000. On this occasion, Gyanesh Pandey[c] (Pandey), Co-Founder and Chief Executive Officer (CEO) of HPS, said, *"Winning the Ashden awards is a big achievement for Husk Power Systems. Almost a third of India's population has no access to electricity and the role of energy is vital in catalyzing the economic development in India"*[2]. Jacqueline Novogratz, CEO, Acumen Fund[d] said,

♦ This case won the Second prize in the oikos Global Writing Competition 2013 (Social Entrepreneurship track), organized by oikos Foundation for Economy and Ecology, University of St. Gallen, Switzerland.

[a] Started in 2001, Ashden Awards for Sustainable Energy is the internationally recognized annual awards in the field of green energy.

[b] £ = British pounds sterling. As of September 2012, US$1 was approximately equal to £ 0.6279.

[c] Gyanesh Pandey is a native of Bihar. He did his B.Tech in Electrical Engineering from Benaras Hindu University before moving to the US for his Master's degree in Electric Power and Power Electronics Engineering from Rensselaer Polytechnic Institute. He worked in the Power Management Semiconductor industry before HPS.

[d] Acumen Fund is a non-profit global venture fund started in April 1, 2001

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Chapter 5:

Fabio Rosa – Bridging the Electricity Divide in Brazil♦

A Harish *and* Vivek Gupta

> *"Fabio Rosa is one such entrepreneur, and while his name may not be as well known as many of today's brightest minds, he is the man who brought light to rural Brazil. This may seem an overstatement, but for the farmers living without the benefit of electricity – up to 70% of the rural population – this is no small thing. In fact, it has made a world of difference."*[1]
>
> **– Niel Peterson, Head of Edge Foundation[a], in June 2009.**

Providing Electricity to Rural Masses

In February 2008, Fabio Rosa (Rosa), a social entrepreneur based in Brazil, was awarded The Leapfrog Fund Award[b] sponsored by The Schwab Foundation for Social Entrepreneurship[c] and the

♦ This case won in the 'Inclusive Business Models' category in the 2010 EFMD Case Writing Competition" organized by the European Foundation for Management Development, Brussels, Belgium.

[a] Edge Foundation is a charitable organization that provides personal coaches for children with Attention-Deficit/Hyperactivity Disorder. It was founded in 2006 in the US.

[b] The Leapfrog Fund Award was presented by the Schwab Foundation for Social Entrepreneurship and the Lemelson Foundation. The Leapfrog fund supports the transfer and adaptation of technological innovations developed by social entrepreneurs. Winners were awarded grants worth US$ 75,000 over a 36-month period to facilitate technology transfer.

[c] The Schwab Foundation for Social Entrepreneurship was established in 1998 in Geneva, Switzerland. Its purpose was to advance social entrepreneurship and to foster social entrepreneurs as an important catalyst for societal innovation and progress.

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Chapter 6:

SELCO: Providing Sustainable Energy to the Bottom of the Pyramid Consumers

G V Muralidhara *and* Hadiya Faheem

"SELCO's frugal just-in-time energy distribution system — as opposed to the always-on but wasteful electricity grid — brings more value to more Indians at less cost, and it is both environmentally and economically sustainable. SELCO's business model is an outcome of the jugaad mindset."[1]

– Navi Radjou, Jaideep Prabhu, and Simone Ahuja, authors of the book Jugaad[a] Innovation, in 2012.

"You have to look at the bottom of the pyramid more sustainably – by creating asset-based consumer goods."[2]

– Harish Hande, co-founder, Solar Electric Light Company, in 2011.

"A unique social business model. This is a most exciting example of a company that has corporate and social responsibility at the heart of its mission."[3]

– Julian Birkinshaw, Faculty of Strategic and International Management, London Business School, in 2008.

Introduction

In July 2011, Harish Hande (Hande), a social entrepreneur and co-founder of Solar Electric Light Company (SELCO), a Bangalore[b]-based solar electric company, was honored with the Ramon Magsaysay

[a] *Jugaad* referred to a quick, creative idea, and an alternative way of solving problems.

[b] Bangalore is the capital of Karnataka, a southern state in India.

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Chapter 7:

M-KOPA Solar: "Solar-preneur" with a Unique Business Model

Nagendra Kumar M V *and* D Satish

> *"This system addresses some fundamental issues at the bottom of the economic pyramid with 70 to 80 percent of the country living without grid electricity."*
>
> ***– Bob Collymore, Chief Executive Officer, Safaricom***[1]
>
> *"We are giving people a modern, cleaner, and longer-lasting technology for less than what they would spend on kerosene or another inefficient substitute."*
>
> ***– Jesse Moore, Co-Founder and Managing Director of M-KOPA Solar***[2]
>
> *"As a group, we understand the aspirations and realities of African economies and this investment in M-KOPA Solar makes sound business sense for us."*
>
> ***– Jeremy Ngunze, Chief Executive Officer (CEO) of CBA***[3]

M-KOPA Solar, an East Africa-based affordable off-grid solar power provider, won the Zayed Future Energy Prize in January 2015, to become the first company with headquarters in Sub-Saharan Africa to win the prestigious award. The prize, the world's leading renewable energy and sustainability award, was presented during the Abu Dhabi Sustainability Week in January 2015 in recognition of the firm's significant contributions to the future of renewable energy and sustainability.

Speaking on the achievement, Jesse Moore (Moore), Co-founder and Managing Director, M-KOPA Solar, said, *"We are honored to win the Zayed Future Energy Prize. The prize brings global attention to M-KOPA Solar's business model, which has brought clean, affordable solar power*

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Chapter 8:

Solight Design: A Humble Initiative to Spread Light

Syeda Tahera Sadia *and* Indu Perupu

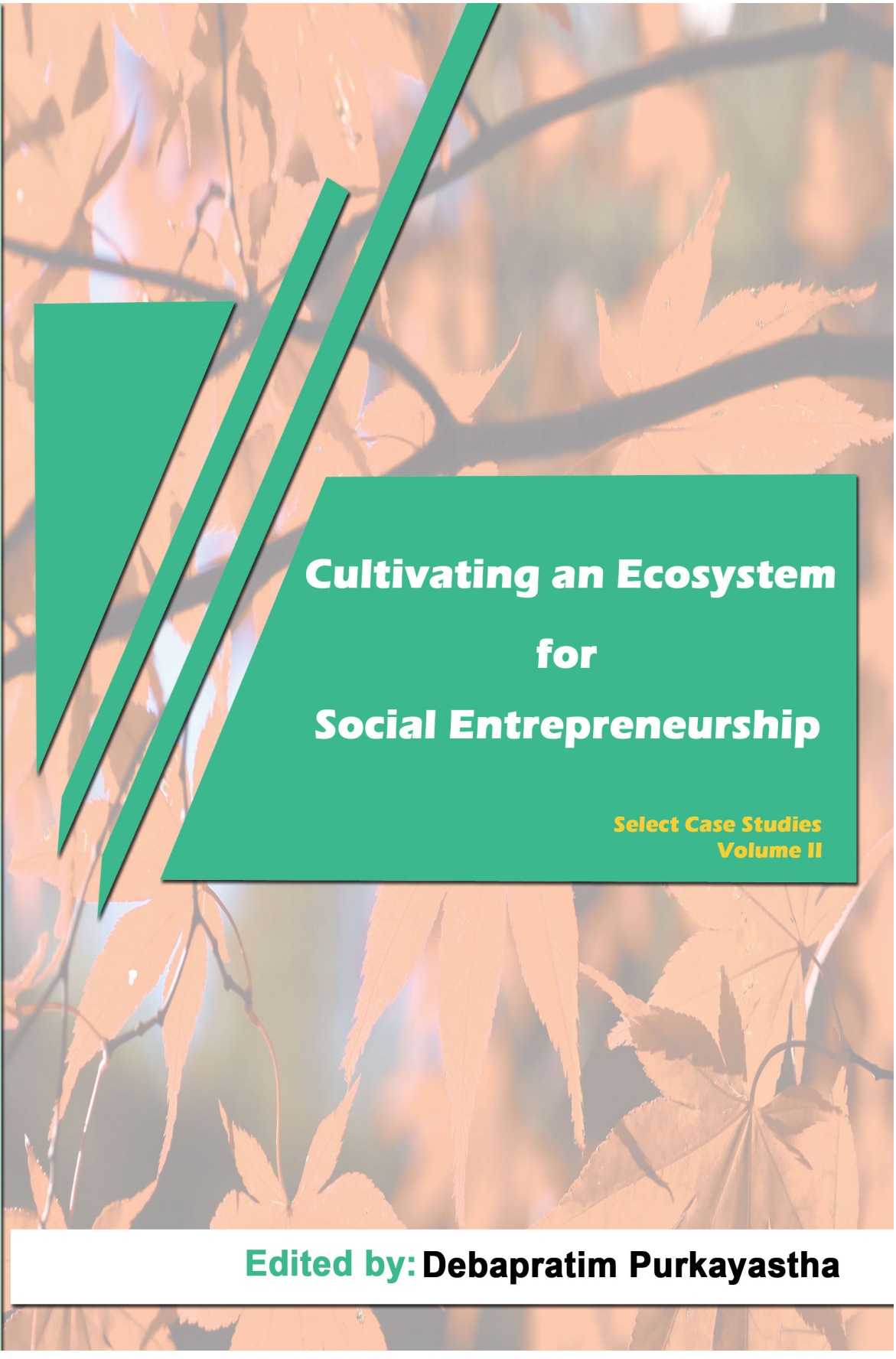
"With light, people are safer, they're happier. It's a symbol of hope."[1]

– Alice Min Soo Chun, Founder of Solight Design

Alice Min Soo Chun (Chun), a design and architecture professor in New York, founded *"Solight Design"* in 2010 with the primary objective of providing a sustainable and environmental-friendly solution to end the woes of people suffering in darkness. The enterprise was involved in delivering affordable solar lighting and power solutions to the world, with design as the key aspect. Chun was moved by the deplorable conditions of the people who lacked electricity, especially the poor and the disaster stricken. She also wanted to work towards developing a clean and healthy environment for people to live in, as the increased dependence on fossil fuels for energy had led to a rise in the number of diseases like asthma. So, she wanted to provide innovative solar lighting solutions to bring people out of darkness while also contributing towards a positive change in the energy consumption patterns of the world. With these two objectives in mind, Chun invented an innovative, folding solar lantern called the *"SolarPuff".* She designed the product especially for people afflicted by natural and man-made disasters.

Chun and her team members distributed free SolarPuffs to the Syrian refugees, people of Haiti, Peurto Rico, Nepal and other places affected by earthquakes, hurricanes and other calamities. According to Chun, the innovative design of the solar lantern had helped her to ship multiple products in a single batch to the areas affected by disasters, as time plays a crucial role in such conditions. Analysts also believed that the product was very handy and easy-to-use and to carry for people, in

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Cultivating an Ecosystem for Social Entrepreneurship

Select Case Studies
Volume II

Edited by: Debapratim Purkayastha

Cultivating an Ecosystem for Social Entrepreneurship: Select Case Studies – Volume II

Editor:
Debapratim Purkayastha

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Chapter 1:

Sanergy: Sustainable Sanitation♦

Geeta Singh *and* Indu Perupu

In 2012, a three-year-old boy, a resident of a sprawling slum in the western Kenyan city of Kisumu, died after falling into an open pit toilet in the area while playing with other kids. His inconsolable mother, Nancy Anyango, said, *"The waste produces a pungent smell, and when it rains, it floods our houses, and we are forced to move out. The lives of our children, too, are in danger because they play inside the filth."*[1] Slums like the one in Kenya, with its deteriorating sanitation facilities, existed in most of the developing and underdeveloped countries and were home to a huge population comprising the poorer sections of society.

While to most people, such abysmal sanitation facilities were an indication of a human-rights crisis, to David Auerbach (Auerbach), a Massachusetts Institute of Technology[a] (MIT) graduate, they also appeared to be a social entrepreneurial gold mine. The scale of the sanitation problem prompted this young social entrepreneur to start a social enterprise, Sanergy, along with some of his fellow students. In January 2010, with support from an award they won at MIT, Auerbach and his founding team arrived at the Kenyan capital of Nairobi to address the dangerous and intractable problem of sanitation plaguing urban slums. The move raised several questions: Is sparking entrepreneurialism a way to combat the sanitation crisis? What should the business model of a company addressing this issue be? And can such businesses remain sustainable in the long run?

♦ This case won Third Prize in the Social Entrepreneurship track in the oikos Case Writing Competition, 2016, organized by oikos International, Switzerland.

[a] The Massachusetts Institute of Technology (MIT) is a private research university in Cambridge, Massachusetts, founded in 1861.

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Chapter 2:

Sulabh International: Providing Sustainable Sanitation Solutions

Debapratim Purkayastha *and* Hadiya Faheem

> *"In 1974, the Patna corporation asked me to create toilets on their land. They also provided the construction money. The only condition was that they wouldn't give the money for maintenance, so we decided to charge the money from the users. So there were jokes in Patna that you will have to pay to even shit. However, the bright side was that on the first day, 500 people used the toilets. From there the Sulabh revolution started. Today, about 20 million people use 9000 public toilets throughout India."*[1]
>
> ***– Bindeshwar Pathak, Social Entrepreneur and Founder of Sulabh International (Sulabh), in September 2018.***

In December 2018, Bindeshwar Pathak (Pathak), social entrepreneur and founder of India-based social service organization Sulabh International (Sulabh), was chosen as The Weekend Leader [a] – VIT Person of the Year (2018) in recognition of his immense service to the field of sanitation. In his acceptance speech after receiving the award, Pathak said that Sulabh not only liberated manual scavengers[b] from the inhuman task of cleaning night soil[c] but also restored their dignity to them by rehabilitating them by training the women and children in different skills.

[a] Founded in 2010 by founder and editor, PC Vinoj Kumar, The Weekend Leader is a media venture managed by experienced journalists focusing primarily on positive news and features.

[b] Scavengers were a class of people who manually cleaned up the excreta of others. The scavengers were not just placed at the bottom of the stratification system but were also despised among the scheduled castes as they tended to be identified with filth and squalor.

[c] Night soil refers to human excrement collected at night from buckets, cesspools, and privies and sometimes used as manure.

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Chapter 3:

SKS Microfinance: Managing Growth and Continuity of a Social Enterprise♦

Debapratim Purkayastha, Somaditya Das and Wasim Harunbhai Kalwa

> *"The conventional view of microfinance is that it is a social business and there should be no profit and no loss. We have a very different view at SKS. Our view is that if you have to tap into $55 billion (the annual credit requirement in India considering there are 150 million poor households that need credit), you are not going to get from social investors but from commercial capital markets and by being profitable and we're now a for-profit finance company and our goal is to be profitable."*[1]
>
> **– Vikram Akula, Chairman and Founder of SKS Microfinance, in 2008**
>
> *"Microcredit should not be presented as a money-making opportunity. It is an opportunity to make an impact on poor people's lives...An IPO gives a wrong message."*[2]
>
> **– Muhammad Yunus, Founder of Grameen Bank [a], in 2010**

Introduction

In April 2010, SKS Microfinance Ltd. (SKS), the leading Microfinance Institution (MFI) in India, announced that it planned to raise about US$350 million by selling 6.8 million equity shares through

♦ This case won the Second Prize in the 2011 Baylor-USASBE Student Case Research Competition.

[a] Grameen Bank of Bangladesh was the largest MFI in the world as of 2010. The organization and its founder, Muhammad Yunus, jointly won the Nobel Peace Prize in 2006.

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Chapter 4

The Dalit Freedom Network & Operation Mercy Charitable Company-India

Larry Howe, Vijaya Narapareddy *and* Nancy Sampson

> *"The interest rate, in my view, should be 30 per cent. What do you think, Nanci?"*
>
> *"I think that is unethical," replied Nanci Ricks, President of the Dalit Freedom Network (DFN), headquartered in Denver, Colorado.*
>
> *"But what are you trying to teach the Dalits? Are you suggesting to them that their money is worth less than what banks charge in the area? And how else can this microfinance operation be sustainable?"*

This discussion with the Denver-based consultant, Joe Williams, took place at DFN headquarters on May 8, 2007. It was not the first time a discussion on interest rates had taken place at DFN. Williams recalled a conversation he had had with Moses Paramor during his visit to Denver a month earlier.

"Today we have over 6560 families represented in 417 self help groups...All across India, and in only 18 months!" Moses Paramor was excited that 86 of the groups were in the Northern half of India, where he was North India operations director overseeing the work of Operation Mercy Charitable Corporation - India (OMCC). Paramor was thrilled that so many Dalit (untouchable) women were being reached in such a short time, and were gaining access to financial services that had been denied them all of their lives.

When World Relief began training Paramor's team members in micro business lending in late 2005, none of the Dalits were being served by the groups now managed by Operation Mercy Charitable Corporation (OMCC) – the organization formed to manage economic development activities for the untouchable population of India.

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Chapter 5

BISWA: Fostering Inclusive Growth through Microfinance

Debapratim Purkayastha *and* Suresh Chandra Bihari

> *"Poverty crushes the human spirit... Microfinance is a critical anti-poverty tool. When the poorest, especially women, receive credit, they become economic actors and are empowered. They are empowered to improve not only their own lives but, in a widening circle of impact, the lives of their families, their communities, and their nations. Microfinance can help make India's economic growth more inclusive."*
>
> ***– Khirod Chandra Malick, Chairman, Bharat Integrated Social Welfare Agency.***

Introduction

"How do we ensure that the poorest of the poor benefit from our microfinance program while at the same time ensure that our organization continues to remain financially sustainable?" asked Mr. Khirod Chandra Malick (Malick), Founder, Chairman (Chief Functionary), Bharat Integrated Social Welfare Agency (BISWA), to members of the senior management team of BISWA's microfinance program who had assembled at his office.

It was another hot and humid day at Sambalpur, a town in the western belt of the eastern Indian state of Odisha[a]. It was the end of June 2010 and summer was at its peak. Sitting in his office, Malick was going through the progress reports of BISWA's microfinance program.

[a] Odisha was earlier known as Orissa. It was one of the poorest states in India with 43% people of the state living below the poverty line with a per capita of less than US$1 per day.

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Chapter 6:

Sistema Biobolsa: Addressing Challenges of Climate Change, Sustainable Agriculture and Waste Management in Mexico♦

Indu Perepu

> *"Sistema Biobolsa is a project with many benefits. Using organic waste that, through the fermentation process, produces biogas, and using this biogas in cooking stoves generates savings for families and helps us all protect the environment. So it is good for health, good for the economy and good to fight against poverty."*[1]
>
> **– Felipe Calderón Hinojosa, Former President of Mexico**
>
> *"The bio-digester is not an end in itself, but rather the means to change rural farmers' energy use and their perception of their own conditions."*[2]
>
> **– Alex Eaton, Co-founder of Sistema Biobolsa**

Small farmers contributed to 70% of the global food production[a]. The challenges they faced were innumerable – ranging from limited access to energy, increased use of chemical fertilizers, low yielding land, decreased farm output, increased input costs, etc. These were the issues that bothered Alex Eaton (Eaton), who worked with companies involved in providing alternative energy to the poor. In this endeavor, he partnered with Camilo Pages (Pages), who was involved in marketing eco-friendly technologies.

♦ This case won third prize in the 2019 oikos Case Writing Competition organized by oikos Foundation, Switzerland

[a] Asof 2012 according to www.fao.org

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Chapter 7:

Dr. Devi Shetty of Narayana Hrudayalaya: Delivering Quality Cardiac Care to the Masses♦

G V Muralidhara

'No matter how good a surgeon you are, if you are not affordable it is of no use.'

– Devi Shetty, in October 2015

'Never doubt that a small group of committed people can change the world – Indeed that is the only thing that has.'

-Margaret Mead, Anthropologist

'Hands that serve are more sacred than lips that pray.'

- Mother Teresa

Introduction

In September 2015, Devi Shetty (Shetty), Founder Chairman of Narayana Hrudayalaya (NH), a hospital chain that stood apart in the Indian healthcare market by providing affordable quality healthcare to the masses, announced his intention to go in for a public issue. The announcement attracted widespread interest in the media. Questions were raised about the reasons for the public issue since Shetty had been running his hospital chain successfully for fifteen years, achieving his social mission of providing treatment to any patient who walked into

♦ This case is a Runner-up in the 2016 oikos Global Case Writing Competition (Social Entrepreneurship Track), organized by oikos International, Switzerland.

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Chapter 8:

KickStart: A Business Model to Tackle Poverty

Namratha V Prasad *and* S S George

"The vast majority of development is about giving things away, and most development agencies see the poor as victims asking for help. At KickStart, we have a very different opinion of them. We see them as entrepreneurs. We see them as extremely hardworking people seeking the opportunity to get out of poverty."[1]

-Martin Fisher, CEO and co-founder of KickStart International, Inc., in 2008.

"In creating KickStart, Martin (Fisher) has created a model that is, by design, sustainable and easily replicated nearly anywhere in the world where people suffer grinding poverty. Because of the quantum leap in income brought about by these technologies, the journey out of poverty is a one-way trip."[2]

-Frances B. Emerson, Vice President of corporate communications at Deere and Company[a], in 2008.

Introduction

In early 2009, KickStart International, Inc. (KickStart), a Kenya-based non-profit organization, launched a marketing campaign called *"Farming is My Business",* to sell its range of irrigation pumps. Talking about the campaign, Martin Fisher (Fisher), the CEO and co-founder of KickStart, said, *"We realized that we needed to do more than just*

[a] Deere and Company, established in the US in 1837 is a leading global manufacturer of agricultural machinery. It sold tractors, balers, planters/seeders, lawn mowers, string trimmers, chainsaws, etc.

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Chapter 9:

Jaipur Rugs – Empowering Communities at the Bottom of the Pyramid through Social Innovation♦

Syeda Maseeha Qumer *and* Geeta Singh

Introduction

In a small village in the state of Rajasthan in India, a woman artisan, Bimla Devi, was busy weaving her signature into a corner of the rug she had just finished making. In her own words, she felt like a *"film star"* when she wove her signature into the rug. Some years ago, Bimla Devi's life had turned upside down when her husband passed away. A pregnant Bimla Devi was left with the responsibility of sustaining her family. At her wits' end, she finally decided to learn the skills and art of hand weaving. She turned for help to a social enterprise – Jaipur Rugs – which provided her with a better quality of life and education.

Jaipur Rugs was founded in 1978 by Nand Kishore Chaudhary (NKC) to provide a sustainable livelihood to people living at the bottom of the pyramid. Through his social enterprise, NKC revived the dying art of hand-weaving rugs and enabled the socio-economic growth of artisans among local communities in Rajasthan. He adopted the Doorstep Entrepreneurship model by empowering women by giving them access to a sustainable livelihood at their doorstep. He started working directly with the artisans, building a network within the carpet industry free of middlemen while giving the weavers fair wages and socio-economic support. In 2004, NKC founded Jaipur Rugs Foundation which focused on adult education, entrepreneurship

♦ This case won the First Prize in the 2018 oikos Case Writing Competition (Social Entrepreneurship track), organized by oikos International, Switzerland.

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Digital Marketing - The Future of Marketing

Edited by: Rishi Dwesar

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Editor:
Rishi Dwesar

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Chapter 1:

Digital Marketing at Nike: From Communication to Dialogue

Adapa Srinivasa Rao *and* Debapratim Purkayastha

> *"We began to aggressively grow our communities across all categories, using the most relevant social network in each country. To date, we have active communities around the world engaged with nearly 50 million consumers."*[1]
>
> **– Jesse Stollak, Director for Nike's Global Digital Brand and Innovation, in September 2011.**
>
> *"Connecting used to be, 'Here's some product, and here's some advertising. We hope you like it'. Connecting today is a dialogue."*[2]
>
> **– Mark Parker, Nike's CEO, in February 2012.**

In 2010, Nike, Inc. (Nike), the leading sportswear and equipment manufacturer in the world, launched a new business division called Nike Digital Sport (NDS). The main objective of NDS was to develop devices and technologies which would allow users to track their performance while helping the company get a hold over some vital consumer data like their work-out patterns. Nike hoped to better understand the habits and preferences of its customers and thereby communicate more effectively with them about their needs through NDS. NDS released a major product called the FuelBand which tracked the energy output of the wearer. The FuelBand, when synced with Nike's earlier blockbuster offering, Nike+, helped Nike to gather information about its customers. NDS was part of Nike's aggressive shift from traditional marketing to digital marketing strategies. Nike's digital marketing had its roots in the launch of its website 'Nike.com' in 1996 and its online store in 1999. The website, which was redesigned in 2005, offered a service called 'NIKEiD' using which customers could design their own shoes online. Nike would then make and deliver the

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Chapter 2:

'Game of Thrones' TV Series: HBO's Integrated Marketing Strategy

Koti Vinodbabu, Syeda Maseeha Qumer *and* Debapratim Purkayastha

> *"This* ***element of mystery*** *and* ***unpredictability*** *has been harnessed successfully by GoT's marketing and customer engagement strategy, which has played a significant role in the continued level of interest in the show. It has been a masterclass in* ***integrated marketing*** *and Game of Thrones is on its way to becoming the most successful paid TV show in history."*[1]
>
> **– Amrita Bhattacharyya, a Customer Strategist, in 2016.**

In September 2015, US-based premium cable and satellite television network Home Box Office, Inc.'s (HBO) hit drama series Game of Thrones (GoT) broke the record for the highest number of Emmy Awards[a] won by any fictional series in a single year. The show bagged a record-breaking 12 awards from its 24 nominations including top awards such as the best drama series award, best direction, and best writing.[2] GoT also hit record ratings in viewership, with 8 million total viewers for the Season 5 premiere broadcast on April 12, 2015, a 21% increase compared to the Season 4 premiere. *"A mix of smart marketing campaigns, consumer-generated internet buzz and over-the-top events contribute to making HBO's an admirable marketing strategy. Game of Thrones is a case in point to examine how HBO owned the customer journey through its multi-channel marketing campaign, finding innovative ways to keep its consumers engaged at each step of the experience, from generating awareness before the show launched, to maintaining high*

[a] The Emmy Award, considered as the TV equivalent of the Oscars, recognizes excellence in the American television industry. The award ceremony is held annually in the US.

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Chapter 3:

Zomato: Redefining Digital Marketing

Barnali Chakraborty *and* Debapratim Purkayastha

> *Our ideas tend to be relatable because they speak directly to the masses. So if you notice the language we use across our platforms, you'd find it very approachable. Our aim is to not always go viral but to stay relevant. And in most cases, this relatability factor drives the overall engagement."*[1]
>
> **– Gaurav Verma, Chief Marketing Officer, Brand, Zomato, in August 2019**

In April 2020, with the whole world in the grip of the Covid-19 pandemic[a], India imposed a total lockdown that forced businesses to shut down or allow their employees to work from home. While essential services were allowed, online food service aggregators (FSA) like Zomato were also disrupted as the government sometimes allowed them to operate and sometimes put restrictions. A Twitter handle decided to have some fun at Zomato's expense: *"My parents think I am as useless as Zomato in our phones during this lockdown. My parents are wise,"* Though Zomato wasn't even tagged on the tweet, its social media team noticed it and retorted: *"We're actually delivering groceries now, aap*

[a] The Covid-19 pandemic is caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The outbreak was first identified in Wuhan, China, in December 2019. The World Health Organization declared the outbreak a pandemic on March 11. 2020. As of May 7, 2020, more than 3.82 million cases of COVID-19 had been reported across 185 countries and territories and resulted in more than 265,000 deaths. As the virus is primarily spread between people during close contact, authorities across the world have responded by implementing travel restrictions, quarantines, social distancing, lockdowns, curfews and stay-at-home orders, workplace hazard controls, and facility closures, where only essential services will function. The pandemic has caused severe global socioeconomic disruption including the largest global recession since the Great Depression.

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Chapter 4:
Dabur's Digital Marketing Initiatives

Smita Ray *and* Sanjib Dutta

"One of the most notable trends that we are witnessing today is the digital revolution. This is going to have a significant impact on consumer behaviour and market structure in future."

– Anand C Burman, Chairman, Dabur, 2017[1]

"Increasing focus on digital marketing, online campaigns and social media will help us access the millennials who are going to drive strong trends of consumption in the coming times."

– Anand C Burman, Chairman, Dabur, 2017[2]

Introduction

In February 2019, India-based FMCG company Dabur India (Dabur) launched a new digital campaign named '#ToMyBeeLoved' on Valentine's Day. Through this campaign, the company urged the influencers to encourage self-love among their followers. It also emphasized the importance of staying healthy. This campaign, which helped the company to reach out to bloggers and influencers from diverse backgrounds, also talked about people inculcating the right habits into their daily schedule, doing things they loved, prioritizing self-care, as well as showing affection to their loved ones.

In 2011, Dabur started using digital technology and social media to promote its products. The company also launched products aimed at a young population aged between 25 and 35. During 2015-16, Dabur launched different digital campaigns highlighting the goodness of its products. That helped the company to build its brand image in the Indian FMCG industry.

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Chapter 5:

Cape Town Tourism: Employing Digital Marketing in Tourism

Ranjana Tiwari *and* Debapratim Purkayastha

"More destinations are turning to social media to promote their services and reach customers in a more intimate, interactive, and instant way."[1]

– Mariëtte du Toit-Helmbold, Chief Executive, Cape Town Tourism, in 2013

"People are coming into the destinations with smartphones, getting access to free wi-fi and… constantly broadcasting their experiences."[2]

– Damin Cook, Managing Director of Kenyan based E-Tourism Frontier[a], in 2014

In the early 2000's, tourism in Cape Town, South Africa, was witnessing its worst phase. In the year 2000, the city registered 770,000 overseas tourist arrivals, a 3% decline compared to 1999. According to a report by Wesgro[b] in 1999, tourism in the city was the source of approximately 9% of Gross Regional Product and 9% of employment.[3] Despite being a vibrant city, Cape Town was not able to attract foreign tourists in big numbers. To cope with the challenging situation, local tourism organizations in Cape Town merged together to form Cape Town Tourism in 2004. They got the golden opportunity to act as one of the host countries for the 2010 FIFA World Cup. Hosting the World Cup ensured that Cape Town got plenty of exposure all over the world.

[a] E-Frontier is a program on a global platform which works for the growth of online tourism in upcoming markets across the world.

[b] Wesgro was appointed as the official Destination Marketing, Investment, Trade Promotion Agency for Western Cape Town located in Cape Town.

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Chapter 6:

Horlicks Using 'mSamvaad' to Reach Out to a Media-Dark Rural Market

Koti Vinod Babu *and* Namratha V Prasad

> *"Brands are always looking for innovative ways to engage with the audiences and whenever we are able to create novelty in the voice space, they are always open to adopting it."*[1]
>
> **– Niraj Ruparel, National Head of Mobile, Mindshare India,in December2019.**

In late 2019, Mindshare India, the Indian subsidiary of global media agency Mindshare[a], launched a high-scale engagement program for Horlicks[b] through its new mobile voice-driven platform called 'Audio Conferencing Bridge' or 'mSamvaad'.

British multinational pharmaceutical company GlaxoSmithKline plc (GSK)[c], which owned leading Health Food Drink brand Horlicks, used 'mSamvaad' to deliver a message about the nutritional benefits of a new

[a] Mindshare is a US-based global media and marketing services company launched in 1997. It is part of GroupM, which is one of the leading advertising media companies headquartered in New York City. It has over 36,000 employees and 400 offices in over 100 countries, as of 2019.

[b] Horlicks is a sweet malted milk hot drink powder developed by founders James and William Horlick in 1873. The drink was originally conceived as an energy booster for children, the elderly, and sick. Horlicks came to India with the British soldiers in World War I in 1918 as a diet supplement. In April 2020, Hindustan Unilever Limited (HUL), the country's biggest consumer goods firm acquired the Horlicks brand from GSK Plc. Horlicks commands a volume market share of 43% of health drinks in India, as of 2020.

[c] GlaxoSmithKline plc is a British multinational pharmaceutical company. It was established in 2000 by a merger of Glaxo Wellcome and SmithKline Beecham. GSK was the world's sixth largest pharmaceutical company according to Forbes as of 2019.

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Chapter 7:

IKEA's Social Media Listening & Monitoring Initiatives

Jayasri Bhimalapuram *and* Debapratim Purkayastha

> *"Social Media has opened up a unique platform for us to interact directly with our customers. Listening to what they want is what we do best, and the Big Sleepover is just one example of how we're using such instant and open feedback to better inform our marketing activity."*[1]
>
> **– Lois Blenkinsop, PR and Internal Communications Manager, IKEA United Kingdom**

In December 2011, IKEA launched *"The Big Sleepover"* happy to bed campaign in the UK. According to IKEA, its team had uncovered a group on Facebook called *"I want to have a sleepover in IKEA".* The group was started by IKEA fans and identification of the fan group was the seed for the campaign. IKEA wanted its customers to look at the company not only as a furniture retailer but also as a brand that guided customers at every step of the redesigning and furnishing process while creating an ideal haven and helping them go *"happy to bed".* IKEA developed a fully integrated plan for the *"Big Sleepover"* at the Lakeside IKEA store in the UK for its customers. The campaign was broadcast online, on social media (Facebook, Twitter, Flickr, and YouTube), and across print media and was considered a huge success.

Industry observers felt that by monitoring social media, IKEA had benefited through fact based decision making, sales recovery, waste reduction, and opportunity identification to avoid potential public relation crises. IKEA's stated business concept was *"It is all about finding simple solutions and saving on every method, process, or approach adopted – but not on ideas."*[2] IKEA stated that it had turned to social media to discover who was talking about it, what was being

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Chapter 8:

Mamaearth's 'Goodness Inside' Brand Communications

Jitesh Nair *and* Bitra Vasudev

"Millennials want to do good and steer their families into a better tomorrow. That is why we call this generation as 'Generation Good'. At Mamaearth, we share the same values and moral compass as Gen Good."[1]

– Ghazal Alagh, Chief Mama & Co-Founder, Honasa Consumer Pvt. Ltd (Mamaearth), in July 2020

"The fundamentals of our marketing strategy have always been in line with 'Goodness Inside'. This brand purpose has been a guiding light when it comes to brand messaging during these times. We are cautious about not spreading any message that exacerbates the anxiety that people are already going through. Neither do we try to downplay the enormity of the situation."[2]

– Varun Alagh, Co-founder, Chief Dad and Get Stuff Done Officer, Honasa Consumer Pvt. Ltd. (Mamaearth), in August 2020

Introduction

Mamaearth, based in Gurugram[a], India, was considered one of India's fastest growing personal care brands given that its turnover had crossed INR1 billion within a span of four years (2016-2020).[3] The direct-to-consumer (D2C)[b] company was established in 2016 by a millennial[c] Indian couple, Ghazal Alagh and Varun Alagh (the Alaghs),

[a] A city southwest of New Delhi in northern India.

[b] A D2C model enables the brands reach their target customers directly, removing the middlemen and retail stores innate to the traditional business model.

[c] Millennials are people born in between 1981 and 1996.

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Chapter 9:

Marketing 'Baahubali': India's Biggest Blockbuster

Koti Vinodbabu *and* Syeda Maseeha Qumer

Indian movie production house Arka Mediaworks' first instalment of the two-part epic fantasy film Baahubali *("The One with Strong Arms")* – the Beginning (Baahubali) took the Indian box office by storm and set the cash registers ringing, raking in Rs. 2.15 billion in revenue within just five days of its release worldwide on July 10, 2015.[1] The movie also set records in North America, earning US$3.6 million in a 236-screen limited release, for an exceptional US$15,254 per-screen average.[2] It was among the top 10 movies released that week in the US *(See Exhibit I).* According to trade analysts, rarely had an Indian regional movie created such a box-office frenzy as this fantasy epic mounted on a lavish scale and marketed in an equally slick way had done. According to Debasmita Ghosh, content manager for brand Code{ur}idea[a], *"Given such smart marketing strategies through with Baahubali spread its wings on social media, and dared to walk off the beaten track, it certainly comes as no surprise that this was a campaign that many are henceforth going to take a leaf out of."*[3]

Touted to be the most expensive production in the history of Indian cinema, Baahubali was made on a lavish budget of US$18 million. It was a bilingual, simultaneously produced in Telugu and Tamil, and dubbed into Hindi and Malayalam. The story of the film with heavy visual effects revolved around two brothers who battled for supremacy over a prosperous medieval kingdom. The movie was released across 4,650 screens in India and 250 screens in the US on July 10, 2015.

[a] Code {ur} idea is an Indian web development company that offers custom web and application development services.

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Chapter 10:

J&J India Uses Tiktok to Connect with Indian Teenage Girls

Jitesh Nair *and* Bitra Vasudev

"As part of our content ecosystem, TikTok and Instagram are the primary UGC (user generated content) platforms where teens are found nowadays. The objective of the initiative is to create a stronger bond for Clean & Clear with teenagers. By creating content that spoke to different teen personalities, we not only hoped to connect with teenagers more deeply but also to make each of these personalities 'cool'. Thus encouraging teens to be who they are proud of."[1]

– Sameer Lal, Former General Manager Marketing, Beauty, Johnson & Johnson, in February 2019

"With users across Tier I, Tier II and Tier III cities TikTok gives digital advertisers an opportunity to connect with deeper sections of society. Brands are slowly uncovering the true potential of the Indian market as TikTok might be the first content creation platform for a lot of new internet users in the country. This gives partner brands an opportunity to connect with their audiences across the length and breadth of the country, in an interesting and innovative format."[2]

– Sachin Sharma, Director, Sales and Partnerships, TikTok India, in October 2019

Introduction

Johnson & Johnson Consumer (India) (J&J India), the Indian business unit of Johnson & Johnson (J&J),[a] launched a limited-edition range of Clean & Clear[b] Foaming Face Wash bottles called 'My Swag

[a] Johnson & Johnson is a US-based healthcare, consumer goods, pharmaceutical and medical devices company.

[b] Clean & Clear is a brand of skincare and haircare products of J&J.

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Digital Platforms - Driving Business Transformation



Edited by: Samyadip Chakraborty

Digital Platforms - Driving Business Transformation

Editor:
Samyadip Chakraborty

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Chapter 1:

Khan Academy – Disrupting the Education Space

K B S Kumar *and* Indu Perepu

"Sal is the world's first superstar teacher" [1]

– Yuri Milner, Russian Physicist turned Venture Capitalist, in 2012

"What Sal Khan has done is amazing; He has taken all his material and broken them down into little 12 minute lectures. I was super happy, he came up to talk about where does he go now, how can my foundation help him pursue his dream[2]*"*

– Bill Gates, Co-Founder Bill and Melinda Gates Foundation, in 2010

Introduction

In 2003, Salman Khan's (Khan) initiative of tutoring his cousin in mathematics online through Yahoo Doodle notepad serendipitously led to the revolutionary concept of offering free-of-cost online lectures across the world. What began as a casual hobby became in less than a decade an online education platform boasting of 10 million students[3], 5000 courses, about 1000 million views, and an army of 350,000 registered teachers. In short, Khan's initiative, available in more than 30 global languages, took the $ 1 trillion global education industry by storm.

Khan, a hedge fund analyst, discovered his passion for teaching in the early 2000s and quit his job at Connective Capital Management in 2009. He followed his dream of imparting education using an interactive, informal, colloquial, and gamified approach. In the year 2009, Khan founded Khan Academy. The 'messiah of math'[4] as Khan

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Chapter 2:

Byju's: A Leader in EdTech

Benudhar Sahu *and* Indu Perepu

In July 2019, the Bengaluru, India-based educational technology and online tutorial firm, Think and Learn Private Ltd. (popularly known as Byju's), announced that its valuation had risen to US$5.5 billion from US$3.5 billion in December 2018.[1] This made Byju's the most valued EdTech company in the world. The increase in valuation happened after the company went in for a Series F funding of US$540 million from South African media giant` Naspers, Canada Pension Plan Investment Board, and private equity giant General Atlantic.

Although such valuation jumps within a single round were exceptional, it was the company's rapid growth that had made it possible. Byju's witnessed 100% growth year on year for the three years 2016-2018, and it also turned profitable in financial year 2019. *"It is likely that it is commanding steep increases in valuation on a month-on-month basis, not year-on-year, as other startups might,"*[2] Vivek Durai, founder of Paper.vc,[a] said. With this valuation, Byju's became the fourth most valued startup in India after Flipkart, Paytm, and Ola.

The main product of the company was a mobile app called BYJU's – The Learning App, which could be downloaded for Android devices from Google Play Store and for iOS devices from Apple's App Store. The app offered comprehensive learning programs for students from classes 6 to 12 in India and provided special programs for students appearing for competitive exams. The learning app focused on technology-based delivery of educational content. Acknowledging students' attachment to smartphones, Byju Raveendran (Raveendran), founder and CEO of Byju's, showed how the gadgets could become a crucial part of a student's learning journey.

[a] Paper.vc is a Chennai, India-based developer of a financial data platform that provides financials and insights on companies.

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Chapter 3:

Masai School's Skilling Platform: Bridging the Skills Gaps in the Indian IT Industry?

Jitesh Nair *and* Balaswamy Pasala

> *"Even the best universities in India have not changed their teaching curriculum in the last 10 years. Whereas, the technologies on which most companies operate have continuously changed. This has left university courses out of sync from what is expected by the tech industry."*[1]
>
> **– Prateek Shukla, Co-founder and CEO of Masai School in August 2020**

> *"Considering all of us come from a tech background, we are already aware of what the industry looks for. But we are keen to make the students holistic software engineers rather than train them with limited tools and languages in limited capacity."*[2]
>
> **– Prateek Shukla, Co-founder and CEO of Masai School in November 2019**

Introduction

Masai School (Masai), an edutech company based in Bengaluru, India, offered six- to seven-month-long courses through a coding bootcamp in full stack web development, Android development, and software development to unemployed students from Tier 2 and 3 engineering colleges as well as students from non-computer science backgrounds. In February 2021, Masai School reported that about 90% of the batch of 49 students that had passed out in November 2020 had been placed. Out of the 49 students, 46 had been placed at an average remuneration of INR0.66 million. The highest package among them was

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Chapter 4:

FamPay – An Indian FinTech's Journey to Make Teenagers Part of the Digital Payment Ecosystem

Sanjib Dutta

"FamPay`s mission has been to raise a new, financially aware generation of Indians who understand the fundamentals of personal finance and are capable of making decisions in their best long-term interest."[1]

– Sambhav Jain, Co-Founder, FamPay in 2020

"Honestly, FamPay made my life soo much easier. There's no tension of carrying cash or worrying about the money getting lost. Also, how can I forget the FamCard!! I received mine today and I'm already in love! Can't wait to use it."[2]

– A Teenage FamPay User in August 2020

"FamPay has definitely made my children familiar and aware of their finances. Really happy how the app works, very easy and convenient to adapt. I really wish there was something like this during our time."[3]

– A Parent of a FamPay User in August 2020

Introduction

In July 2020, FamPay Inc. (FamPay), a Bengaluru, India-based fintech start-up, launched a numberless card called FamCard aimed at teenagers. The card was a prepaid debit card that could be used by teenagers to make payments without having a bank account. This was expected to reduce their dependence on parents for physical cash and/or using their parents' debit/credit card. FamPay was born out of

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Chapter 5:

Oscar Health's Narrow Network: Disrupting Health Insurance

Benudhar Sahu *and* Indu Perepu

On May 22, 2018, Oscar Health Insurance (Oscar), a New York-based health insurance start-up, found a place among CNBC's top 50 disruptors of 2018. Oscar was ranked twelfth on the list (*See Exhibit I for 2018 CNBC Disruptor 50 Companies*). The start-up differentiated itself as a consumer-focused health insurance company that was driven by data and technology. It aimed to address the problems that consumers faced with the existing health insurance companies by building a direct relationship with customers using technology. Its tech-centric approach, which included a mobile app for scheduling appointments and consulting with a doctor, exemplified the process of integrating technology with a tech-enabled operating model to win the loyalty of digital customers.

Oscar aimed to make its customers understand health insurance better and offer them a better choice of personalized healthcare. However, it struggled to find its footing in the US healthcare market and faced an uphill task in assembling a network of doctors and hospitals. In addition to stiff competition, its expensive health networks led to growing costs.

To address these concerns and to improve operational efficiency, Oscar advocated a *"narrow network"* strategy that involved a set of tightly bound but high quality medical services. The new strategy worked for the company in terms of it lowering its administrative costs, as well as improving profit levels. Envisioning Oscar as a classic disruptor, investors also showed interest in investing in the start-up. As of 2018 Oscar had attracted significant investments and expanded to six states in the US. It was growing at a time when major insurance providers were scaling back their individual businesses amid concerns of healthcare management services becoming expensive.

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Chapter 6:

‘Meesho’ - An Indian Social Commerce Platform AttainsUnicorn Status

Anil Anirudhan *and* Sanjib Dutta

“We have been closely tracking Meesho for the past 18 months and have been impressed by its growth, daily engagement metrics, focus on unit economics and ability to create a strong team. We believe Meesho provides an efficient platform for SME suppliers and social resellers to onboard the e-commerce revolution in India and help them provide a personalized experience to consumers.”[1]

– Sumer Juneja, Partner, SoftBank Investment Advisors, in April 2021.

“We are focused on expanding our vision-from helping aspiring women entrepreneurs to creating Meesho as a single ecosystem that will enable all small businesses in India to succeed online.”[2]

– Vidit Aatrey, Co-Founder and CEO, Meesho, in April 2021.

Introduction

On April 5, 2021, Meesho, a social commerce platform headquartered in Bengaluru, India *(Refer to Figure I for Meesho’s logo),* announced that the company had joined the unicorn club[a]. The company achieved unicorn status after raising US$ 300 million in a funding round led by SoftBank Group Corp. of Japan.[3] The existing investors of Meesho – Prosus Ventures, Shunwei Capital, Knollwood Investment, Facebook, and Venture Highway also participated in the funding round. With the latest round of funding, Meesho’s valuation

[a] A Unicorn is a term used to describe a privately held startup company with a valuation of over US$ one billion.

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Chapter 7:

Unilever's AI-powered Internal Talent Marketplace Unlocks Workforce Capacity

Jitesh Nair *and* Balaswamy Pasala

> *"We wanted to bring agility to placing the right people, in the right place, at the right time and to allow employees the opportunity to work in collaborative empowered networks. This project was about augmenting AI-enabled technology to disrupt the way we develop our talent and how we staff teams up and down in a flexible way, to unlock capacity and focus on growth."*[1]
>
> **– Jeroen Wels, EVP Human Resources at Unilever, in December 2020**
>
> *"In today's competitive workforce, internal mobility is mission critical. 94% of employees say they would stay longer in a company that invests in their career, positioning InnerMobility as the ultimate tool for organisational growth. We have been working closely with Unilever and the Unilever Foundry over the last 12 months to deliver a platform for their employees that will revolutionise how people build a career within the company, unlocking potential and development.*[2]
>
> **– Ben Reuveni, CEO of Gloat, in June 2019**

Introduction

On June 24, 2019, British-Dutch multinational Unilever introduced a new internal online talent marketplace, 'FLEX Experiences' (FLEX). The AI-powered internal talent marketplace mapped Unilever employees with new career opportunities and projects. The platform was first piloted in 2018 and by mid-2020 was rolled out across Unilever to 100,000+ employees in 12 business areas in 90+ countries. FLEX helped Unilever increase its workforce capacity by unlocking +300,000 hours and boosting the company's overall productivity rate by 41%.[3]

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Chapter 8:

ByteDance: Harnessing Artificial Intelligence for Breakthrough Innovation

Syeda Maseeha Qumer and Debapratim Purkayastha

In the year 2019, Chinese Internet startup ByteDance Inc.'s (ByteDance) popular short form video app, TikTok, emerged as one of the most downloaded apps in the world. For the first quarter of 2019, TikTok was the most downloaded app on Apple Inc.'s App Store for the fifth consecutive quarter. The app saw more than 33 million App Store downloads during Q1, followed by YouTube, Instagram, WhatsApp, and Messenger. The app hit 1 billion downloads worldwide in February 2019. Of these, nearly 100 million were in the US while 250 million were in India. The app continued to top the download list in subsequent months *(See Exhibit I)*.

Founded in 2012, ByteDance was one of the first companies in the world to launch mobile-first products powered by Artificial Intelligence (AI). Tik Tok (known as Douyin in China) was just one of its products that was widely hailed as being a breakthrough innovation. According to a spokesperson from the company, *"Artificial intelligence powers all of Bytedance's content platforms. We build intelligent machines that are capable of understanding and analyzing text, images and videos using natural language processing and computer vision technology. This enables us to serve users with the content that they find most interesting, and empower creators to share moments that matter in everyday life to a global audience."*[1]

ByteDance operated a range of content platforms driven by AI to inform, educate, and entertain people across the world. The company's research lab created intelligent machines that were capable of understanding and analyzing texts, images, and videos using natural language processing and computer vision technology. It applied large-

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Chapter 9:

Cadila Pharma Leverages Digital Platforms for its L&D Programs

Jitesh Nair *and* Balaswamy Pasala

"There are multiple new opportunities coming up along with digitalisation. We decided to use the opportunity to upskill our employees with the aim to help them adapt to the digitalisation happening within the organisation."[1]

– Biswajit Mitra, Chief mentoring officer, Cadila Pharmaceuticals, in September 2020

"The pharmaceutical industry is an industry that has always been focused more on the traditional methods to reach the customer, but now we must become digital-savvy."[2]

– O.P. Singh, President-Sales & Marketing, Cadila Pharmaceuticals, in September 2020

Introduction

The learning and development (L&D) team at Cadila Pharmaceuticals Limited (Cadila Pharma), a multinational research based pharmaceutical group headquartered in Ahmedabad, India, worked round-the-year to hold training sessions for employees ranging from fresh recruits and sales personnel to mid-level managers and the senior leaders. The focus areas of these sessions varied from soft skills to project management and Artificial Intelligence. This was necessary as Cadila Pharma's integrated operations covered the entire gamut of manufacturing pharma products from Active pharmaceutical ingredients (API's) – Intermediates, Over-the-counter (OTC) – Food Supplements, finished Formulations, Biotechnology products, and

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Chapter 10:

Can Zomato Continue its Deep Discounting Strategy?

Debapratim Purkayastha *and* Syeda Maseeha Qumer

> *"There is no doubt that the aggregators have created a platform to bring restaurants closer to the customer through the benefit of digitalisation, but is it making the customers 'discount addicts' under the guise of 'customer is winning?' One can't sell at loss to attract customers, distort competition and create dominance through capital dumping."*[1]
>
> **– Rahul Singh, president, National Restaurant Association of India[a], in 2019.**
>
> *"Discounts have been a part and parcel of any growing marketplace; we can't take the credit for their invention. They work as a mechanism to activate different users across different segments for various dine out and dine in experiences."*[2]
>
> **– Deepinder Goyal, co-founder and CEO of Zomato, in 2019.**

On August 15, 2019, over 300 restaurants under the National Restaurant Association of India (NRAI) launched a Logout campaign and delisted themselves from the platforms of some major Food Service Aggregators (FSAs) such as Zomato, EazyDiner, Nearbuy, Magicpin and Dineout over what they called unsustainable deep discounting practices. The campaign aimed to give the restaurant industry independence from aggregators that had allegedly distorted the food service sector through aggressive discounting and predatory pricing, thereby hurting the core value proposition and bottom line of restaurants. Among the FSAs, Zomato was one of the biggest food

[a] Founded in 1982, NRAI represents independent and chain restaurant owners and operators in India.

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Chapter 11

CARS24 Creates a Differentiated Experience in Indian Used Car Marketplace

Jitesh Nair *and* Bitra Vasudev

"Cars24 has pioneered a significantly differentiated experience for the customer and dealer by deeply leveraging data and technology at each step, resulting in world-class operational efficiency and market leadership in the segment."[1]

– Rahul Mehta, Managing Partner, DST Global, in November 2020

"We have so many businesses in India that is solving problems for the consumer. Everyone always thinks demand first, we rarely think about the supply side of the problem. India actually has interesting supply side problems where a seller doesn't know where to go to sell his/her car."[2]

– Vikram Chopra, Co-Founder and CEO, CARS24, in June 2019

Introduction

CARS24, an online platform engaged in buying and selling pre-owned cars and two-wheelers in India, became the first unicorn[a] in the Indian automobile market after it raised US$200 million in a Series E funding round[b] led by DST Global, a privately held multinational

[a] A private start-up company with a valuation of more than US$1billion.

[b] Existing investors such as Unbound, a U.K.-based venture capital and private equity firm; Moore Strategic Ventures, a U.S.-based venture capital company; and Exor Seeds, a U.S.-based venture capital fund, were the other investors in the Series E funding round.

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Chapter 12

Bulbul: Wooing Rural Online Shoppers through Video-commerce

Jitesh Nair *and* Bitra Vasudev

"We wanted to replicate the offline shopping experience. So, our videos are more demonstrative in nature. Our content creators would show you their beauty routine, and if it's a juicer they are selling, they'd make juice, disassemble the juicer, and show the ease with which it can be washed, among other things."[1]

– Sachin Bhatia, Co-founder & CEO Bulbul, in July 2020.

"As new internet users come online, they struggle to buy on traditional e-commerce sites. It's too complex and more search-oriented. Bulbul.tv is the commercial entertainment space, is more discovery-oriented, vernacular and better suited to the new generation of shoppers."[2]

– Rajul Garg, Founder & Managing Partner Leo Capital, in August 2019.

Introduction

Bulbul.tv (Bulbul), India's first live commerce (or social commerce)[a] mobile application, registered a conversion rate[b] of around 7-8% while traditional, well-entrenched e-commerce players in the country registered a conversion rate of just around 2-3% in 2020.[3] Within 7 months of the launch of the app, developed by Bulbulshop Shopping Network Private Limited (Bulbulshop), 10 million minutes of

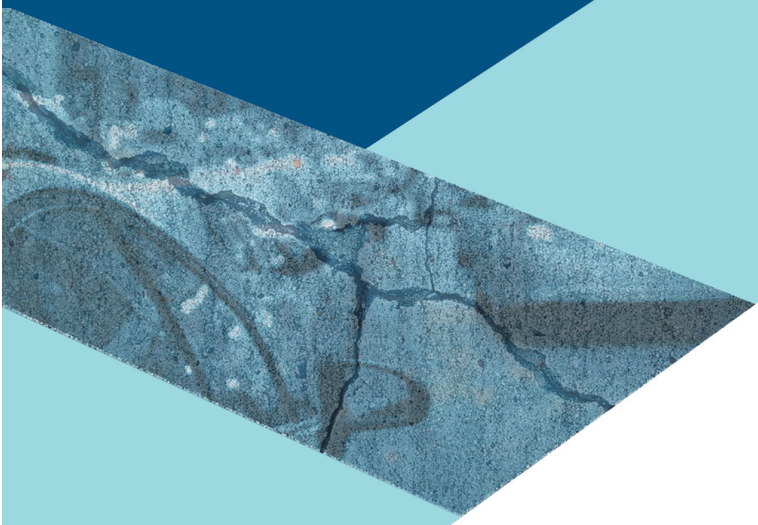
[a] Live commerce is an amalgamation of real-time streaming videos and shopping services. In social commerce, consumers use a host of social networking platforms (Facebook, Instagram) and reselling apps (Meesho, GlowRoad) to buy and sell products.

[b] Conversion rate refers to the percentage of users who take a desired action such as buying a product on a website.

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Disrupting Traditional Businesses

Select Case Studies



Edited by:
Sanjib Dutta

Disrupting Traditional Businesses: Select Case Studies

Editor:
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Chapter 1:

Amazon.com, Inc.: Driving Disruptive Change in the US Grocery Market

Syeda Maseeha Qumer *and* Debapratim Purkayastha

On June 16, 2017, Seattle-based e-commerce giant Amazon.com, Inc. (Amazon) acquired Whole Foods Market, Inc (Whole Foods), one of the leading natural and organic foods supermarket chains in the US, in an all-cash transaction valued at approximately US$13.7 billion. According to analysts, the deal touted to be Amazon's biggest acquisition till date, marked a turning point in the company's strategic efforts to crack the US$800 billion US grocery market. The deal also marked Amazon's big entry into the brick-and-mortar retail space. The shares of big box retailers such as Wal-Mart Stores, Inc[a] (Walmart), Target Corporation[b] (Target), Costco Wholesale Corporation[c] (Costco), and The Kroger Co[d] (Kroger) tanked with investors worrying about the far-reaching implications of the deal. "*By purchasing Whole Foods, Amazon is set to disrupt the $800-billion grocery market in the same way it upended the publishing and consumer electronics industries. Now Amazon is right where it wants to be: everywhere. It has surpassed its original goal of being the "everything store" and is fast on its way to*

[a] The largest retailer in the world with 11,695 stores in 28 countries and e-commerce websites in 11 countries as of August 2017. In fiscal 2017, the company generated US$485.9 billion in revenues.

[b] An upscale discount retailer with 1,816 stores in the US as of March 2017. In 2016, the company's revenues were US$69.495 billion.

[c] A retailer with warehouse club operations in eight countries. Costco's revenue in 2016 was US$118.7 billion.

[d] One of the largest grocery retailers in the US, based on annual sales. Headquartered in Cincinnati, Ohio, the retail chain has nearly 2,800 stores in 35 states and the District of Columbia as of 2016. Its fiscal 2016 sales were US$115.3 billion.

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Chapter 2:

Airbnb – A Disruptive Innovator♦

Geeta Singh *and* Indu Perepu

> *"The 21st-century economy will be powered by people. So I will be able to sell something directly to you and delight you and surprise you, and the selection you'll be able to choose from won't be four but 4 million."*[1]
>
> **– Brian Chesky, Co-Founder and CEO, Airbnb.**
>
> *"The company is defining a completely new category in e-commerce -- a marketplace for all kinds of spaces, from homes and apartments to tree houses and yachts. Airbnb's explosive growth and passionate community of users reinforce the uniqueness of what they're doing, and in the same way eBay redefined online shopping, Airbnb is redefining the way the world thinks about accommodations."*[2]
>
> **– Jeff Jordan, General Partner, Andreessen Horowitz[a].**

In 2014, a San Francisco-based home-sharing website, Airbnb, was selected as one of the 36 Technology Pioneers of 2014 by the World Economic Forum's[b] (WEF).[3] WEF's Technology Pioneers program recognized companies, usually start-ups, for design, development, and deployment of new technologies, and for offering solutions to longstanding problems, creating a significant impact on society. Recognizing Airbnb's contribution to the sharing economy, the Technology Pioneers 2014 report cited, *"The 'sharing economy' is another potentially revolutionary trend: from broadband connections to do-it-yourself equipment to their own time and skills, many people own*

♦ *This case was Finalist in the Sixth AESE Case Writing Competition (2015), organized by AESE Business School, Portugal*

[a] Andreessen Horowitz is a venture capital firm headquartered in Menlo Park, California.

[b] The World Economic Forum is an international institution committed to improving the state of the world through public-private cooperation.

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Chapter 3:

Aldi Vs Lidl in US: Who will lead the Grocery Retail Disruption?

Munmun Samantarai *and* Indu Perepu

"If it's death by a thousand cuts, Aldi and Lidl are holding the blade. It looks a lot like a price war, and you're starting to see those ripple effects."[1]

– Mike Paglia, Director of Retail Insights, Kantar Retail, in 2018.

"The growth of Aldi and Lidl will require existing U.S. grocery retailers to start asking themselves how they can do things differently to control costs – from marketing and merchandising to operations and logistics,"[2]

– Bill Bishop, co-founder of retail consultancy Bricks Meets Clicks, in 2017

Introduction

In 2017, the US grocery retail industry, which was already facing challenges due to the growing clout of e-commerce retailers, experienced a fresh onslaught from German hard discounter Lidl. While another German hard discounter, Aldi, had been in the US since 1976, Lidl entered America with a big bang in June 2017. The company began its foray into the US by opening 10 stores across three states and also unveiled plans to open 100 stores by mid-2018. Lidl assured US consumers of a new shopping experience by promising prices that would be upto 50 percent lower than the prices at existing grocers.

To combat Lidl's arrival, Aldi too announced that it was making a US$3.4 billion investment toward remodeling and expansion in the US. The competition between the two chains resulted in putting massive

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Chapter 4:

Bitcoin: A Disruptive Innovation or A Bubble Set to Burst?

Geeta Singh *and* Syeda Maseeha Qumer

In August 2018, The Intercontinental Exchange (ICE), parent company of the New York Stock Exchange, announced that it would create a new company called Bakkt, to transform a trending cryptocurrency, bitcoin, into a mainstream trusted global currency with broad usage along with providing a federally regulated exchange for it.[1] Expected to launch in November 2018, Bakkt's mission would be to make bitcoin a mainstream financial asset. To achieve this vision, ICE teamed up with some of the leading technology, consulting, and retail companies such as Microsoft Corporation, Boston Consulting Group, and Starbucks Corporation.

Bitcoin, a digital currency, enabled individuals to transfer value to each other and pay for goods and services bypassing banks and the mainstream financial system. Created in 2008 by a pseudonymous computer programmer Satoshi Nakamoto, bitcoin evolved into a popular digital currency that was used by millions of users to carry out secure, transparent, anonymous border-free transactions at a minimal fee. The developers of bitcoins were able to create an online payment process that was extremely secure and not susceptible to the same fraud/security risks that traditional methods, such as credit cards and PayPal[a], faced. By end of 2017, bitcoin's market capitalization had reached around US$278 billion, putting it ahead of financial institutions like Citigroup Inc. and VISA Inc with a cap of US$201 billion and US$255 billion, respectively.[2]

[a] PayPal is a worldwide online payments system.

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Chapter 5:

Disney Enters Streaming Space: Can it Disrupt the Disruptor?♦

Syeda Maseeha Qumer *and* Debapratim Purkayastha

In August 2017, Robert A. Iger (Iger), Chairman and CEO of The Walt Disney Company (Disney), the world's largest entertainment company, announced that Disney would end its movie distribution agreement with Netflix and launch its own direct-to-consumer (DTC) streaming services. The first streaming service, focused on sports (ESPN+), was launched in April 2018 and the second, a Disney-branded film and TV streaming offering, was slated to debut in 2019. According to analysts, the move was an attempt by the company to address investor concern over cord-cutting in the traditional media business and to outrun disruption by adapting to the changing media and entertainment landscape. As consumers continued to cut the cord, the use of streaming services had exploded, leading to big subscriber losses for cable providers. By the end of 2017, a total of 24.9 million viewers had cut the cord on cable, satellite, or telco TV services in the US — up 43.6% year over year.[1]

In order to accelerate its push into the DTC space, Disney acquired media giant 21st Century Fox (Fox) in December 2017 in an all-stock deal of US$71.3 billion. The deal, expected to close by early 2019, would give Disney control of Fox's film and television assets as well as stakes in video-streaming service Hulu and overseas television-service providers, Sky plc and Star India. Disney planned to use content from Fox to combat disruption in the rapidly changing streaming space, where competition included strong players such as Netflix and Amazon.

♦ This case won the Third Prize in the John Molson MBA Case Writing Competition, organized by Concordia University, Canada.

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Chapter 6:

HungerBox: Disrupting the B2B FoodTech Space in India

Syeda Ikrama *and* Syeda Maseeha Qumer

Introduction

On May 19, 2020, India-based B2B foodtech company HungerBox launched a Safe Café Suite solution to make corporate office cafeteria operations COVID-19[a] safe based on FSSAI[b] (Food Safety & Standards Authority of India) and WHO[c] (World Health Organization) guidelines. Powered by artificial intelligence and machine learning, the platform regulated customer flow into cafeterias and prevented overcrowding by ensuring that users visited the café only when it was safe and social distancing could be maintained. According to Sandipan Mitra (Mitra), CEO and co-founder of HungerBox, *"The HungerBox 'COVID-19 Safe' solution follows a five-pronged approach which envelops aspects such as technology, user connect and communication, WHO-prescribed supervisor training and enhanced protocols for kitchen and cafeteria operations."*[1]

[a] COVID-19 (Coronavirus Disease of 2019), declared as a pandemic by the WHO on March 11, 2020, is caused by the severe acute respiratory syndrome coronavirus. The pandemic caused severe social and economic disruption affecting travel, industries, academics, sports, and cultural and political events.

[b] Food Safety & Standards Authority of India (FSSAI) is an autonomous body that lays down standards for articles of food and to regulate their manufacture, storage, distribution, sales, and import to ensure safe human consumption.

[c] The World Health Organization (WHO) is a specialized agency of the United Nations that is responsible for international public health. Its broad mandate includes advocating for universal healthcare, monitoring public health risks, coordinating responses to health emergencies, and promoting human health and well-being

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Chapter 7:

Oatly AB: Bringing Disruption to the Global Dairy Industry

Koti Vinod Babu *and* Namratha V Prasad

"Oatly came into the US and it exploded, first in coffee shops and then in retail. They do it well."[1]

- Jordan Campbell, Vice President, Marketing at Mooala Brands, LLC[a], in January, 2020.

"We were growing really healthy in Europe and we've been there for a while, but then we entered the United States and the craze started."

- Toni Petersson, Chief Executive Officer (CEO) of Oatly AB, in April, 2019.

Introduction

In April 2019, Oatly AB (Oatly), a Sweden-based vegan[b] food brand which produced alternative dairy products from oats[c], opened a US$ 15 million processing plant in New Jersey, US, to increase its

[a] Mooala Brands, LLC is a US-based beverage company. The company offers milk shakes in various flavors such as banana, almond, vanilla, and chocolate. It was founded in 2012.

[b] Veganism is a type of vegetarian diet that excludes meat, eggs, dairy products, and all other animal-derived ingredients.

[c] Oats is a type of cereal grain. Until the 1800s oats were considered horse and cattle fodder. Raw oats were processed to a certain extent to make oatmeal, which was primarily consumed by the poor. Since the 1980s, the consumption of oatmeal increased after doctors and dieticians began touting it as a natural wonder food because of its high water-soluble fibre content.

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Chapter 8:

Reliance Jio's Audacious Bet: Disrupting India's Mobile Telephony and Data Market

Hadiya Faheem *and* G V Muralidhara

"Reliance Jio is turning out to be a game changer. The existing operators were already expecting it and therefore had started focusing on 4G before Jio's launch. But Jio's pricing is such that it is bound to create a disruption in the market."[1]

– Salil Garg, Director (Corporate) at India ratings & research, in September 2016.

Introduction

In May 2017, the Telecom Regulatory Authority of India[a] (TRAI) announced that Reliance Jio Infocomm (Jio), the telecom arm of India's largest private sector company, Reliance Industries Limited (RIL), had cornered 9.29 percent subscriber market share as on March 31, 2017, to become the fourth largest telecom player in India.[2] For the same period, Jio also stood as the top wireless broadband service provider with 108.6 million subscribers, which made it one of the fastest-growing mobile networks in the world.

Jio was launched by Mukesh Ambani (Mukesh), Chairman of RIL, in September 2016 with an initial investment of US$ 20 billion. Industry observers felt that the investment was humongous compared

[a] The Telecom Regulatory Authority of India (TRAI) is the regulator of telecommunications sector in India.

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Chapter 9:

'Smart Vehicles in a Smart World': Can Ford's New Strategy help it Fight Disruption?

Geeta Singh *and* Syeda Maseeha Qumer

Introduction

"I get up every day feeling like time can be wasted here if we don't get moving. I feel a real sense of urgency,"[1] said James P. Hackett (Hackett), CEO of one of the largest automakers in the world, Ford Motor Company (Ford), while addressing investors at a briefing in New York in October 2017. Ford had been struggling since 2014 with consumer tastes changing, costs rising, and new competition offering more contemporary products. Moreover, the auto industry as a whole was facing waves of disruption with the advent of new technologies like electric and self-driving cars and the increasing popularity of ride-sharing. Faced with a dwindling market share and declining year-over-year vehicle sales, Ford not only had to improve its financial performance but also stay relevant in a fast-changing automotive landscape.

Hackett, who had been appointed CEO of Ford in May 2017, along with some senior executives came up with a new strategy for Ford called 'Designing Smart Vehicles in a Smart World' to narrow down the challenges, compete with disruptive market changes, and make the automaker more competitive and profitable. As part of the new strategy, Hackett streamlined production, cut costs, shifted the product portfolio from passenger cars to SUVs, invested in Autonomous Vehicles (AVs), and planned to launch more pure electric vehicles (EVs). However, Hackett still had several challenges to overcome before he could transform Ford into a successful mobility company. One of the biggest

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Chapter 10:

Spotify: Disrupting the Global Music Industry

Koti Vinod Babu *and* Namratha V Prasad

> *"It all worked because we recognized the consumer behaviour. Fans wanted all the world's music for free, immediately. So what we did was build a better experience."*[1]
>
> **– Daniel Ek, Co-founder and CEO of Spotify Technology S.A., in April 2018.**
>
> *"When we combine great music with the continued investment, passion, innovation and support of the women and men at music companies, the results are profound."*[2]
>
> **– Sir Lucian Grainge, Chairman and CEO of Universal Music Group[a], in 2018.**

Introduction

In April 2018, Sweden-based Spotify Technology S.A. (Spotify), the world's largest music streaming company[3], announced that it had 83 million paid subscribers. It also stated that its total revenue was €[b] 1,273 million in Q2 2018, up 26% YoY.[4] Spotify hit 170 million Monthly Active Users (MAUs) in Q1 2018, up 6.9% from 157 million in Q4 2017.

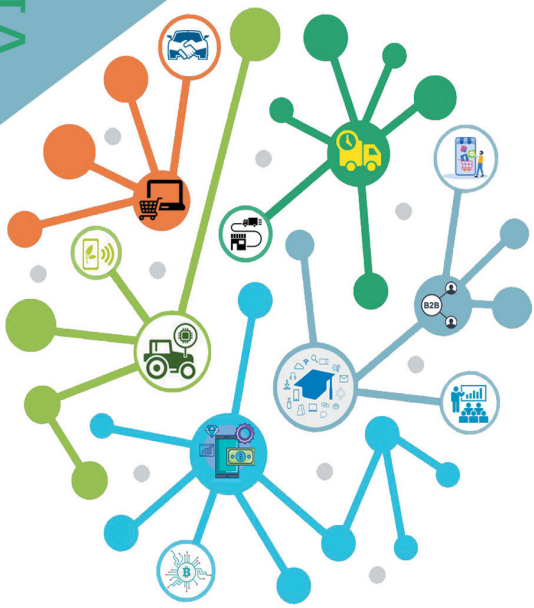
Spotify, founded in 2006 by Daniel Ek (Daniel) and Martin Lorentzon (Lorentzon), was a commercial music streaming service that provided digital audio content from a collection of record labels and

[a] Universal Music Group is an American global music corporation that is a subsidiary of the French media conglomerate Vivendi. As of 2018, it is the leading music company in the world.

[b] € 1 = US$ 1.1 as of September 6, 2018.

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HungerBox
aibono
CARS24
CarTrade
Shopmatic
meesho
STYCHED
bulbul
fampay
&me
agribazaar
CONNECT INDIA
speakin
masai
BYJU'S
udaan



Disruptive Startups in India

Select Case Studies

Edited by: Jitesh Nair

Disruptive Startups in India: Select Case Studies

Editor:
Jitesh Nair

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Chapter 1:

AIBONO: Using AI to Aid Precision Farming

Jitesh Nair *and* Bitra Vasudev

Learning Objectives

- Gain awareness of major issues impacting the vast Indian agriculture sector
- Examine how digital technologies can help synchronize demand with supply in agriculture
- Learn how supply chains in agriculture can be made lean
- Understand the importance of rapid learning and pivoting for start-ups
- Learn about the challenges that fresh food aggregators might face in India
- Understand the shared economy concept in agriculture

Overview

Supply chain management is defined as "the design and management of seamless, value-added process across organisational boundaries to meet the real needs of the end customer" (Fawcett et al., 2007). It involves the relationships and management of inflow and outflow of products, services, and information between and within suppliers, producers, and consumers. Hence, it can be deduced that supply chains include product development, operations, marketing, distribution, finance, and customer service (Jack G.A.J. van der Vorst et al., 2007).

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Chapter 2:

Agribazaar: An Online Marketplace for Trading in Agricultural Commodities in India

Anil Anirudhan *and* Sanjib Dutta

Learning Objectives

- Analyze the impact of new technologies on traditional business processes.
- Understand the traditional supply chain management process and how new technologies cause disintermediation in the traditional supply chain process.
- Analyze the difference between incremental innovation and disruptive innovation.
- Evaluate how an organization deals with the inefficiencies in the supply chain process.

Overview

A supply chain consists of all the parties involved, directly or indirectly, in fulfilling a customer request. The supply chain includes not only the manufacturer and suppliers, but also transporters, warehouses, retailers, and even the customers themselves. The goal of supply chain management is to establish a strong bond of communication between all parties so that they can effectively function as one unit to streamline business processes and achieve total customer satisfaction.

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Chapter 3:

Byju's: A Leader in EdTech

Benudhar Sahu *and* Indu Perepu

Learning Objectives

- Understand the need for education technology in India.
- Examine the business models of start-ups with reference to education technology.
- Analyze the acceptance of education technology in the Indian education sector.

Overview

Education Technology (also known as "EdTech") is the effective development and use of technological tools, including software, hardware, and processes, to promote education. It has become a global phenomenon as its distribution and platforms scale internationally. It has gained prominence due to the inability of the existing structure to meet the growing demand for higher education. With the integration of technology into the education industry the need to have physical space for learning has been removed. This business with high potential has attracted investments from venture capitalists and also philanthropic organizations, which have been looking at making education available. While the US is a trend setter in the global EdTech market, Asia has witnessed the world's fastest growth in investment into the sector due to increasing mobile penetration. As of 2019, India with its population of 1.25 billion, was the second most populous country in the world after China and more than 50% of its population was under 30 years of age. This means that around 50 million students are going to school or preparing for competitive exams. The country does not have adequate

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Chapter 4:

Masai School's Skilling Platform: Bridging the Skills Gaps in the Indian IT Industry?

Jitesh Nair *and* Balaswamy Pasala

Learning Objectives

- Understand the benefits of relevant industry-ready IT skills
- Learn about alternative education service providers
- Examine the importance of learning methodologies to train individuals
- Become aware of the Income Share Agreement based business model
- Understand the benefits of student support programs to encourage underprivileged learners

Overview

Training is very important for learners in organizations. It is a perpetual process as the business and software programs continue to evolve. As there are frequent changes, especially in terms of software updates, functionality, and new features, organizations need to make adjustments to their training program needs accordingly. Many organizations think of providing training after the rollout of software. But for a rollout to be fruitful and successful, training must be a parallel process. This requires organizations to carefully plan their training needs to ensure optimal results. Many organizations have developed training methodology over a couple of years, incorporating the best practices in the learning and development field.

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Chapter 5:

SpeakIn: A Multilingual Online Business Learning Platform

Jitesh Nair *and* Balaswamy Pasala

Learning Objectives

- Become aware of online business learning platforms
- Learn about the importance of digitizing learning programs in organizations
- Understand the importance of offering learning content to employees in local languages
- Learn about the need for small and medium organizations to partner with external e-learning service providers to offer content of various kinds for their employees
- Understand how the pandemic has created an opportunity for organizations to up-skill employees in a virtual environment.

Overview

Companies are seeking the help of learning and development (L&D) to attract, develop, and retain top talent. An important aspect that organizations need to consider is the method of training delivery which can be a very difficult task, given the number of considerations that have to be taken into account, such as size and type of the workforce, budget, location, time frame, and goals. Adding to this complexity, a number of training delivery options are available that help make decision-making easier. These delivery methods are evaluated by L&D professionals based on the organization's overall learning objectives.

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Chapter 6:

CARS24 Creates a Differentiated Experience in Indian Used Car Marketplace

Jitesh Nair *and* Bitra Vasudev

Learning Objectives

- Learn how startups can achieve high growth by addressing unmet customer pain points
- Understand the importance of service quality dimensions and the service gap
- Learn how a focus on 'customer experience' can help platform businesses differentiate themselves from the competition
- Learn about technology in service innovation and customer relationship management
- Become aware of the benefits of standardization of service behaviors and actions

Overview

Customer experience is the perception that customers develop about a company after experiencing its products, services, technologies, and processes, and interacting with its employees and marketing communications. Customer experience has emerged as a crucial brand differentiator and is considered to be 'the next competitive battleground' (Shaw, C. and Ivens, J., 2002). Companies that strive to offer a positive customer experience are likely to register sustained growth and retain customers because people tend to quickly forget the differences between

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Chapter 7:

CarTrade: An Online Automobile Marketplace in India Turns Profitable

Jitesh Nair *and* Bitra Vasudev

Learning Objectives

- Examine how digital technologies can help companies turn profitable
- Gain awareness of the network effect phenomenon and examine its benefits
- Learn about the asset-light business model and its advantages

Overview

A business situation in which the value of a service, product, or platform depends on the number of sellers, buyers, or other users who use it is known as the network effect. Generally, the network effect is directly proportional to the number of sellers, buyers, and users. This means the higher the number of users, buyers, and sellers, the greater the network effect and higher the value of the offering. It also indicates that buyers will be more willing to pay for the products/services as the number of sellers, buyers, and users increases on the network.[1]

The internet is one of the most popular examples of the network effect along with social media platforms such as Facebook, Twitter, Instagram; e-commerce companies such as Amazon, Snapdeal, Flipkart; and rideshare companies such as Uber, Ola, and Rapido. For instance, the greater the number of driver partners on Uber and Ola, the higher the convenience for riders; and the more the number of social media users, the higher the chances of their friends, business partners, and relatives joining them.

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Chapter 8:

Shopmatic: Reimagining eCommerce Solutions for Entrepreneurs and Small Businesses in India

Jitesh Nair *and* Bitra Vasudev

Learning Objectives

- Understand how the right pricing models play a key role in customer acquisitions in B2B markets
- Become aware of factors that influence buying behavior in B2B markets.
- Understand how startups must experiment with business models when entering new markets.
- Learn the importance of conducting market research and applying their insights at various stages of a business.
- Learn how B2B e-commerce platforms are being driven by the latest technologies, and innovative business and pricing models.

Overview

The four traditional types of e-commerce business models are:

- **B2B – Business to Business**: A business sells its product or service to another business. B2B transactions generally have a longer sales cycle, but higher order value and more recurring purchases.

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Chapter 9:

Connect India - Building a Rural Entrepreneurial Ecosystem

Jitesh Nair *and* Bitra Vasudev

Learning Objectives

- Gain an awareness of the challenges confronting e-commerce businesses in rural India
- Learn how to operationalize a business model by creating the necessary infrastructure components
- Gain an understanding of the Single Terminal with Multiple Services (STEMS) model and the value proposition offered by it
- Understand the need to create an asset light business model by forging partnerships with consumers, suppliers, and e-commerce platforms to build a viable ecosystem

Overview

Small and medium sized neighborhood grocery shops, which are ubiquitously known as kirana stores, have been one of the most resilient businesses in India. These small mom-and-pop shops, which number in millions across India, have survived competition from large, organized retail chains and e-commerce companies and continue to do business. There are a number of reasons for this, which include proximity and familiarity with local consumers, in-depth knowledge of the local community's consumption patterns, ability to sell locally relevant products, willingness to offer credit facility to regular and well-known customers, and having lower operational overheads as compared to large retailers. Though the share of organized retailers in India is

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Chapter 10:

Udaan – Building an Alternative Distribution Network for Small & Medium Businesses

Jitesh Nair *and* Bitra Vasudev

Learning Objectives

- Understand the importance of identifying pain-points and offering solutions using digital, Internet, and mobile technologies.
- Become aware of the long-standing problems faced by the smaller retailers and suppliers.
- Examine the role of trust among channel members in a distribution channel.
- Learn how digital technologies can be applied to democratize traditional business systems in India.
- Analyze the pros and cons of multiple funding rounds in a short period.

Overview

Capital is the lifeline of any business. Start-ups need capital at every stage of the business, including inception, research & development, and sales and marketing. A stable and consistent infusion of capital is required for a start-up to actualize its innovative idea, acquire a considerable market share, and continuously improve its product/service to scale up and expand its business. A financially strong start-up has a higher probability of attracting bigger investors

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Chapter 11:

HungerBox: Disrupting the B2B FoodTech Space in India

Syeda Ikrama *and* Syeda Maseeha Qumer

Learning Objectives

- Understand the business model
- Understand disruptive innovation in the B2B foodtech sector
- Challenges in the B2B foodtech sector

Overview

Harvard academic Clayton Christensen in his book 'The Innovator's Dilemma' identified two types of disruption: Low-end disruption and New-market disruption. According to him, it is not just inventions that disrupt markets; the business models that they give rise too are disruptive.

Low-end Disruption: Low-end disruption refers to businesses that come in at the bottom of the market and serve customers in a satisfactory way. Low-end disruption is where incumbents are focused on providing their most profitable but demanding customers better products and services. In doing this, they neglect less-demanding customers. This opens the door for a new entrant to serve low-end customers who are not willing to pay a premium price. When a new entrant comes in, the incumbents move further upstream. In other words, they focus on where the greater profit margins are.

New-market Disruption: In new-market disruption, an entrant creates an entirely new market where one did not exist before. They find a way to turn non consumers into consumers. New-market disruption

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Chapter 12:

‘Meesho’ - An Indian Social Commerce Platform AttainsUnicorn Status

Anil Anirudhan *and* Sanjib Dutta

Learning Objectives

- Understand the four-stage growth model of entrepreneurship
- Understand the importance of a business model in entrepreneurship
- Evaluate the concept of social commerce in Digital Marketing.

Overview

The definition of Social Commerce is a combination of the definitions of e-commerce and social networking. C Wang and P Wang had defined ‘Social Commerce as a form of commerce mediated by social media’. Another definition states that Social Commerce is “The execution of e-commerce activities and transactions through the social media”. Hence, Social Commerce can be considered as a “subset of e-commerce that improves using social media to assist customers in their commerce transactions and activities”. According to some researchers, Social Commerce has been defined from a reseller’s point of view and states that “Social Commerce is seller collaboration for advantage business”.

Social media is being used by a large number of people across the world and has become a convenient tool for companies to reach customers. Most consumers use social media to access information on various products and services. The various social media platforms available include Twitter, Facebook, Instagram, YouTube, WhatsApp,

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Chapter 13:

Bulbul: Wooing Rural Online Shoppers through Video-commerce

Jitesh Nair *and* Bitra Vasudev

Learning Objectives

- Gain an understanding of social commerce and factors driving it in India.
- Explore the vast, untapped potential of India's rural e-commerce markets.
- Learn about the cultural, social, and psychological factors influencing consumer behavior in rural India.
- Become aware of the use of technology to follow a customer-centric approach and efficiently source and deliver products to rural Indians.
- Learn about micro-influencers and how they retain and earn the loyalty of e-consumers in rural India.

Overview

The definitions of social commerce vary by geographies. In Asia, where social commerce is much more advanced and diversified compared to North America, social commerce refers to the combination of e-commerce and streaming video. Hence, it is also known as live commerce or video commerce. In North America, social commerce refers to the practice of selling products on social media platforms such as Instagram, Facebook, and Twitter.

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Chapter 14:

Styched: Re-Thinking Fast Fashion through AI

Namratha V Prasad

Learning Objectives

- Understand the various e-business models
- Analyze the nuances of the D2C e-business model
- Devise an appropriate marketing strategy for a fashion startup
- Scrutinize the production on demand operations strategy
- Examine the role played by technologies such as Artificial Intelligence (AI) and Machine Learning (ML) in the business processes of a fashion startup.

Overview

In Direct to Consumer (D2C) orders are fulfilled and shipped directly to the end customer. D2C is a subset of B2C (Business-to-Consumer). However, unlike B2C, D2C does not involve a middle distribution channel – sales are directly made to end customers rather than to retailers or wholesalers (*See Figure I*).

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Chapter 15:

FamPay – An Indian FinTech's Journey to Make Teenagers Part of the Digital Payment Ecosystem

Sanjib Dutta

Learning Objectives

- Understand the process of becoming an entrepreneur
- Understand the process of idea generation and validation
- Understand the process of funding a venture
- Understand the challenges and opportunities in making teenagers part of the digital payment ecosystem in India
- Understand how a Fintech start-up offers unique products and services.

Overview

An entrepreneurial journey has various phases. The starting point of any entrepreneurial venture is Idea Generation and Validation. The next phase is Funding the Venture. If the entrepreneur takes the Venture Capitalist (VC) route to funding, then he / she has to do develop a project strong enough to get the attention of VCs. After the project is selected by VCs for funding, the entrepreneur has to start thinking about the Mission, Vision, Values, and Culture of the organization that he/she wants to build. The entrepreneur also has to put in place a Founding Team. It is this team which will build the organization together.

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Chapter 16:

&Me: India's First Dedicated Women's Health and Wellness Brand

Jitesh Nair *and* Bitra Vasudev

Learning Objectives

- Understand the importance of market research in new product development.
- Gain awareness of the untapped potential in women-centric markets and the factors driving the markets for women-centric products.
- Learn how entrepreneurs can successfully overcome various challenges in the initial stages of the business.
- Understand the advantages offered by online digital platforms and channels in selling women's health and wellness products.
- Learn the importance of focusing on product functionalities such as taste and formulation in women's health and wellness products.

Overview

According to Crawford, C. Merle, C. Anthony Di Benedetto, and Roger J. Calantone, (2000), new product development is the overall process of strategy, organization, concept generation, product and marketing plan creation and evaluation, and launch of a new product. New product development concerns activity within an organization in contrast to the acquisition of finished new products from outside." (Another definition states, *"Product development is the creation of products with new or different characteristics that offer new or additional*

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Diversity and Inclusion: Creating Inclusive Workplace



Edited by: Mohammed Abdul Nayeem

Diversity and Inclusion: Creating Inclusive Workplace

Editor:
Mohammed Abdul Nayeem

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Chapter 1:

Hilton Hotels: Diversity and Discrimination

Rupali Chaudhuri *and* Indu Perepu

> *"Our goal is to be the most hospitable company in the world and the most inclusive place to work. Empowering a diverse workforce is fundamental to our success"*
>
> **– Matthew W. Schuyler, Chief Human Resources Officer, Hilton.**[1]
>
> *"Diversity is our future, is part of our legacy and is fundamental to our Success."*
>
> **– Christopher J Nassetta, President & Chief Executive Officer.**[2]

Introduction

In 2019, US-based global hospitality company, Hilton Worldwide Holdings Inc. (Hilton), popularly known as Hilton Hotels, found itself in the top spot on the 2019 Fortune 100 Best Companies to Work for List.[3] In 2018, Hilton had been at the 33rd position in the top 100 best companies to work for in the Great Places to Work for List. In 2018, it was the third consecutive year Hilton had made it to the top list. An impressive 96% of employees surveyed claimed that Hilton was a great place to work with and 97% employees stated that they felt proud to say they worked at Hilton. *(Refer to Exhibit I for Best workplace list)*.

As Christopher J Nassetta, (Nassetta), President and Chief Executive Officer, said, *"We know that our people are our greatest asset, and we are committed to showing them this same hospitality by creating an environment where they can thrive and be at their best every day. From back-of-house, to front desk, to our corporate offices – our Team Members are the heart of our success, and I'm incredibly proud of each and every one of them."*[4]

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Chapter 2:

Gender Diversity Initiatives at Duolingo

Jitesh Nair *and* Bitra Vasudev

> *"The ones where we didn't go, we spent time telling them, we aren't going to recruit at your place because you guys haven't done your job on diversity, so when you do your job on diversity, we'll come recruit there."*[1]
>
> **– Luis Von Ahn, Duolingo CEO, in 2018**
>
> *"We want to create a community of people who believe in diversity, not because it's good PR or makes them look good, but because it can make you better. Diverse companies perform better."*[2]
>
> **– Jeesoo Sohn, Lead Recruiter, Duolingo, in 2017**

Introduction

Women representation in the workforce had risen steadily in the United States to 46.8 percent in 2019, but it was still significantly lower in the tech sector. Women employees made up between 27 percent (Microsoft) and 47 percent (Netflix) of the workforce in major tech companies. But, the percentage was much lower when it came to actual tech jobs[3]. A study by Harvard Business School stated that women computer science graduates had become very selective, preferring to work in companies that had a fair representation of women employees.[4]

A March 2017 survey by Pricewaterhouse Coopers found that 61% of women looked at the gender diversity of the employer's leadership team when deciding where to work[5]. This had led to a shortage of skilled software professionals in the US and companies with fewer women employees on their rolls were finding it difficult to attract talented women software professionals.

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Chapter 3:

Eli Lilly: Managing Workplace Diversity and Coping with the Accusations of Racial Discrimination

Neha Sharma *and* Debapratim Purkayastha

"The Lilly corporate values reflect the importance we place on diversity. Included in these values is a respect for all people worldwide; integrity that functions on the very highest standards of honesty, ethical behavior, and exemplary moral character; and excellence, which is reflected in our continued desire for improvement. Diversity within our company is something we respect and strongly encourage."[1]

– Eli Lilly & Company, in 2005.

"On paper, they have some of the best strategies and policies (to promote diversity) that any corporation has. But they're only on paper."[2]

– Cassandra Welch, former employee, Eli Lilly & Company, in 2006.

"Discrimination against any individual or group is inconsistent with our long-held core values and is inconsistent with the way we do business. One goal of our employee policies is that none of our employees ever have reason to believe that they have been treated unfairly."[3]

– Carla Cox, Corporate-Communications Spokesperson, Eli Lilly & Company, in 2006.

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Chapter 4:

Centrica's Initiatives for Older Workers

Jitesh Nair *and* Bitra Vasudev

> *"To achieve success, we must invest in generating skill opportunities for young people, but we must also remain committed to retaining our older workers, who bring with them not only a depth of professional expertise but also valuable life experiences."*[1]
>
> **– Alison Hughes, Head of HR Policy and Diversity at Centrica, in 2014**
>
> *"As we position ourselves to be a 21st Century energy and services organisation, we must all value difference, support inclusion within the workplace and use our range of channels and tools to drive innovation and quality of service for our customer"*[2]
>
> **– Simi Dubb, Head of Talent, Development and Inclusion at Centrica, in 2018**

Introduction

Centrica plc (Centrica) was a UK-based multinational supplier of energy and related services to customers in the UK, Ireland, and North America. Centrica valued diversity in terms of age, gender, and ethnicity in its workforce as it strongly believed that a diverse workforce was the key to continuous improvements being made in operations and customer service since people from diverse backgrounds and cultures brought more ideas and opinions to the workplace. To ensure that people from different backgrounds and age groups felt comfortable and included at the workplace and performed to the best of their abilities, Centrica introduced several policy measures for women, carers,[a] people from ethnic minorities, older workers (aged between 45 and 64), and people with physical disabilities.

[a] A carer is a person who looks after or provides care to people with disabilities, elderly people, and those who are bed ridden, free of cost.

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Chapter 5:

IBM's Desperate Bid to Create Younger Organization - Big Blue's Woes with Age Discrimination

K B S Kumar *and* Indu Perepu

> *"Age discrimination is an open secret like sexual harassment was until recently. Everybody knows it's happening, but often these cases are difficult to prove because courts have weakened the law. The fact remains it's an unfair and illegal way to treat people that can be economically devastating."*[1]
>
> **– Victoria Lipnic, the acting Chair of the Equal Employment Opportunity Commission[a] in 2018**

Introduction

"When people look at IBM, we're blue and we're 100 years old. So it's a question of in the eyes of people coming to join the organization, how do we show IBM as a different place to the one they have in their mind? One way to show Millennials that IBM was not 'an old fuddy duddy organization' was to make itself appear 'as [a] cool, trendy organization' like Google and Amazon. To do that, IBM set out to slough off large portions of its older workforce using rolling layoffs over the course of several years."[2] These were the words of Alan Wild (Wild), former Vice President of HR at the US-based multinational technology company International Business Machines Corporation (IBM).

[a] Equal Employment Opportunity Commission (EEOC) is an independent federal agency that administers workplace anti-discrimination laws in the US

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Chapter 6:

Women Empowerment at HCL Technologies

Jitesh Nair *and* Balaswamy Pasala

> *"Going a step further and putting together focused programs that nurture women leaders is crucial, as some of the leadership challenges and opportunities faced by women are unique; thus the need to go a little deeper to understand those nuances and enable them accordingly."*[1]
>
> **– Subrat Chakravarty, Senior Vice President, HR at HCL Technologies in 2017**

> *"A commitment to diversity and inclusion has been woven through the fabric of HCL Technologies's culture since its very inception. As a company we are particularly focused on advancing gender diversity in the company's management and executive ranks and to empower women to maximize their potential and aspirations."*[2]
>
> **– Anant Gupta, CEO, HCL Technologies in 2014**

Introduction

HCL Technologies (HCL), an Indian multinational technology company specializing in information technology services and consulting, was ranked number 30 on Forbes' list of 'The World's Best Employers' released in 2021.[3] HCL, with headquarters in Noida, Uttar Pradesh, India, was the only multinational company based in India to be featured in the top 50. This recognition was given for the company's excellent work environment that included the firm's image, social responsibility, economic footprint, talent development, career opportunities, gender equality, and inclusion.[4] *"We dedicate this prestigious recognition to our employees as all 159,000 ideapreneurs drive our brand with enthusiasm,*

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Chapter 7:

Dave's Killer Bread – Second Chance Employment to Ex-felons

Rupali Chaudhuri *and* Indu Perepu

Devoted Employees and Loyal Customers

In 2005, Dave Dahl (Dave), a convicted felon who spent fifteen years in prison with charges ranging from armed robbery, assault and drug distribution came out of prison. His older brother Glenn offered him an opportunity to rejoin the family's bakery business, Nature Bake, in Milwaukie, Oregon, USA. Glenn asked Dave to come out with a product that would help revitalize Nature Bake. Dave worked tirelessly to come out with nutty flavored crunchy textured bread with variety of whole grains and seeds. Glenn started selling the bread in the Farmers' Market. Huge popularity of the bread made the family adopt the name Dave's Killer Bread (DKB) in 2013.

Due to Dave's history as a former felon, Dave's Killer Bread had taken a strong chance on the future of second chance employment. The leadership believed the metamorphosis of former incarcerated people would be possible only if they were given a chance to start working again. The bakery believed in the power of this positive contribution and was a strong advocator for the cause of turning around people from a life of crime.

According to the company, *"At Dave's Killer Bread, we believe in Second Chance Employment: hiring the best person for the job, regardless of criminal background. Having a job provides more than just a paycheck: it provides stability and purpose. When people with a criminal background return from prison, their path to a better future greatly depends on a job - a Second Chance."*[1]

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Chapter 8:

Promoting Diversity: The American Express Way

Shirisha Regani *and* S S George

"We value diversity and are proud of the progress we have made in this area. Yet experience has taught us not to become complacent. We will continue our efforts to create the type of environment that will help us attract and retain a diverse workforce."

– Kenneth Chenault, CEO of American Express, in 2003.[1]

"Building and sustaining a highly committed, talented and diverse workforce is a key priority for our company. We believe our diversity makes us stronger and positions us to be more competitive in the marketplace."

– Ursula Fairbairn, executive vice president, Human Resources and Quality, at American Express, in 2004.[2]

Introduction

In January 2006, the American Express Company (AmEx) was featured on Fortune's[a] list of the '100 Best Companies to Work for' in America. AmEx was ranked ninth among large companies, and 37th in the overall ranking of the list of the best employers in the US. AmEx had been one of the regulars on this list in the early 2000s, and the company stood ninth in the overall ranking the previous year as well. Fortune said AmEx's diversity initiatives, especially its policies related to women employees and minorities, made the company one of the best places to work for in the US.

[a] A prominent business magazine.

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Chapter 9:

Diversity Training at Toys "R" Us, Inc.

Sachin Govind *and* S S George

"The culture of the company (Toys "R" Us) was very high in controlling. LIFO Training has helped raise awareness of this fact and has helped us both to select and to retain a more diverse group of employees."[1]

– Lisa Walton, Director (Training), BCon LIFO International in 2004.

"Workforce diversity is the bridge between the workplace and the marketplace. And, it is anchored on ideals that guide how you see citizens of all countries as potential customers."[2]

– J.T.Childs, Jr. Vice President of Global Diversity, IBM in 2004.

Introduction

In 1999, Toys "R" Us Inc. (TRUI) was awarded the Employer Pride & Excellence Award[a] for its unwavering commitment to workforce diversity. TRUI was one of the few companies worldwide that had included a formal workforce diversity program for its managers and department heads. This training program helped minorities and women employees to prepare themselves for higher levels of responsibility within the organization. The company also followed a 'promote from

[a] Pride & Excellence Awards are presented each year; they are given to honor an individual, a community organization and an employer, who have significantly advanced the principles of equality of opportunity in their different settings. The awards are given by the Kansas, USA-based Project Equality, an organization whose mission is to assist companies achieve workplace equity and diversity in order to advance social and economic justice. (Adapted from www.projectequality.org)

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Chapter 10:

Citibank India's Efforts towards Talent Retention and Attaining Gender Diversity

Jayasri Bhimalapuram *and* Debapratim Purkayastha

> *"Employees look for intent to see whether the employer can walk alongside them and in this way, the organization, too, can create a positive employer brand,"*[1]
>
> **– Sarab Preet Singh, Head (Recruitment, Learning and Talent), Citi India, in June 2015.**
>
> *"Citi is dedicated to being a top company for diversity and to providing a respectful and inclusive workplace everywhere we operate. While we recognize local customs and cultures, we will uphold our commitment to equality and fairness and to provide opportunities for all of our employees to make progress toward personal and professional goals."*[2]
>
> **– Ana Duarte McCarthy, Chief Diversity Officer, Citigroup Inc, in 2013.**

On June 5, 2015, Citibank in India announced a monetary child care allowance for its women employees. The global banking giant announced that the new child care allowance would be applicable to its women employees in India and would be effective from the financial year 2015. The allowance was seen as an unprecedented employee benefit across industries in India. According to the bank, the benefit was aimed at making it easier for new mothers to pursue their careers without interruption. In a move that was the first such anywhere in the world, the bank decided to pay its women employees in India a fixed quarterly child care allowance of Rs. 33,000/-, amounting to Rs. 132,000 per year, for up to four years after their return from maternity leave. Employees could use the sum to fix up day care services for their children. Employees could avail of the child care benefit for up to a maximum of two children.

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Chapter 11:

Workforce Diversity at Nordstrom

M Satya Prakash, Shirisha Regani *and* S S George

"As our country evolves, it's a pretty diverse community out there, and so it's` important that we're reflective of that."

– Blake Nordstrom, President of Nordstrom, in 2006.[1]

"Diversity is a key priority at this chain of upscale fashion stores."

– Fortune magazine, in 2007.[2]

Introduction

In January 2007, Nordstrom Inc. (Nordstrom), a major department store in the US, featured on *Fortune* magazine's list of the '100 Best Companies to Work For' in the US. The company was ranked 24th in the overall rankings, and seventh among large companies. Nordstrom had been ranked 46th in 2006 and 88th in 2005.[3] The company also found a place in *Fortune's* '100 Best Companies to Work For' Hall of Fame.[a]

In addition to this, Nordstrom had featured on *Fortune's* list of 'America's Most Admired Companies 2007,' where it was ranked 15th in the overall rankings and first in the General Merchandisers category.[4] Nordstrom also featured on the list of 'Best Places to Work for GLBT Equality,'[b] published by the Human Rights Campaign Foundation[c] (HRCF) in 2007.

[a] The Hall of Fame consisted of companies that have appeared on the '100 Best companies to Work For' list every year since its inception in 1998.

[b] Companies that support equality for gay, lesbian, bisexual and transgender employees are featured on the GLBT list.

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Chapter 12:

Racial Discrimination at FedEx

Mikkilineni Pushpanjali *and* Sanjib Dutta

> *"We take allegations of discrimination very seriously, and we will not tolerate discrimination of any kind in the workplace. We pride ourselves on having a progressive people philosophy and a diverse workforce."*[1]
>
> **- Cornell Christion, FedEx spokesman in 2002.**
>
> *"FedEx's policies do not provide fair treatment. If a company is going to claim to treat people fairly, it should do so. All employees should be rewarded for their hard work, loyalty, and track records. We minorities were singled out for discipline and passed over for promotions compared to our counterparts who were not minorities. That is not fair treatment."*[2]
>
> **- Derrick Satchell, Lower-level Manager at FedEx Express in 2005.**

Introduction

On September 28 2005, the federal judge of San Francisco approved a class action[a] discrimination lawsuit on FedEx Express, an operating company of the FedEx Corporation (FedEx) filed by the company's minority employees. FedEx was accused of discriminating against these employees on the basis of race, and denying them fair pay scales, performance evaluations, and promotions *(Refer Exhibit I for US Federal Law which protects individuals from discrimination in employment based on race).*

[a] A class action is a suit brought out by individuals on behalf of a large group of people (from 20 individuals upwards) who are affected or may be affected by a perceived fraud or misconduct of a similar nature. A judge has to decide if the case meets the legal requirements for a class action.

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Chapter 13:

IBM Corporation: Targeting the LGBT Segment

Hadiya Faheem *and* Debapratim Purkayastha

"GLBT consumers tend to be more brand loyal than the average consumer. It makes a very compelling business argument that if you spend with the GLBT community, they will spend with you."[a, 1]

– Irwin Drucker, director, IBM LGBT diversity program, in 2007.

"The nature of the gay community is strong networks, based on personal contacts, that extend through peer companies and customers. What we're trying to do is create a buzz, to make people want to spend their money with IBM -- or to work here."[2]

– Jim Sinocchi, spokesperson, IBM, in March 2004.

Introduction

In April 2009, the Armonk, New York-based International Business Machines Corporation (IBM), one of the leading information technologies (IT) companies in the world, ranked 4th in DiversityInc.'s[b] list of *"Top 10 Companies for LGBT Employees"* in the US. The ranking was based on criteria such as strong diversity training programs, benefits to same-sex partners of employees, and recruiting LGBT people

[a] LGBT (or GLBT) is an acronym used to refer collectively to lesbian, gay, bisexual, and transgender people.

[b] Founded in 1998, DiversityInc. is a leading publication on business and diversity. Its mission is to bring together clarity and education on the benefits of diversity (Source: www.diversityinc.com).

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Chapter 14:

Insight into Women Professionals: How Accenture Smashed the Glass Ceiling

Amrit Chaudhari *and* Debapratim Purkayastha

"Organizations can think of helping women improve their aspirations by creating specific channels of career enhancement....Women tend not to ask for a pay raise or promotion, do not cultivate mentors, feel that their careers are not fast tracked, and do not aim for the C-suite jobs."[1]

– Rekha Menon, Executive Director, Accenture India, in 2011

"Because we understand that women are critical to the company's success, we aim to attract, retain, and advance women by recognizing and maximizing their performance."[2]

– William D. Green[a], CEO, Accenture, in 2005

"Forget China, India, and the internet: economic growth is driven by women."[3]

– The Economist, April 12, 2006

Unleashing Women Power

At Ireland-based consulting firm, Accenture Plc. (Accenture), the contribution of women employees to the creation of a diverse and rich working environment was well recognized.[4] Accenture was known for its annual celebration of International Women's Day[b] (IWD), an event it had

[a] As of 2011, William D. Green served as the Chairman of the Board of Directors at Accenture.

[b] International Women's Day (IWD) is celebrated on March 8 to mark the economic, political, and social achievements of women. March 8, 2011, was the hundredth Women's Day.

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Chapter 15:

Racial Bias Training at Starbucks

Anil Anirudhan, K B S Kumar *and* Debapratim Purkayastha

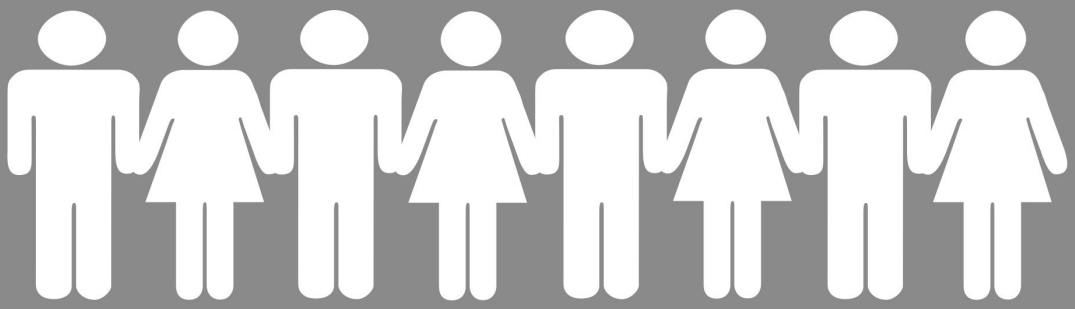
> *"The objective of closing our stores and utilizing that day for training is to affirm that Starbucks is a welcoming place for everyone, that all customers deserve our respect and fair treatment every day, and we will invest – again and again – in our teams so that they can deliver a great experience to every customer."*[1]
>
> **– Kevin Johnson, CEO, Starbucks Corporation in April 2018**
>
> *"We realize that four hours of training is not going to solve racial inequity… but we have to start the conversation."*[2]
>
> **– Howard Schultz, Executive Chairman, Starbucks Corporation in June 2018**

On April 12, 2018, Starbucks Corporation faced a unique situation of racial discrimination at one of its stores in Philadelphia, USA. Two African-Americans were not only barred from using the restroom as they were non-paying customers, the manager also called the police while they were waiting for a business partner at the store, leading to their arrest. The incident led to massive protests at the store and adverse comments on social media, resulting in Starbucks issuing an apology to the two men.

The incident also prompted Starbucks to organize a racial bias training for all its employees in the US. The coffee retail chain used this incident as an opportunity to educate its employees about racial bias and other concerns around the issue. It designed and executed a training program for its employees on May 29, 2018. Howard Schultz (Schultz), Executive Chairman, Starbucks, said, *"The announcement we made yesterday about closing our 8000 stores, to do significant training with our people is just the beginning of what we will do to transform the way we do business and educate our people on unconscious bias."*[3]

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Case Studies on Family Business



Edited by: Indu Perepu

Case Studies on Family Business

Editor:
Indu Perepu

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Chapter 1:

The Rothschilds: Maintaining 200-year-old Legacy of Family Business

Surojit Mahato *and* Indu Perepu

Introduction

Between March 01 and June 21, 2015, the Museum of Fine Arts (MFA), Boston, hosted an exhibition which displayed 186 objects originally owned by the Baron and Baroness Alphonse and Clarice Rothschild of Vienna. The art collections were seized by the Nazis in 1938 and then returned to Baroness de Rothschild in 1947. After nearly 70 years, the heirs of the family decided to donate the collections to MFA Boston. The exhibition was titled *"Restoring a Legacy: Rothschild Family Treasures"*[1].

The Rothschild family was counted among the greatest business dynasties of the world for maintaining ownership of the business for more than 200 years. They were credited with laying the foundations of international finance. The family's origins could be traced back to the Jewish ghettos in Frankfurt, Germany, home to the largest community of Jews in the country. Mayer Amschel Rothschild (Mayer), born in 1744 in a Jewish ghetto in Frankfurt was the founder of the Rothschild banking dynasty[2]. The family rose from these ghettos to make a mark in European business and finance and also on global banking and finance. During this time, they were involved in several activities ranging from financing wars and railway networks, to influencing major events in the world like the formation of Israel. Banking services, making wine, and mining minerals were some of the businesses in which they were involved.

In the 19th century, the governments had huge budget deficits owing to the rising costs of wars[3]. Financing wars had become a daunting task as raising public money was not easy owing to undeveloped financial

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Chapter 2:

Investing for the Long Term: Six Generations and Going Strong - Wallenbergs of Sweden

Namratha V Prasad *and* G V Muralidhara

"The Wallenbergs are one of the principal families of the business world, not just in Europe but globally. There is almost no industry they do not have an interest in."[1]

– A German Chief Executive, in June 2015.

"The Wallenbergs separated the money from the power. The harmony that appears to exist today between the cousins is not at all a foregone conclusion."[2]

– Gunnar Wetterberg, author of 'Wallenberg - A Family Empire', in November 2014.

Introduction

In December 2015, Swedish-English drug giant AstraZeneca plc[a] collaborated with the Swedish government and the Wallenberg family to invest US$ 100 million in a new research venture in a bid to reinforce the company's ties with Sweden.

[a] AstraZeneca plc is an English–Swedish multinational pharmaceutical and biopharmaceutical company. It was formed after a 1999 merger of Swedish drug company Astra AB and British pharma company Zeneca Group PLC. As of 2015, it was the eighth largest drug company in the world based on sales revenue.

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Chapter 3:

Hermes International: Protecting its Family Business from LVMH's Hostile Takeover

Hadiya Faheem

"The battle of my generation. . . . Hermes is not for sale, and we are going to fight to stay independent."[1]

– Axel Dumas, CEO of Hermes International SCA (Hermes), commenting on the battle between Hermes and LVMH Moet Hennessy Louis Vuitton SA, in September 2014.

"The fact that Hermes is still family-controlled is of course essential to the long-term coherence of the strategy and of the respect for the original values of this company; the values of quality, of dedication to trying to create and manufacture the best made objects in the world. This really comes from the founder, and our family has always followed the same route over the years and throughout the development of the company, which today covers a lot of different activities."[2]

– Guillaume de Seynes, Executive Vice-President of Hermes, in October 2012.

"Hermes and LVMH are at the two extremes of the culture and industry of luxury. We are artisans and creative. We try to produce the most beautiful products in this industry. The artisans put their heart and soul in the bag and when the client buys it, they buy a bit of the ethic of Hermes. For six generations, the same family has run Hermes. That has given this company something no other company has. Our combat with LVMH is not an economic fight, it's a cultural fight. We try to do poetry and we get excellent economic results. We must protect that."[3]

– Patrick Thomas, the then CEO of Hermes, in August 2011.

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Chapter 4:

An Enduring Family Business in a Competitive Industry – Columbia Restaurant Group

Namratha V Prasad *and* G V Muralidhara

"We were raised in this environment and our children, the same. It's a business and a sense of family. I've never thought of doing anything else."[1]

– Casey Gonzmart, Chairman and Fourth Generation Family Member of Columbia Restaurant Group, in November 2004.

"If you don't change with the times, you'll be left behind. But at the same time, we try to maintain the quality and consistency of the recipes that made us famous in the first place."[2]

– Richard Gonzmart, President and Fourth Generation Family Member of Columbia Restaurant Group, in September 2002.

Introduction

In August 2014, Richard Gonzmart (Gonzmart), President and Fourth Generation Family Member of the family-owned Columbia Restaurant Group (Columbia) in Tampa, Florida, announced the opening of a new restaurant – Ulele. The restaurant was named after the nearby 'Ulele Spring'. The new restaurant served foods and spirits that had Native American and multicultural influences, including those of European explorers. It featured locally grown food and fish sourced from local waterways, apart from having an on-site craft brewery[a].

[a] Craft breweries produces a small amount of beer. They are much smaller than large-scale corporate breweries and are independently owned.

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Chapter 5:

Perdue Farms – Differing Values in Different Generations

Geeta Singh, Munmun Samantarai *and* Surjit Kumar Kar

> *"Through promises that cover every aspect of our business and all of our constituencies, our 'We believe in responsible food and agriculture' platform incorporates our company's long-standing values into a formal structure of accountability and transparency."*[1]
>
> **– Jim Perdue, Chairman Perdue Farms, 2013**

Introduction

In December 2014, Perdue Farms, the chicken processing company based in Salisbury, US, found itself the target of huge criticism from media and the public after a video about one of its farms was released on the website of a leading animal welfare organization, Compassion in World Farming. The film, shot at the farm of one of the Perdue farmers, disclosed the harsh realities of how chickens were treated on these farms and how they were exploited for producing bigger pieces of meat. This was not the only problem plaguing the company. Some environmental groups had filed a lawsuit against it for polluting the nearby rivers and their tributaries.

Perdue Farms, a family-run business, had become a leading name in the food and agribusiness since its inception in 1920. Under the stewardship of three generations of the Perdue family, its culture and business practices had evolved. When the third generation took over the business from the second generation in 1991, sales were around $1 billion, with the company employing more than 12,000 people. By 2014, sales had gone up to $7 billion and the number of employees to 21,000. This increase was attributed to the big changes that had taken place in the business.

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Chapter 6:

Family Feud at Aldi Nord♦♥

K B S Kumar *and* Indu Perepu

> *"With this document I undertake to ensure the preservation of the philosophy of our family, which is to serve the consortium Aldi Nord and to foster this, at the same time as setting aside self-interests and practicing a modest and abstemious way of life."*[1]
>
> **– Cäcilie Albrecht, Wife of Theo Albrecht, Founder of Aldi Nord, in her Will.**
>
> *"Aldi's principle of austerity is outdated."*[2]
>
> **– Martin Kuhna, author of *The Albrechts*, a 2015 book about Aldi.**

The Matriarch's Will

In February 2019, on a cold winter morning, the surviving descendants of Theo Albrecht (Theo), one of the founders of Germany-based discount supermarket chain Aldi, were at the Essen[a] District court, waiting eagerly for an important judgement. They were heirs to Aldi Nord, valued at € 18 billion.[b]

♦ This case won the European Foundation of Management Development (EFMD) Case Writing Award 2020 in the 'Family Business' category

♥ This case was selected as the Final Round III Case in the 8th Schlesinger Global Family Enterprise Case Competition, 2021, organized by The University of Vermont, Grossman School of Business, Burlington, USA.

[a] Essen is the ninth largest city in Germany, and is located in the federal state of North Rhine-Westphalia. The city is popular for Krupp Family Iron Works, which had later merged with Thyssen AG to form ThyssenKrupp AG.

[b] Aldi is not a single business entity, but consists of two distinct businesses – Aldi Nord (owned by Theo Albrecht) and Aldi Süd (owned by Karl Albrecht). The business was divided by the brothers in the 1970s.

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Chapter 7:
Succession Crisis at Samsung

Koti Vinod Babu *and* Syeda Maseeha Qumer

Samsung Electronics Co., Ltd (Samsung) Vice Chairman Lee Jae Yong (Lee) walked out of jail on February 5, 2018, barely a year after he was sentenced to a five-year term on corruption charges. Giving him a suspended sentence of two and half years, the appeals court in Seoul upheld the charges of bribery against Lee while rejecting the special counsel's accusation that they were related to his succession. Lee who had been in jail since February 2017, was accused of bribing deposed South Korean president Park Geun-hye[a] (Park) and one of her friends, Choi Soon-sil[b] (Choi), to facilitate a merger between two publicly traded Samsung companies – a combination that prosecutors contended was intended to strengthen Lee's control over the Samsung Empire. Leaving the Seoul Detention Center, Lee said, *"Again, I feel sorry to everyone for not showing my best side. And it has been a really precious time for a year reflecting on myself."*[1]

Founded in 1938 by Lee's grandfather, Lee Byung-chull (Chull), the Samsung Group was a collection of about 60 associated companies, the kind of corporate family known in South Korea as a chaebol[c]. There were different businesses under Samsung like electronics, shipbuilding, construction, life insurance and advertising, soccer and baseball teams,

[a] Park Geun-hye served as President of South Korea from 2013 to 2017. Park was sacked in March 2017 by eight justices of the Constitutional Court of South Korea after being impeached in this case that demonstrated the cosy bonds between South Korea's chaebols and its political leaders. Park, however denied any wrongdoing, and was standing under trial accused of bribery, abuse of power, and coercion.

[b] Choi Soon-sil is the daughter of a shadowy religious cult leader, Tae-min, who was Park's mentor until his death in 1994.

[c] A chaebol is a large industrial conglomerate that is run and controlled by an owner or family in South Korea.

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Chapter 8:

Succession Dilemma at Hamdard India

K B S Kumar *and* Indu Perepu

Summers in India are extremely warm and sunny, with maximum temperatures hovering around 40oC (104o F) in most parts of the country. To withstand the sizzling temperatures, many Indians rely on traditional drinks like coconut water, buttermilk, and other drinks made of local spices sold by numerous local companies. One of the most popular drinks that was until recently highly in demand during summers was 'Rooh Afza', a scarlet-hued refresher or Sharbat[a] made by a century old India-based traditional Health and Wellness company Hamdard Laboratories (Hamdard). To many, Indian summers were synonymous with Rooh Afza. The company, which boasted more than 600 products in its portfolio, recorded annual sales of Rs.7 billion[b] for the year ending March 2017, compared to Rs.6 billion for the year ending March 2016. Rooh Afza accounted for about 50% of the total revenues of the company.

But the summer of 2019 was different. Rooh Afza was not available in more than 450,000 supermarkets, mom and pop stores, and other retailers across the country, who usually stocked the product. Though production shortage was cited to be the reason for the unavailability of the drink, it was reported that a family feud among the third and fourth generation successors of the founder had impacted the production of not only Rooh Afza but also of several other products that Hamdard made.

Hamdard was established in 1906. The sons of the founder set up a trust that specified the ownership structure and succession in 1948. Over the years several changes were made to the deed. It specified that

[a] Sharbat is a Persian word that stands for a drink that is prepared from fruits or flower petals. Sherbats are staple drinks in the Indian subcontinent

[b] 1 US Dollar ≈ (Indian Rupees) INR or Rs. 72 as of March 2021.

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Chapter 9:

Family Feud at Biological E. Ltd.

Ranjana Tiwari *and* Debapratim Purkayastha

> *"With the war beginning and the battle lines drawn, the mother and daughters sentiment has vanished. With the one up-man-ship getting better of the family relationship and vanity having the last laugh over mutual affections, the successors in interest of the departed soul, have arraigned themselves before the law Courts."*[1]
>
> **– C.V. Nagarjuna Reddy, Justice, High Court, Andhra Pradesh, 2015**

On April 15, 2015, Justice C.V. Nagarjuna Reddy of the Andhra Pradesh High Court ruled that Mrs (Dr.) Renuka Datla would be Managing Director of Biological E. Limited (BEL), founded by her father. Renuka was fighting the case for management and control of the company against none other than her daughters, Mahima, Indira, and Purnima, after the sudden demise of her husband, Vijay Kumar Datla. Renuka claimed in court that after her husband's death, her daughters and G.V. Rao, Director, BEL, had started conspiring against her and that the Director had illegally inducted all her three daughters into the board and appointed Mahima as Managing Director. She further alleged that the transfer of her husband's share of 81% to one of her daughters was on the basis of a fake Will and so was invalid. With her constant pleas going unheeded by the Company Law Board, Renuka decided to file a case against BEL, G.V. Rao, and her three daughters in the City Civil Court, Hyderabad.

After the Court proceedings and hearings, Renuka was assigned to discharge all the duties of Managing Director at BEL whereas her daughters would continue to be on the Board of Directors. Experts have long held that family businesses are often grievously complicated by the friction arising from rivalries involving family members who hold positions in the business or derive income from it. Left unchecked, such

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Chapter 10:

Conflicting Business Approaches of Two Generations: The Otsuka Family Showdown♦

Ranjana Tiwari *and* Debapratim Purkayastha

"I made a bad child."[1]

"Employee came to me. They think only I can revive the company."[2]

– Katsuhisa Otsuka, Founder & Chairman, Otsuka Kagu Ltd. in 2015

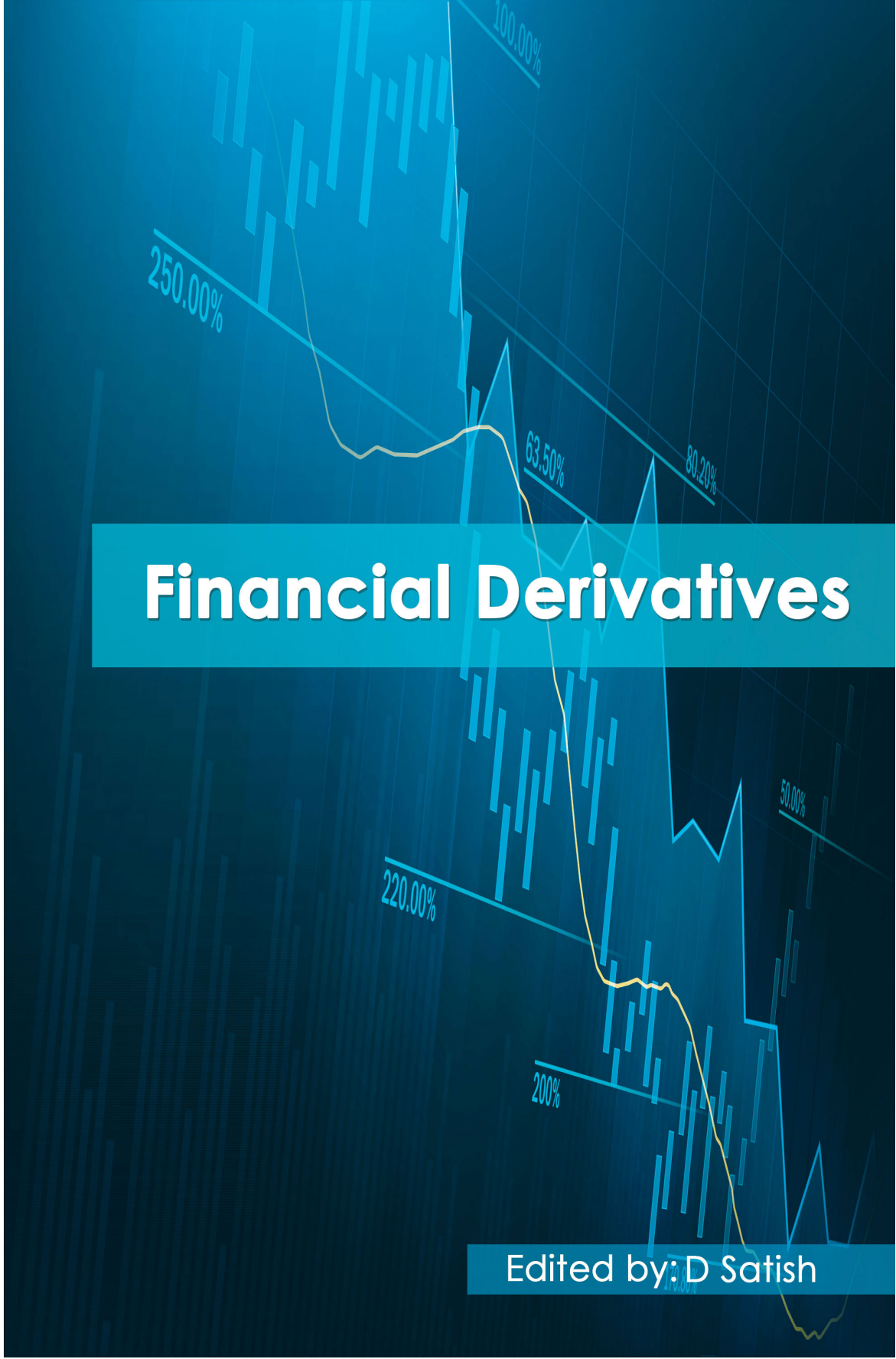
"One day, members of the founding family need to leave their company. This is the only way companies can survive."[3]

– Kumiko Otsuka, President, Otsuka Kagu Ltd., in 2015

At the general shareholders' meeting of Japan's renowned and oldest furniture retail chain, Otsuka Kagu Ltd. (OKL), on March 27, 2015, there was a sense of anticipation and anxiety. The assembly hall was crowded with nearly 200 shareholders turning up for the meeting – almost ten times more than the previous year. Everyone was waiting to know the fate of the company. A series of news reports about OKL in the local newspaper and in the media in recent times had left the shareholders uneasy. The meeting was all set for a face-off between the 71-year-old Katsuhisa Otsuka (Katsuhisa), Founder and Chairman of OKL, and his 47-year-old daughter and President of the company, Kumiko Otsuka (Kumiko). The shareholders had assembled to decide who should be given control of the troubled company and to select new

♦ This case won the Award in 'Family Business' Category in the 2016 EFMD Case Writing Competition, Brussels, Belgium

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Financial Derivatives

Edited by: D Satish

Financial Derivatives

Editor:
D Satish

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Chapter 1:
Derivatives Trading in India

Gautam *and* Vivek Gupta

"The introduction of derivatives trading will separate leveraged positions from the spot markets and make it easier for exchanges to implement rolling settlement. This should reduce volatility in the existing markets, and make risk containment and regulation easier by making markets safer."[1]

- Ashish Kumar Chauhan, Vice-President, National Stock Exchange (NSE).

"It had to start at one point of time or the other. Just like a plant needs soil, water and minerals to nurture well, for derivatives you need a healthy cash market in place."[2]

- Alok Churiwala, Member of Bombay Stock Exchange (BSE).

Introduction

On June 9, 2000, the Bombay Stock Exchange (BSE) introduced India's first derivative instrument – the BSE-30(Sensex) index futures. It was introduced with three month trading cycle – the near month (one), the next month (two) and the far month (three). The National Stock Exchange (NSE) followed a few days later, by launching the S&P CNX Nifty[a] index futures on June 12, 2000. The plan to introduce derivatives in India was initially mooted by the National Stock Exchange (NSE) in 1995. The main purpose of this plan was to encourage greater

[a] S&P CNX Nifty is a diversified 50 stock index of NSE. The 50 stocks that are included account for 23 sectors of the economy and are the most liquid stocks on NSE. The name S&P CNX reflects the identity of both the promoters i.e. NSE and Crisil & their consulting partner Standard & Poor (S&P).

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Chapter 2

Manohar in the Wonderland of Derivatives

Manish Agarwal *and* D Satish

> *"First of all, there is no such word as safe in the investment world. But I hope to buy some more agriculture. Agriculture has been relatively stronger than other commodities this year. I hope to hold on to them for a longer period."*[1]
>
> **– Jim Rogers, Author, Investor, and Co-founder of Quantum Fund[a], in January 2015.**

It was the night of June 6, 2015. Manohar, a 25-year-old farmer, tossed and turned in bed, unable to sleep. In his mind, he kept hearing the words of advice his childhood friend, Ramesh, an MBA student, had recently given him. With those words haunting him now, he wondered what to do. Manohar came from a conservative background, and found himself faced with a dilemma. Was it really good to think outside the box? But whichever way he looked at it, Ramesh's idea didn't seem to have any major shortcomings. Gathering up courage, Manohar decided to go to New Delhi with Ramesh so that he could get more information and implement the idea.

Manohar had fifty acres of land in a remote area in Uttar Pradesh. He was a matriculate but took up agriculture as his profession. He mainly produced wheat. He worked hard and was rewarded with a good crop that was up to his expectations. But he found that there was no substantial increase in his income as the traders in his village manipulated and fixed a low price for wheat. The farmers had to either wait for a right price or go to some other place, which meant that they

[a] Quantum Fund was founded by Jim Rogers and George Soros in 1973.

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Chapter 3:

Orange County: A Case of Derivative Mismanagement

Manish Agarwal *and* D Satish

> *"The news was a shock because the wealthy, suburban Republican bastion has long been considered a model for sound financial management."*[1]
>
> **- Time Magazine[a], December, 2004**
>
> *"Perhaps because the returns were so good, there was not enough attention to risk."*[2]
>
> **- Dennis J. Roche, a Consultant to Cuyahoga County, December, 2004**

California is the most populous[3] state in the United States and its third largest[b]. It came into existence on September 9, 1850, with twenty-seven counties[c]. Over a period of time, the number of counties increased to fifty-eight.

Orange County (OC), the second[4] most populous county in California, was created from southern Los Angeles County in 1889. It is surrounded by the Pacific Ocean in the southwest, Los Angeles County in the north, San Bernardino County and Riverside County in the northeast, and San Diego County in the southeast. It has famous tourist destinations like Disneyland, Knott's Berry Farm, and several beaches. In 1994, it was the fourth richest county in US with a budget of around US$

[a] *Time* is the world's largest weekly magazine.

[b] 163,707 square miles area that makes California third largest state by area in the US after Alaska and Texas.

[c] County is a jurisdiction of local government.

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Chapter 4:

Should Infosys Go Ahead With Share Buyback?

Pranati Mohapatra

"Infosys should immediately buyback its shares worth Rs 11,200 crore (which is roughly 40% of the existing cash and cash equivalents).The buyback should be at the 52-week high price of Rs 3,850 share."[1]

- T V Mohandas Pai and V Balakrishnan, former board members, Infosys and DN Prahlad, former senior vice-president, Infosys, on July 29, 2014

Introduction

T V Mohandas Pai and V Balakrishnan, former board members of Infosys, and D N Prahlad, former senior vice-president of the company, in a letter to the company's board dated July 29, 2014, demanded an immediate buyback of company shares to the tune of US$1.83 billion.[a],[2] They suggested that the buyback be at the 52-week high share price of Rs.3850 per share.[3] They also recommended to make the announcement of an ongoing buyback program to the extent of 40% of the previous year's net profit on a consistent basis.[4] These former top executives said that the buyback would boost investors' confidence in the company, improve share performance, and lead to effective use of cash. They claimed to have investors' support for the buyback demand. "*By writing the letter, we are providing the voice to thousands of other shareholders of the company, both institutional and retail, who overwhelmingly support a large cash return to shareholders of the company*," they said in the letter.[4]

[a] 1US$=61.1525 Rupees as on August 6th,2014

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Chapter 5:

A Note on Currency and Index Futures

Sumit Arora *and* Vivek Gupta

Abstract

The note provides some of the basic definitions used in futures contracts. It covers in detail the application of futures as a derivative instrument, and how market participants like hedgers, speculators and arbitrageurs use futures. The note also explains the role of the clearing house and settlement procedures in futures contracts, and why the contracts need to be marked to market. The objective of this note is to make the reader understand better, the use of futures as a tool for the purpose of hedging, speculating and arbitraging particularly, in terms of currency and index futures. The note is intended to provide supporting material for case studies/courseware pertaining to currency and index futures.

Introduction

Futures trading started way back in 1865 on the Chicago Board of Trade (CBOT), but prior to 1972, the underlying asset of futures contracts were agricultural commodities. The futures market met the needs of farmers and merchants. It overcame a few of the drawbacks related to the forwards market[1] *(Refer Exhibit I)* like non-standardization of contract and credit risk.

[1] A forward market does not have any fixed location and are self regulated.

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Chapter 6:

A Note on Interest Rate Futures

Sumit Arora *and* Vivek Gupta

Abstract

The note covers in detail the applications of interest rate futures including T-Bill futures, Eurodollar futures and T-bond futures. It explains how an investor can use these instruments to obtain either a predictable cost of funds or a predictable return on assets. The note also explains how an investor can use T-Bill futures for arbitraging. In addition, the note gives a detailed explanation of the pricing of T-bond futures and explains how one can determine cheapest to deliver bond. The objective of this note is to help the reader understand the concept and applications of interest rate futures better.

Introduction

An interest rate futures contract is *"an agreement to buy or sell a package of debt instruments at a specified future date at a price that is fixed today."*[a] The underlying assets of an interest rate futures contract are different interest bearing instruments like T-Notes, T-Bills, T-Bonds, deposits and so on.

Interest rate futures contracts were first traded on October 20, 1975, in the Chicago Board of Trade. Such contracts can have short-term (less than one year) and long-term (more than one year) interest

[a] As posted on www.hmconsulting.net.

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Chapter 7:
Interest Rate Futures in India

Manish Agarwal *and* D Satish

"The introduction of IRFs in the current form represents a significant step forward in the development of debt market reforms in India. Interest rate risk is one of the most basic risks faced by all the significant stakeholders in this economy and this product gives them the ability to hedge these risks. Both retail and institutional segments are likely to benefit from this product significantly. And over a period of time, it's also likely to bring newer and diverse entrants to participate in the fixed income market which has so far been dominated by primary dealers and banks treasuries."[1]

– B Prasanna, MD & CEO, ICICI Securities Primary Dealership Ltd.[a], August, 2009

"There's really good potential demand for more transparent derivatives such as futures for hedging interest-rate risk in the emerging economic scenario."[2]

– Krish Ramkumar, Fund Manager, Sundaram BNP Paribas Asset Management Co. Ltd.[b], Mumbai, India, August, 2009

On August 31, 2009, the National Stock Exchange[c] (NSE) re-introduced Interest Rate Futures[d] (IRFs) in India with the aim of providing a hedging instrument to investors against volatile interest rates. On the occasion, Ashok Chawla, the then Union Finance

[a] ICICI Securities Primary Dealership Ltd. was one of the leading company in Indian fixed income and money market.

[b] Sundaram BNP Paribas Asset Management Co. Ltd was privately owned investment manager company.

[c] In 2013, National Stock Exchange (NSE) was the leading stock exchange in India in terms of daily turnover.

[d] An Interest Rate Future (IRF) is a contract to buy or sell a debt instrument (10-year government bond) at a price decided in advance for delivery at a future date.

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Chapter 8:

A Note on Investment Strategies Involving Options

Sumit Arora and Vivek Gupta

Abstract

The note discusses some of the basic definitions often used in option contracts. It covers in detail the various investment strategies involving options. The objective of this note is to make the reader understand better the potential of options as an investment tool and how an options strategy can be designed to take advantage of certain market conditions.

The note is aimed at the MBA/PGDBA students as part of the Finance, Accounting & Control curriculum.

Introduction

Options on commodities have existed in different forms since 1860 for products including gold, wheat and tulip bulbs. However, large-scale manipulation by intermediaries and absence of standardized contracts resulted in investors incurring heavy losses due to which trading in commodity options were discontinued by many exchanges by 1968. But today options have become one of the most preferred derivative instruments among the investors.

Until 1973, trading in options on stocks was cumbersome as the contract was between the buyer and the seller, and the stock exchange played no major role. In 1973, options on stocks were traded for the

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Chapter 9:

Options Strategies on Microsoft and Facebook Stocks (A)

Manish Agarwal *and* D Satish

> *"Options are amazing, versatile tools. They can be very speculative and high-risk and give you spectacular returns. On the other end of the spectrum, they can be very conservative, produce consistent double-digit returns, and serve as tools for portfolio management."* [1]
>
> **– Michael C. Thomsett, Author at Money Morning[a], in 2014**

The Newway Bright Stock Fund (Newway Fund) was founded by J. K. Negi (Negi) in 1991 with an initial investment Rs.[b] 15 million. In the first two decades of its establishment, it focused on value investment with the objective of long-term capital appreciation. This investment approach helped Newway Fund grow from a small firm to a mid-size close ended investment company by the end of 2014, with its corpus size crossing Rs. 750 million. It provided good returns and grew at a CAGR of around 11% in the first two and half decades of its establishment.

Since its establishment, the Newway Fund had invested in various industries such as automobile, shipping, cement, real estate, computer, mobile, and technology. With the start of the 21st century, the company began focusing on new age technology and high growth companies. However, the company had never used derivative instruments for speculation purposes.

[a] Money Morning is an online platform which publishes articles related to money, investment, and finance among others.

[b] Rs. is the symbol for the Indian currency, the Indian Rupee. As of March 2015, US$1 was approximately equal to Rs. 62.

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Chapter 10:

Options Strategies on Microsoft and Facebook Stocks (B)

Manish Agarwal *and* D Satish

> *"Options are amazing, versatile tools. They can be very speculative and high-risk and give you spectacular returns. On the other end of the spectrum, they can be very conservative, produce consistent double-digit returns, and serve as tools for portfolio management."*[i]
>
> **– Michael C. Thomsett, Author at Money Morning[1], in 2014**

The Newway Bright Stock Fund (Newway Fund) was founded by J. K. Negi (Negi) in 1991 with an initial investment of Rs.[2] 15 million. In the first two decades of its establishment, Newway Fund focused on value investment with the objective of long-term capital appreciation. This investment approach helped Newway Fund grow from a small firm to a mid-sized close-ended investment company by the end of 2014 when its corpus size crossed Rs. 750 million. The Newway Fund provided good returns and grew at a CAGR of around 11% in the first two and half decades or so of its establishment.

Since its establishment, the Newway Fund had invested in various industries such as automobile, shipping, cement, real estates, computer, mobile, and technology. With the start of the 21st century, the Fund focused on new age technology and high growth companies. However, the company had never used derivative instruments for speculation purposes.

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1 Money Morning is an online platform which publishes articles related to money, investment, and finance among others.

2 Rs. is the symbol of the Indian currency, the Indian Rupee. As of March 2015, US$1 was approximately equal to Rs. 62.

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Chapter 11:

Options Strategies on Microsoft and Facebook Stocks (C)

Manish Agarwal and D Satish

> *"Options are amazing, versatile tools. They can be very speculative and high-risk and give you spectacular returns. On the other end of the spectrum, they can be very conservative, produce consistent double-digit returns, and serve as tools for portfolio management."* [1]
>
> **– Michael C. Thomsett, Author at Money Morning[a], in 2014**

The Newway Bright Stock Fund (Newway Fund) was founded by J. K. Negi (Negi) in 1991 with an initial investment Rs.[b] 15 million. In the first two decades of its establishment, it focused on value investment with the objective of long-term capital appreciation. This investment approach helped Newway Fund grow from a small firm to a mid-size close-ended investment company by the end of 2014, with its corpus size crossing Rs. 750 million. It provided good returns and grew at a CAGR of around 11% in the first two and a half decades of its establishment.

Since its establishment, the Newway Fund had invested in various industries such as automobile, shipping, cement, real estate, computer, mobile, and technology. With the start of the 21st century, the company began focusing on new age technology and high growth companies. However, the company had never used derivative instruments for speculation purposes.

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[a] Money Morning is an online platform which publishes articles related to money, investment, and finance, among others.

[b] Rs. is the symbol for the Indian currency, the Indian Rupee. As of March 2015, US$1 was approximately equal to Rs. 62.

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Chapter 12:

Options Strategies for a Volatile Market

Kanaiyalal Shantilal Parmar, Manish Agarwal *and* Kaushik Bhattacharjee

> *"Trading options is about more than just being bullish or bearish or market neutral. There's volatility. Stronger or weaker directional biases. Whatever (be) the scenario, you have the choice of a logical options strategy that can be risk-defined, capital efficient, and/or have a higher probability of profit than simply buying or shorting (the) stock."*[1]
>
> **– T.J. Neil, Sr. Trading Specialist, Trade Wise Advisors, TD Ameritrade in October 2020.**

It was the last week of February 2020 and the Indian stock market was plummeting like other stock markets around the world. Aruna Golwalkar (Aruna) – senior strategist at Wellvet Partners (Wellvet), a financial service provider, called up her team member, Meghna Kansal, (Meghna) – a trader who had joined the risk management and derivative strategy department of Wellvet in January 2015. They discussed the Indian as well as global stock markets, as markets around the world had dropped sharply in the last week of February after the outbreak of the novel coronavirus (COVID-19). They also discussed how to use various options strategies over the coming days to profit from the high volatility. After a lot of brainstorming about stock market conditions, Meghna was given the task of looking at the market conditions and developing appropriate option strategies within a couple of days. They decided to take a position in option strategies using the options traded on Nifty[a] available on the National Stock Exchange of India[b] (NSE) and to hold it through March 2020.

[a] Nifty is the flagship index on the National Stock Exchange of India Ltd. (NSE). The Index tracks the behavior of a portfolio of blue-chip companies, the largest and most liquid Indian securities. This is a proxy for the Indian stock market.

[b] The National Stock Exchange (NSE) is a leading stock exchange in India.

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Chapter 13:

Options Strategies for a Bullish Market

Kanaiyalal Shantilal Parmar *and* Manish Agarwal

> *"This is a typical birth of a bull market where you have a changing country, you have a deep fall in growth, and everybody is perplexed by the rise."*[1]
>
> **– Rakesh Jhunjhunwala, Ace investor, September 2020.**

Introduction

"Good morning, all of you," said Dr. Chhavi Mittal (Dr. Chhavi), Professor of Finance, to the third-semester MBA students chit-chatting in one of the Lecture Theaters (LT) at Excellent Business School (ESB) in Noida city in Uttar Pradesh, a state in northern India. For a few seconds, the LT echoed with the voices of the students greeting their Professor, one of the popular faculty members in the college.

"Professor, in the previous Financial Risk Management (FRM) classes we covered almost all the Options Strategies. What are we going to do in today's class?" asked Gitika. *"Yes, we have covered all strategies, but we will definitely have some more sessions on Options Strategies,"* replied Dr. Chhavi.

Once all the students had settled down, Dr. Chhavi began. She said, *"In the previous six sessions we have completed almost all basic and some advance options strategies such as Call, Covered Call, Put, Bull Call, Bull Put, Protective Put, Straddle, Strangle, Butterfly, Condor, Strip, Strap, and Ladder among many others. So, all of you are familiar with various options strategies. And all of you know how to use and where to use these strategies." "Yes Professor",* replied the students. *"Good, in this class we will use these options strategies in real stock market data. Here is a write-up on the Indian stock market on the first ten months of the year 2020,"* said Dr. Chhavi.

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Chapter 14:

Options Strategies for a Range-bound Market

Manish Agarwal *and* Sanjib Dutta

> *"It is said that there are two certainties – death and taxes. But when it comes to options there is only one certainty – time decay. Volatility and price cannot be predicted so you need time and distance to make adjustments to your trade."*[1]
>
> **– Pran Katariya, Trader and Stock Market Influencer, December 2018.**

In January 2020, Surendra Chauhan (Surendra) received a repayment of about rupees half-a-million rupees from one of his debtors that he had already put under bad debts. Luckily for him, he got back the full amount on January 22, 2020. This was good news indeed for Surendra, as his daughter's wedding was fixed for March 2020 and he needed the money. With rupees half-a-million extra cash in hand, Surendra knew he would be able to take care of the wedding expenses.

However, there was more than a month left for the wedding and Surendra thought of investing this money in the stock market. However, he was not sure how to safely invest the amount in the share market so that he could lock downside risk and ensure enough returns. Surendra called his friend, Sumit Shah (Sumit), who was running a stockbroking firm, Magnus Returns Private Limited. Sumit asked him to come to his office to discuss the matter further.

A Note on Magnus Returns Private Limited

Magnus Returns Private Limited (Magnus Returns) was started by Sumit's father, Kantilal Shah (Kantilal), in 1979 in Surat, Gujarat, a state in western India. Over a period of time, Magnus Returns ventured into

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Chapter 15:

Interest Rate Swaps: A Deal between B.F. Goodrich and Rabobank

Manish Agarwal *and* D Satish

Interest rate swaps are one of the most commonly used credit derivatives[a], with an estimated notional market value of US$ 400 trillion worldwide.[1] Nobody even knew about interest rate swaps till the first swap deal occurred nearly three decades ago, in 1982. Under the deal, Student Loan Marketing Association (Sallie Mae) swapped the interest payments on an issue of intermediate term, fixed rate debt for floating rate payments indexed to the three-month treasury bill yield.[2]

However, the first interest rate swap deal between two corporates occurred a few months after the first deal, in March 1983. This deal was arranged by Salomon Brothers, a Wall Street investment bank, between B. F. Goodrich and Rabobank. At that time, both parties to the swap deal were experiencing hard times. The financial engineering of this deal helped them in a unique way and opened new doors for corporates to manage their finances.

B.F. Goodrich Company

B.F. Goodrich Company (Goodrich) was incorporated in 1980 at Akron, Ohio, Midwestern State, United States. The company was originally formed as a limited partnership firm named Goodrich, Taw & Company in 1870 as a rubber manufacturing company. It was a

[a] Credit derivative is a derivative instrument like other derivative instruments such as options, futures, swaps, etc., which derive their value from credit risk on an underlying financial asset

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Chapter 16:

Currency Rate Swap between IBM and World Bank

Manish Agarwal *and* D Satish

> *"The cross-currency swap transactions effectively enable the matching of the currencies of the debt service payments to the local currency of the countries carrying the loans, thereby creating a natural hedge."*[1]
>
> **– By Randy Underwood, Executive Vice President and Chief Financial Officer, Dollar Financial Corp[a], January, 2007**

On Tuesday, August 25, 1981, IBM and World Bank entered into a currency swap deal, whose net effects were that (1) IBM was able to earn capital gain without paying a single cent as tax on it and (2) the World Bank was able to get low cost funding, which was not possible through direct borrowing. Earlier, on Tuesday, August 11, 1981, in connection with the swap deal, US bond market investors got a unique instrument for investment which had almost zero default risk and the coupon rate was more than that of treasury bills. It was one of those satisfying financial deals where each party (the World Bank and IBM) believed it had emerged as the clear winner.

Swap was originally developed by banks in the UK to help large clients circumvent UK exchange controls in the 1970s.[b] Earlier, currency swaps were in existence in the form of back-to-back/parallel loans. Parallel loans/back-to-back loans are currency exchange agreements wherein a UK holding company will lend Pounds (GBP) to

[a] Dollar Financial Corp. (NASDAQ:DLLR) is global diversified financial company. It mainly serves unbanked and under banked consumers.

[b] Brian Coyle, *Currency Swaps*, (Lessons Professional Publishing, 2000)

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Chapter 17:

Value at Risk: Morgan Stanley

Manish Agarwal *and* D Satish

In 1994 J.P. Morgan decided to provide direct access to its RiskMetrics[a] database to all the market participants, paving way for the enormous promotion of Value at Risk (VaR) which has turned into an imperative tool to measure risks. Infamous derivatives mismanagement such as Orange County, Barings, Metallgesellschaft, Procter and Gamble, Kidder Peadoby, etc., have forced managers to use VaR in their organizations to understand risk better and prevent any loss of shareholders wealth.

Morgan Stanley

In 1933, Glass–Steagall Act[b] separated the commercial banking from securities underwriting. It forced firms like J.P. Morgan & Co.[c] to split their commercial banking and investment banking activities. As a result, J.P. Morgan & Co. decided to spin off its investment banking business to a new firm, Morgan Stanley, formed by its employees Henry Sturgis Morgan[d], Harold Stanley[e] and few others who left J.P. Morgan &

[a] RiskMetrics was established by Sir Dennis Weatherstone Chairman of JP Morgan & Co. in 1989. It helps to understand the market exposure and sensitivities across a broad range of financial instruments including, commodities, equities, fixed income securities, forex exchange, mortgages and structured credit, using multiple Value at Risk (VaR) methodologies and flexible stress-testing.

[b] The Banking Act of 1933 was commonly known as Glass–Steagall Act of 1933. It came into existence after the collapse of American banking system in early 1933.

[c] J.P. Morgan & Co. was New York, US based commercial and investment banking firm.

[d] Henry Sturgis Morgan, son of John Pierpont "Jack" Morgan, Jr. (J P Morgan Jr.) and grandson of John Pierpont Morgan (J P Morgan) was one of the founders of Morgan Stanley in 1935.

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Chapter 18:
Financial Risk Management at Toyota

Arun Khan *and* A.V. Vedpuriswar

Introduction

Toyota Motor Corporation (Toyota), Japan's largest and the world's fourth-largest automobile manufacturer offered well-known car models like Camry, Corona, Corolla, and Lexus. Though a late entrant, compared to General Motors and Ford, Toyota had become one of the strongest players in the automobile industry. In an industry, generally considered to be mature in terms of technology, Toyota had continued to set new benchmarks for providing value to customers more effectively than competitors. Toyota had also redefined the rules of the game in various areas – product development, manufacturing, vendor management and human resources management. A recent Business Week issue had Toyota on the cover with the caption *"Can anything stop Toyota?"*

Background Note

Sakichi Toyoda, born in 1868, founded Toyota. He showed little interest in the family's carpentry business. Instead, Toyoda concentrated on improving the handloom machinery used in textile factories. These efforts led to the Toyoda Automatic Loom. In 1926, Sakichi founded Toyoda Automatic Loom Works (TALW) to make looms. He entrusted his son Kiichiro with the task of using the profits from the textile machinery business to develop a motor car. In 1933, Kiichiro opened an auto department within the loom works and began copying US engine designs.

After Sakichi died in 1930, Kiichiro faced stiff competition from Ford and General Motors, who had set up their manufacturing units in Japan. Family members including brother Risaburo showed little

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Chapter 19:

Sumitomo Corporation of Japan - The Commodity Derivatives Fiasco

Gautam *and* Vivek Gupta

> *"At fault may be a global business culture that lavishly rewards traders who take risks but not the people who are supposed to supervise them."*[1]
>
> **– David Hale, Economist, Zurich Kemper Investments.**
>
> *"The moral fiber of all Japanese has deteriorated and they have become desensitized toward money."*[2]
>
> **– Seiroku Kajiyama, Chief Cabinet Secretary, Japan.**

Introduction

On June 13, 1996, Sumitomo Corporation (Sumitomo)[a] – one of the largest trading companies in Japan, reported a loss of $1.8 billion (bn) in copper trading on the London Metal Exchange (LME)[b].

The loss was the result of trading operations in commodity derivatives by Yasuo Hamanaka (Hamanaka), Sumitomo's former chief copper trader. Elaborating on the reasons for the loss incurred by the company, Tomiichi Akiyama (Akiyama), the then president of

[a] Apart from trading in all commodities worldwide, Sumitomo also provided various financial services, organized and coordinated various projects and invested in businesses ranging from IT to retailing industry.

[b] The London Metal Exchange (LME) with a turnover of US $2,000 bn per annum is the world's premier non-ferrous metals market.

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Chapter 20:

Allied Irish Banks – The Currency Derivatives Fiasco

Gautam *and* Vivek Gupta

> *"It's very clear now that this guy targeted every control point of the system and systematically found ways around them, and built a web of concealment that was very sophisticated."*[1]
>
> **– Michael Buckley, CEO of Allied Irish Banks.**

Introduction

On February 06, 2002, Allied Irish Banks (AIB)[a] revealed that its US subsidiary – Allfirst Financial Inc. (Allfirst)[b] had incurred a loss of US $750 million (mn) in foreign exchange trading operations *(Refer Exhibit I for information on the AIB Group).* The losses incurred were the result of fraudulent trading activities of John Rusnak (Rusnak), a trader in foreign currency operations at Allfirst.

Rusnak's job was to make arbitrage profits by taking advantage of discrepancies in the price of currencies in the cash, futures and options markets. During the period 1997 to 2001, Rusnak incurred heavy losses in foreign exchange transactions. However, he was able to

[a] AIB Group is Ireland's leading banking and financial services organization. It operates mainly in Ireland, Britain, Poland and the US. In 2003, the group employed about 25,000 people worldwide in more than 800 offices. As of December 31, 2003, AIB owned assets worth €81 bn.

[b] Headquartered in Baltimore, US, Allfirst was a regional, diversified financial services company offering a full range of financial services including banking, trust, investment and insurance to retail, business and commercial customers. It was created by merging Dauphin Deposit Corporation and First Maryland Bancorp in 1999.

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Chapter 21:
The Fall of Barings Bank

Sumit Arora *and* Vivek Gupta

"I think it shows the financial markets world is a good deal less efficient than we believe. If we look at our bank statements, we can see computer errors, for example. And at the same time, there's negligence. A lot of people turned a Nelsonic blind eye to what he (Leeson) was doing because he seemed to be bringing in the profits."[1]

– David Frost, Executive Producer, Rogue Trader.

"It could happen again because the incentives are the same, if not greater. The rewards are very great and that's a temptation for people."[2]

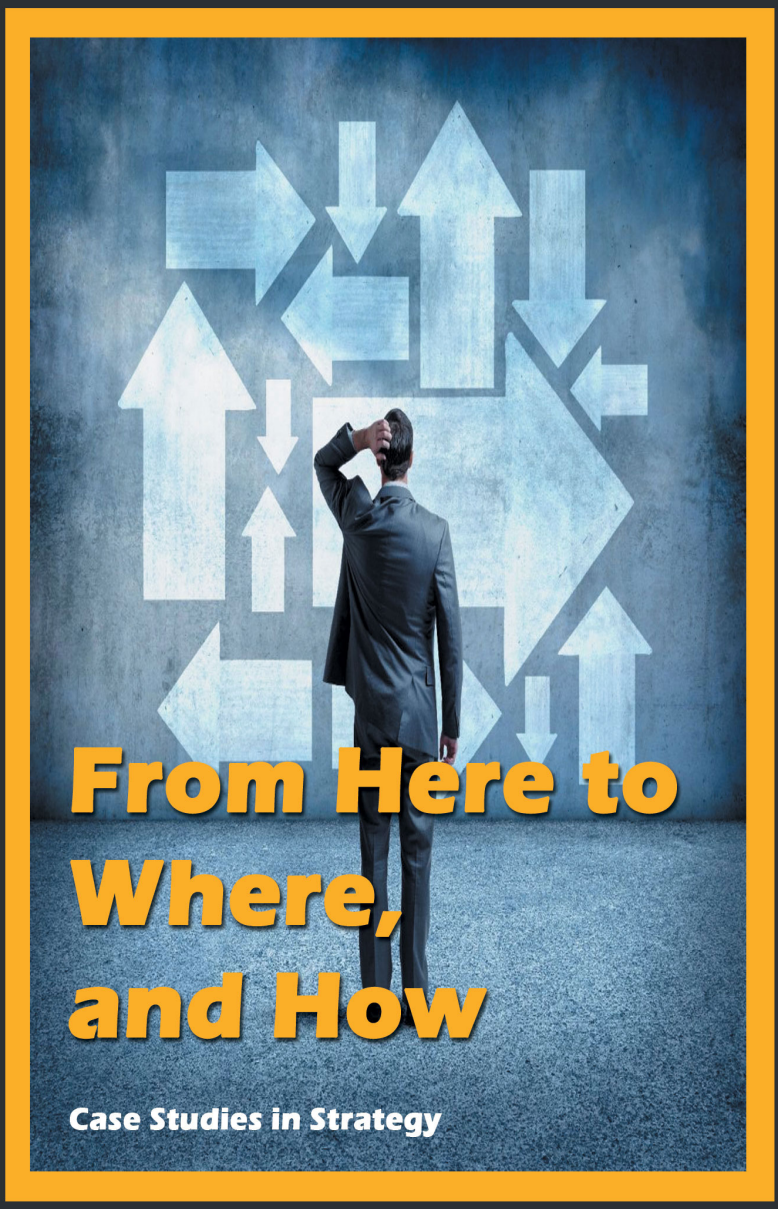
– Neil Wilson, Editor of Futures and Options Week.

Introduction

On February 26, 1995, Barings Bank (Barings) – the United Kingdom's (UK) oldest and one of its most reputed banks - declared it was bankrupt. The bank with a total net worth of $900 mn had suffered losses in excess of $1 bn. These losses were result of the gross mismanagement of the bank's derivatives trading operations by Nicholas William Leeson (Leeson), the General Manager of Barings Future in Singapore (BFS). BFS had been established to look after the bank's Singapore International Monetary Exchange (SIMEX) trading operations.

Leeson's job was to make arbitrage profits by taking the advantage of price differences of similar contracts on the SIMEX (Singapore) and Osaka stock exchanges. In spite of not having the authority, he traded in options and maintained un-hedged positions. He

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Edited by: Debapratim Purkayastha

From Here to Where, and How Case Studies in Strategy

Editor:
Debapratim Purkayastha

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Chapter 1:

Disney Enters Streaming Space: Can it Disrupt the Disruptor?♦

Syeda Maseeha Qumer *and* Debapratim Purkayastha.

In August 2017, Robert A. Iger (Iger), Chairman and CEO of The Walt Disney Company (Disney), the world's largest entertainment company, announced that Disney would end its movie distribution agreement with Netflix and launch its own direct-to-consumer (DTC) streaming services. The first streaming service, focused on sports (ESPN+), was launched in April 2018 and the second, a Disney-branded film and TV streaming offering, was slated to debut in 2019. According to analysts, the move was an attempt by the company to address investor concern over cord-cutting in the traditional media business and to outrun disruption by adapting to the changing media and entertainment landscape. As consumers continued to cut the cord, the use of streaming services had exploded, leading to big subscriber losses for cable providers. By the end of 2017, a total of 24.9 million viewers had cut the cord on cable, satellite, or telco TV services in the US — up 43.6% year over year.[1]

In order to accelerate its push into the DTC space, Disney acquired media giant 21st Century Fox (Fox) in December 2017 in an all-stock deal of US$71.3 billion. The deal, expected to close by early 2019, would give Disney control of Fox's film and television assets as well as stakes in video-streaming service Hulu and overseas television-service providers, Sky plc and Star India. Disney planned to use content from Fox to combat disruption in the rapidly changing streaming space, where competition included strong players such as Netflix and Amazon.

♦ This case won the Third Prize in the John Molson MBA Case Writing Competition, organized by Concordia University, Canada.

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Chapter 2:

‘Smart Vehicles in a Smart World’: Can Ford’s New Strategy help it Fight Disruption?

Geeta Singh *and* Syeda Maseeha Qumer

Introduction

“I get up every day feeling like time can be wasted here if we don’t get moving. I feel a real sense of urgency,”[1] said James P. Hackett (Hackett), CEO of one of the largest automakers in the world, Ford Motor Company (Ford), while addressing investors at a briefing in New York in October 2017. Ford had been struggling since 2014 with consumer tastes changing, costs rising, and new competition offering more contemporary products. Moreover, the auto industry as a whole was facing waves of disruption with the advent of new technologies like electric and self-driving cars and the increasing popularity of ride-sharing. Faced with a dwindling market share and declining year-over-year vehicle sales, Ford not only had to improve its financial performance but also stay relevant in a fast-changing automotive landscape.

Hackett, who had been appointed CEO of Ford in May 2017, along with some senior executives came up with a new strategy for Ford called ‘Designing Smart Vehicles in a Smart World’ to narrow down the challenges, compete with disruptive market changes, and make the automaker more competitive and profitable. As part of the new strategy, Hackett streamlined production, cut costs, shifted the product portfolio from passenger cars to SUVs, invested in Autonomous Vehicles (AVs), and planned to launch more pure electric vehicles (EVs). However, Hackett still had several challenges to overcome before he could transform Ford into a successful mobility company. One of the biggest challenges was transforming Ford from a traditional auto manufacturer

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Chapter 3:

JPMorgan Chase & Co. – Creating a Next-Gen Banking Experience Powered by Digital Technology♦

Anil Anirudhan *and* Sanjib Dutta

"While other tech companies have a narrower scope of things they do very well, what differentiates JPMorgan Chase is our ability to invest $11 billion dollars in a broad number of technologies simultaneously. Our size and scale are simply unparalleled."[1]

– Larry Feinsmith, MD and Head of Global Tech Strategy, JPMorgan Chase

"The business case for digital everything is compelling. It's a generational shift. Think streaming films versus DVDs. Banking is no exception, and as such, they (millennials) are choosing a provider based upon their digital capabilities."[2]

– Marianne Lake, Former Chief Financial Officer, JPMorgan Chase

"I have always told people: 'You have to use tech to do a better job for your client.' That's a sine qua non. So, in our reviews - and this has been true my whole life - we ask: 'What are you building, what are other people building, how do you make it better, faster, quicker, cheaper?' And tech is the big part of that."[3]

– Jamie Dimon, Chief Executive Officer, JPMorgan Chase

♦ The case won the 2019 EFMD Case Writing Awards in 'Finance and Banking' category.

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Chapter 4:

Unilever's Sustainable Living Plan: Putting Sustainability at The Center of Business Strategy

Shwetha Kumari *and* G V Muralidhara

> *"Unilever has a long history of trying to do the right thing that stretches all the way back to its founders, who talked about shared prosperity and making hygiene common place. This is the original inspiration for our long-term, multi-stakeholder model, where shareholder returns are the result of our activities, not the objective – or put another way, profits through purpose. After all, we are ultimately here to serve society, which in my view is the only sustainable way to earn your license to operate."*[1]
>
> **– Paul Polman, Ex-CEO, Unilever, 2020**

Introduction

"As the Unilever Sustainable Living Plan journey concludes, we will take everything we've learned and build on it. We will do more of what has worked well, we will correct what has not, and we will set ourselves new challenges," said Alan Jope (Jope), CEO, Unilever, on the occasion of the tenth and final year of the Unilever Sustainable Living Plan (USLP) in May 2020.[2] Unilever, a multi-national corporation of Anglo-Dutch parentage formed in 1930,owned many of the world's consumer product brands in foods, beverages, cleaning agents, and home care and personal care products. Unilever's market extended over 190 countries around the world.[3] In 2004, consequent to a fall in market share and financial performance and its first ever profit warning, the company brought in Paul Polman[a] (Polman), an outsider, as its CEO. In

[a] Paul Polman was the chief executive officer (CEO) of Unilever from 2009 to 2019.

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Chapter 5:

Idea – Vodafone Merger: Consolidation in the Indian Telecom Sector

Nagendra Kumar M V *and* Indu Perepu

On March 20, 2017, India's third largest mobile telephony company, Idea Cellular[a] (Idea), announced a US$ 23 billion[1,b] merger with the second largest mobile operator in the country, Vodafone India Limited (Vodafone)[c], to form India's largest mobile telecom company with estimated revenues of US$ 12.5 billion. The company would have a subscriber base of 394 million and a customer and revenue market share of 35% and 41%[2] respectively.

With the merger expected to take 24 months to complete, both companies had agreed to operate as separate entities till then. On the merger, Kumar Mangalam Birla (Birla), Chairman of Aditya Birla Group (A B Group) said, *"Idea and Vodafone will together create a very valuable company given our complementary strengths."*[3]

The merger of the two fierce competitors in the Indian telecom sector came after India's largest private sector company Reliance Industries Limited, owned by Mukesh Ambani[d], launched Reliance Jio Infocomm Limited (Jio) in September 2016. Jio came with aggressive pricing, offering free voice calls[e] and the lowest data tariffs in the world. It disrupted the telecom sector in the country where telecom operators derived 70% of their revenues through voice calls.

[a] Idea Cellular is a part of Indian conglomerate the Aditya Birla Group.

[b] 1 US$ ≈ (Indian Rupee) INR or Rs. 63.78 as of September 2017.

[c] The merger included subsidiary Vodafone India Mobile Services

[d] Mukesh Ambani was the richest person in India as of 2017, according to Forbes.

[e] They were offered for the first seven months.

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Chapter 6:

Amazon.com, Inc.: Driving Disruptive Change in the US Grocery Market

Syeda Maseeha Qumer *and* Debapratim Purkayastha

On June 16, 2017, Seattle-based e-commerce giant Amazon.com, Inc. (Amazon) acquired Whole Foods Market, Inc (Whole Foods), one of the leading natural and organic foods supermarket chains in the US, in an all-cash transaction valued at approximately US$13.7 billion. According to analysts, the deal touted to be Amazon's biggest acquisition till date, marked a turning point in the company's strategic efforts to crack the US$800 billion US grocery market.

The deal also marked Amazon's big entry into the brick-and-mortar retail space. The shares of big box retailers such as Wal-Mart Stores, Inc[a] (Walmart), Target Corporation[b] (Target), Costco Wholesale Corporation[c] (Costco), and The Kroger Co[d] (Kroger) tanked with investors worrying about the far-reaching implications of the deal. "*By purchasing Whole Foods, Amazon is set to disrupt the $800-billion grocery market in the same way it upended the publishing and consumer electronics industries. Now Amazon is right where it wants to be: everywhere. It has surpassed its original goal of being the "everything*

[a] The largest retailer in the world with 11,695 stores in 28 countries and e-commerce websites in 11 countries as of August 2017. In fiscal 2017, the company generated US$485.9 billion in revenues.

[b] An upscale discount retailer with 1,816 stores in the US as of March 2017. In 2016, the company's revenues were US$69.495 billion.

[c] A retailer with warehouse club operations in eight countries. Costco's revenue in 2016 was US$118.7 billion.

[d] One of the largest grocery retailers in the US, based on annual sales. Headquartered in Cincinnati, Ohio, the retail chain has nearly 2,800 stores in 35 states and the District of Columbia as of 2016. Its fiscal 2016 sales were US$115.3 billion.

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Chapter 7:

Business Model and Competitive Strategy of IKEA in India

Debapratim Purkayastha *and* Syed Abdul Samad

> *"We are very determined but very patient at the same time. We started this journey six years ago. Things are finally moving and we are satisfied with the progress so far…*
>
> *"I truly believe that the IKEA format is going to work. What is an IKEA store? An IKEA store has more than 9000 different articles for the entire family. We offer an experience for the whole family. Also remember, at IKEA we don't sell products, we sell inspiration."*[1]
>
> **– Juvencio Maeztu, IKEA's Country Manager for India, in 2013**

After a year of lobbying and negotiating with and convincing the Indian politicos and bureaucrats, IKEA's €1.5 billion investment proposal to set up its stores in India was finally accepted by the local government on May 2, 2013. However, as of July 2013, Juvencio Maeztu (Maeztu), IKEA's Country Manager for India, found he still had a colossal task ahead of him.

IKEA, the Netherlands-based Swedish company, was the largest furniture retailer in the world with a presence in 44 countries around the globe – in countries like the US, the UK, Russia, the EU region, Japan, China, Australia, etc. However, it did not enter into the Indian market till 2013, though the company had had a presence in the country since the 1980s as a sourcing destination for its global stores. It had even opened its regional procurement office in Gurgaon, India, in 2007. In 2009, IKEA tried to enter the country to establish its stores, but its attempts were thwarted by India's stringent Foreign Direct Investment (FDI) regulations. It again applied for permission for entry in June 2012, after India had made some changes in its FDI rules.

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Chapter 8:

Harley Davidson Hits a Roadblock in India – Takes a U-turn

Anil Anirudhan *and* Sanjib Dutta

> *"Under our focused participation model, we are exiting about 40 markets where low volumes and little profit do not warrant investments. We are establishing dealer-direct or distributor model in about 17 markets, and our 36 highest potential markets will have the leadership, resources and clearly defined operating framework that we believe will derive desirable growth and profitability in the future."*[1]
>
> **– Jochen Zeitz, Chairman, President and CEO, Harley Davidson Inc., October 2020.**

Introduction

In September 2020, Harley Davidson Inc. (Harley), the iconic American motorcycle brand, announced its exit from the Indian market. This decision was taken as part of the company's 'Rewire' strategy under which it would focus only on select markets and exit those where sales and profitability were low. Harley had entered India in August 2009 with its heavyweight cruiser bikes. Harley saw India as the right market to launch its bikes, given that the country had the second largest motorcycle market in the world, a growing middle class, and strong economic growth. Mark Levatich, Chief Operating Officer at Harley, said, *"Given the rapid development of India's economy and physical infrastructure, this is exactly the right time to bring the world's greatest motorcycles to one of the world's largest motorcycling nations."*[2]

In late October 2020, making a swift u-turn from its earlier announcement of exiting the Indian market, Harley announced that it had entered into a strategic licensing agreement with Hero MotoCorp

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Chapter 9:

The Turnaround Plan of McDonald's: A Long Way to Go♦

Indu Perepu

> *"We're not on our game. The world has moved faster outside the business than inside."*[a]
>
> **– Steve Easterbrook, CEO McDonald's**
>
> *"I think it's really an identity crisis. McDonald's doesn't seem to have decided whether it wants to continue to be mainly a value restaurant where people go for convenient, fast but most importantly cheap food, or whether it wants to be something fancier."*[1]
>
> **– Vendeline von Bredow, Correspondent, *The Economist***

Plan to Fix

In April 2015, McDonald's Corporation (McDonald's), one of the world's leading fast food restaurant companies, announced that its revenue had fallen by 11% to US$ 5.96 billion in the first quarter of 2015 and that profits had dropped to US$ 812 million from US$ 1.2 billion in the first quarter of 2014. Worldwide, same-store sales[b] fell by 2%, the figure being 8.3% in the Asia Pacific, the Middle East and Africa and 2.6% in the US. This was a continuation of the company's bad performance in 2014, the year called 'the Lost Year', when for the first time since 2002, it reported a decline in global same store sales. *(Refer to Exhibit I for the quarterly sales of McDonald's).*

♦ This case has won the second prize in 2016 John Molson MBA Case Writing Competition, organized by the John Molson School of Business, Concordia University.

[a] Lauren Gensler, McDonald's Pins Hopes On Turnaround Plan To Revive Flagging Sales, May 4, 2015.

[b] Sales at restaurants open at least 13 months

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Chapter 10:

Can Elon Musk Turn Tesla Around?

Syeda Maseeha Qumer *and* Debapratim Purkayastha

> *"Tesla struggles to fulfill its ambitious goals and promises on a long-term basis, and stumbles at logistical impediments despite huge advances in technology that keep consumers and investors interested. To avoid a total car crash of the business in the next few years, Tesla needs to refocus its efforts from maintaining the appearance of a profitable and sustainable business model to actually delivering one."*[1]
>
> **– Alyssa Altman, a transportation lead at the digital consultancy Publicis Sapient, in July 2019.**

Despite delivering a record number of Electric Vehicles (EVs) (95,356 vehicles) in the second quarter of 2019, the world's leading EV maker Tesla, Inc. (Tesla) found its losses piling up, as it reported a second successive quarterly loss of US$408.3 million. Investors' concerns over the company's future and its ability to turn a profit sent Tesla's stock plummeting. Its share prices dropped 11% in after-hours trading after the announcement of the Q2 earnings, on course to knock more than US$5 billion off its market value. As shareholders continued to question the company's long-term finances, cash flow, and profitability, Tesla's CEO Elon Musk (Musk) said, *"From a profitability standpoint we expect to be probably around break-even this quarter and profitable next quarter. I feel pretty confident about that."*[2]

The trouble for Musk started in the first half of 2018. Tesla not only under-delivered on promises related to the production of its mass-market Model 3 sedan but was also burning cash rapidly, investing in ambitious expansion plans even as demand for its products slumped. Musk said he experienced 'production hell' and 'delivery logistics hell' at his company as he tried to increase production of its mass market Model 3 sedan to 5,000 per week to fulfill a backlog of more than 400,000 preorders. Musk admitted that Tesla had come within *"single digit weeks"* of *"death"*

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Frugal Innovation - Doing More with Less

Edited by:
V. Namratha Prasad

Frugal Innovation - Doing More with Less

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Chapter 1:

SABMiller's Nile Breweries: Creating Value with the Base of the Pyramid in Uganda

Indu Perepu

"*The business strategy is to create more affordable products. That's good for Ugandan farmers since it expands the market for their products, and it's good for SABMiller because we sell more beer. It shows how we can grow our business while creating local economic benefits.*"[1]

– Andy Wales, Head of Sustainable Development, SABMiller, in 2009

"*We have all gained from Nile Breweries' commitment to working with us to develop value-added agriculture through local sourcing from thousands of Ugandan farmers. I encourage other leading global companies to see this as a model for how to partner locally to advance economic growth.*" [2]

– Hope Mwesigye, Uganda's Minister of Agriculture, Animal Industry and Fisheries, in 2009

"*Brewers like SABMiller provide a good example of how new products can be developed that make intensive use of local agriculture, and they also suggest the promise of new investments in this sector to spur the region's continued economic growth along with increases in the incomes of its farmers*"[3]

– Ethan B. Kapstein, Paul Dubrule Professor of Sustainable Development at INSEAD, in 2010

---

1 "SABMiller – The Cost-Benefit Analysis of Beer," www.ethicalcorp.com, September 29, 2009.

2 "INSEAD Report on SABMiller Operations in Uganda," www.sabmiller.com, June 12, 2009.

3 The East African Community, www.sabmiller.com, May 2010.

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Chapter 2:

Senator Keg – Diageo's Answer to Illicit Brews in Kenya

Bhavika Reddy and Indu Perepu

"Senator truly was a benchmark in the region (Kenya) in terms of how you crack the lower end of the market."[1]

– Debra Mallowah, Marketing and Innovation Director, EABL, in 2013

"Senator Keg is never going to drive huge profits because it is low margin, but it's done so much for the serious issue of illicit alcohol. We know through press reports and the ministry of health that the number of deaths and illnesses caused through illicit drinking have been much lower in the areas where Senator Keg is sold. It has been a winning formula and is a real partnership and collaboration with the government. It's something that has never been done before."[2]

– Nicole Lovett, Head, Corporate Citizenship Program, Diageo, in 2010

Introduction

In October 2013, East African Breweries Limited[3] (EABL), the Kenyan subsidiary of UK-based Diageo PLC (Diageo)[4], introduced a low cost spirit 'Jebel Gold' (Jebel) priced at about 10 shillings[5] in Kenya. The company started selling Jebel on a trial basis in 300 outlets across

1 "EABL Targets Senator Market with Sh10 Spirit," www.trending.co.ke, November 5, 2013

2 "Accenture High Performance Delivered," www.accenture.com, 2010

3 EABL owns 100% of Kenya Breweries Limited, 98% of Uganda Breweries Limited, and 51% of Serengeti Breweries Limited in Tanzania.

4 Diageo was the world's largest Spirits manufacturer as of 2013. Some of its popular brands are Johnnie Walker, Crown Royal, J&B, Buchanan's, Windsor and Bushmills whiskies, Smirnoff, Ciroc, and Ketel One vodkas, Captain Morgan, Baileys, Tanqueray, and Guinness. The company's products were sold in 180 countries across the world. For the year ending June 2013, its sales were £ 15487 million.

5 1 US$≈85.446 Keynan Shillings (Sh) as of November 1, 2013.

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Chapter 3:

M-KOPA Solar: "Solar-preneur" with a Unique Business Model

Nagendra Kumar M V and D Satish

> *"This system addresses some fundamental issues at the bottom of the economic pyramid with 70 to 80 percent of the country living without grid electricity."*
>
> **– Bob Collymore, Chief Executive Officer, Safaricom[1]**
>
> *"We are giving people a modern, cleaner, and longer-lasting technology for less than what they would spend on kerosene or another inefficient substitute."*
>
> **– Jesse Moore, Co-Founder and Managing Director of M-KOPA Solar[2]**
>
> *"As a group, we understand the aspirations and realities of African economies and this investment in M-KOPA Solar makes sound business sense for us."*
>
> **– Jeremy Ngunze, Chief Executive Officer (CEO) of CBA[3]**

M-KOPA Solar, an East Africa-based affordable off-grid solar power provider, won the Zayed Future Energy Prize in January 2015, to become the first company with headquarters in Sub-Saharan Africa to win the prestigious award. The prize, the world's leading renewable energy and sustainability award, was presented during the Abu Dhabi Sustainability Week in January 2015 in recognition of the firm's significant contributions to the future of renewable energy and sustainability.

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1 Sarah McGregor, Kenya's M-KOPA gives Phone-Loans to put Solar power in reach, www.bloomberg.com, October 5, 2012

2 Ibid.

3 Michael Ouma, Kenya-based tech start-up gets Kshs 1.72 billion loan to expand services, www.cio.co.ke, February 6, 2014.

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Chapter 4:

Trevor Field and the PlayPumps of Africa

Debapratim Purkayastha

"If I can make money and do good at the same time, that's great. I'm a philanthrapreneur."[1]

- Trevor Field, Founder and Director, Roundabout Outdoor, in 2007.

"We believe that the PlayPump system, due to its practical, economic, and social viability, is a progressive and creative way to provide free fresh drinking water to rural communities… With the PlayPump we can make children happy, reduce the workload for women, make a visible step forward in rural water development, and slow down the spread of HIV/AIDS."[2]

- Buyelwa Sonjica, Water Affairs Minister, South Africa, in 2005.

Water, Sustainability & Child's Play

In 2007, the PlayPump Water System (PlayPump) was nominated for the prestigious National Design Award, presented by the Smithsonian's Cooper-Hewitt, National Design Museum. Though the water system failed to win the design award, it had won many hearts across the world ever since its launch in the mid-1990s, due to its ability to solve one of the most pressing problems in peri-urban and rural areas of Africa – water (Refer to **Exhibit I** for a brief note on the water problem).

In Africa, the water crisis is quite severe with around 40 percent of Africans lacking access to potable water supply. In addition to the deaths and economic loss caused by the lack of access to water, women and girls, on whom the burden of obtaining water for the family falls,

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[1] "PlayPumps Founder Has Unique Name for His Work," www.wdi.umich.edu, January 15, 2007.

[2] Nicholas McDiarmid, "Borehole Pumps While Children Go Roundabout," www.search.sebinet.co.za, August / September 2005.

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Chapter 5:

KickStart: A Business Model to Tackle Poverty

V. Namratha Prasad and S. S. George

"The vast majority of development is about giving things away, and most development agencies see the poor as victims asking for help. At KickStart, we have a very different opinion of them. We see them as entrepreneurs. We see them as extremely hardworking people seeking the opportunity to get out of poverty."[1]

-Martin Fisher, CEO and co-founder of KickStart International, Inc., in 2008.

"In creating KickStart, Martin (Fisher) has created a model that is, by design, sustainable and easily replicated nearly anywhere in the world where people suffer grinding poverty. Because of the quantum leap in income brought about by these technologies, the journey out of poverty is a one-way trip."[2]

-Frances B. Emerson, Vice President of corporate communications at Deere and Company[3], in 2008.

Introduction

In early 2009, KickStart International, Inc. (KickStart), a Kenya-based non-profit organization, launched a marketing campaign called "Farming is My Business", to sell its range of irrigation pumps. Talking about the campaign, Martin Fisher (Fisher), the CEO and co-founder of KickStart, said, "We realized that we needed to do more than just sell

[1] "Inventor's Irrigation Pumps Help Lift African Farmers out of Poverty," http://web.mit.edu, 2008.

[2] "Fisher Receives Lemelson-MIT award," http://blogs.physicstoday.org, April 23, 2008.

[3] Deere and Company, established in the US in 1837 is a leading global manufacturer of agricultural machinery. It sold tractors, balers, planters/seeders, lawn mowers, string trimmers, chainsaws, etc.

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Chapter 6:

Elephant Pumps: Pump Aid's Business Solution to a Social Problem

Syeda Maseeha Qumer and Debapratim Purkayastha

"To break the cycle of poverty in Africa, access to clean water for drinking and water for irrigation must be improved. Pump Aid builds appropriate technology water pumps, called Elephant Pumps that can be maintained by poor rural communities without any outside assistance."[1]

- **Kathryn Llewellyn, International Director, Pump Aid, in 2008.**

A Social Innovation?

In December 2009, UK-based international water and sanitation charity, Pump Aid, announced that it had been chosen as the UK NGO partner of Live Earth 2010[2], the biggest fundraising event for water causes in the world. The Live Earth Run for Water global events, scheduled to be held on April 18, 2010, would see more than 100 countries participating and six kilometer running events being organized to raise money for water causes. London and Manchester were to host the UK events and all the funds raised were to go to Pump Aid projects in Zimbabwe, Malawi, and Liberia. According to Kathryn Llewellyn, International Director of Pump Aid, "Pump Aid is proud to have been chosen as the sole UK beneficiary and partner of Live Earth 2010. We're so excited to be involved in such an ambitious event and the global push to raise awareness of water poverty. You can give water for life to one person for as little as £5 with Pump Aid, just think what we could achieve if 14,000 people raised £500 each – we could help 3.5 million people!"[3]

---

1 "The Elephant Technology," www.changemakers.com, March 25, 2008.

2 The brainchild of former US Vice President AL Gore and US Emmy award winning producer
Kevin Wall, Live Earth worked to raise awareness about the significant impact of climate change through global music and fundraising events.

3 "Pump Aid Chosen to Partner Live Earth," www.pumpaid.org, December 2009.

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Chapter 7:

WaterHealth International: Providing Safe Drinking Water to the Bottom of the Pyramid Consumers

Hadiya Faheem and Debapratim Purkayastha

Introduction

In February 2009, Irvine, California-based WaterHealth International Inc. (WHI) received a funding of US$ 15 million from the International Finance Corporation[1] (IFC) to expand its operations in India. With the funding, it was expected that more than 600 communities in India would be able to set up WaterHealth Centers[2] (WHCs) with a capacity to serve over 3 million people. On receiving the funding, Tralance Addy (Addy), founder of WHI, said, "In response to the need to address the urgent problem of water-borne diseases, WaterHealth plans to expand rapidly. As we continue to do so as a result of strong demand, our need for capital to help communities finance these systems also increases. We are pleased, particularly in these challenging economic times, that IFC has elected to strengthen its relationship with WHI."[3]

Ever since its launch in 1996, WHI had been involved in dealing with one of the most pressing problems in developing countries worldwide – scarcity of potable water. It was estimated that more than 2

[1] The International Finance Corporation was established in 1956. It promotes economic growth in developing countries by mobilizing capital in the international financial markets, financing private sector investment, and providing advisory services to businesses and governments.

[2] WaterHealth Centers are the main offering of WHI which harnesses the company's proprietary UV Waterworks technology to provide a water facility for communities. An average WHC can provide a community of 3,000 residents with up to 20 liters of potable water per person per day.

[3] "WaterHealth International Announces $15 Million Financing by IFC," www.reuters.com, February 16, 2009.

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Chapter 8:

Wonderbag: Sarah Collins's Sustainable Innovative Cooking Model for the Poor

Shwetha Kumari and G V Muralidhara

> *"I had to empower these women and protect their families. I had a real sense the bag could be a catalyst out of abject poverty."*[1]
>
> **– Sarah Collins, CEO and Founder, Wonderbag, October 14, 2016.**
>
> *"As long as poverty and climate change exist in Africa – and the world – there will always be a need for the Wonderbag."*[2]
>
> **– Sarah Collins, CEO and Founder, Wonderbag, 2019.**

Introduction

On March 08, 2019, Sarah Collins (Collins), a South African social entrepreneur and founder of Natural Balance Global[a] – popularly known as Wonderbag, was recognized as one of Africa's 'New Wealth Creators' by Forbes Africa Woman Magazine during the Leading Women summit held in Durban. Speaking on her recognition, Collins said, "To be recognized as a 'New Wealth Creator' by Forbes Woman Africa is a huge honor as the summit itself is a source of inspiration and support that connects and empowers women all over the African continent. Every woman in Africa is a potential entrepreneur, but if they spend up to 8 hours collecting firewood and water as well as cooking – how can they ever have time to earn an income or tend to their agricultural land and sell produce in the market? That's why I created the Wonderbag."[3]

Collins, born in the apartheid-era South Africa during the 1970s, began her entrepreneurial journey by establishing the first community-based safari company – Planet Okavango. This was a horseback riding

[a] Formed in 2007, Natural Balance Global PTY (Ltd) was a South African social enterprise that owned, manufactured, and distributed Wonderbags

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Chapter 9:

eKOCool: Coca-Cola's Solar-Powered Cooler for Rural India

Sonali Nagpal and Indu Perepu

"It helps when we can decode the consumer's voice, not just for launching new products, but also newer packages, price points, etc. Solar cooler is one such example of an innovation based on local insights and ground realities."[1]

- Atul Singh Deputy, President, Pacific Group (The Coca Cola Company), 2012

"The Coke example offered a solution to a unique rural challenge and had a significant positive impact on sales." [2]

- Regan Leggett, Director of Client Service, Nielsen, April, 2015

Introduction

In 2013, Muhtar Kent**,** Chairman and CEO of The Coca-Cola Company (Coca-Cola), announced that the company had started testing its solar-powered mobile cooler eKOCool in several countries across the world. eKOCool was developed by Coca-Cola for the rural Indian market, especially the villages in the hinterlands of the country that lacked electricity. "The eKOCool looks a little like an ordinary pushcart, but it's actually a sophisticated marriage of technology and local market savvy,"[3] he said.

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1 Coca-Cola India, Sustainability Report, 2012.

2 Byravee Iyer, "Reaching out to Asia's Unconnected Millions," www.campaignlive.co.uk, April 27, 2015

3 Muthar Kent, "Thinking Outside the Bottle," www.mckinsey.com, December 2013.

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Chapter 10:

Frugal Innovation at Godrej - ChotuKool

Shwetha Kumari and Indu Perepu

> "*We are not producing cheap products, instead producing low cost products that use the best in class technology, produced in highly efficient sophisticated plants and serve the markets using non-traditional channels with a purpose of providing great experience at a fraction of cost and in a manner that touches and changes lives along the way*."[1]
>
> **– Jamshyd Godrej, Chairman & Managing Director, Godrej & Boyce, September, 2015.**

India-based Godrej & Boyce (G&B), a holding company of the Godrej Group (Godrej), was incorporated in 1897. As of 2016, the company was involved in 15 different businesses including consumer products and industrial products like refrigerators, washing machines, air conditioners; office & home furniture. It operated 39 plants pan-India.

The company was known for its refrigerators in the Indian market. It had catered to the upper class of Indian society, when the refrigerator was a luxury product. During the late 1990s, its market share began to decline rapidly due to competition from other companies such as LG Electronics Inc[2], Samsung Electronics Co.Ltd[3], and Whirlpool Corporation[4]. G&B then looked to come up with innovative products that were also affordable for the Bottom of the Pyramid (BOP) customers in rural India.

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1 Niranjan Mudholkar, "Innovating with a Purpose," http://www.godrejandboyce.com, September, 2015.

2 LG Electronics Inc. is a South Korean multinational electronics company.

3 Samsung Electronics Co.Ltd.is a South Korean multinational electronics company.

4 The Whirlpool Corporation is US based multinational manufacturer and marketer of home appliances.

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Chapter 11:

Piramal Sarvajal: A Social Innovation Delivering Safe Drinking Water to Rural India

Koti Vinodbabu and Syeda Maseeha Qumer

Over the years, providing clean drinking water for the underserved rural population was one of India's most crucial problems. Unsafe water resulted in diseases such as diarrhea, which claimed thousands of lives every year in remote Indian villages. In 2008, the Piramal Foundation, the CSR arm of the Piramal Group, launched a social initiative called Sarvajal (meaning 'water for all') to make pure drinking water accessible and affordable to people living in mid-sized villages (approximately 5000 inhabitants) and the urban slums of India. It used the rural franchisee network to sell purified water in villages at an affordable price through solar-powered water ATM systems embedded with ultra-filtration units and reverse osmosis (RO). The water was filtered through 5 stages and the quality was in accordance with the international drinking water standard ISO 10500. Powered through a franchise business model, Sarvajal provided the water filtration equipment and looked after maintenance while members of the local community ran the business and sold the water.

Sarvajal had dispensed nearly 9 billion liters of safe drinking water to undeserved people in India as of 2016.[1] The initiative created jobs and generated an income for local people. It had spread to 300 locations across 12 Indian states, serving close to 300,000 underserved citizens as of 2016. By 2020, Sarvajal planned to deliver clean water to at least 1 million additional households in India. Although there was criticism about commercialization of an essential need like water,

[1] http://piramalsarvajal.blogspot.in/

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Chapter 12:

Hindustan Unilever's Pureit: Making Safe Water Affordable to All

Geeta Singh and Indu Perepu

"The world continues to face big challenges. The lack of access of many to food, nutrition, basic hygiene and sanitation, clean drinking water or a decent job……. We firmly believe business has a big role to play in striving for more equitable and sustainable growth, but large scale change will only come about if there is real collaboration between companies, governments and NGOs across all these areas."

– **Paul Polman, CEO, Unilever in 2013**[1]

Introduction

In June 2012, Hindustan Unilever Limited (HUL), the Indian arm of the Anglo Dutch Fast Moving Consumer Goods (FMCG) giant, Unilever, started test marketing water sachets under the Pureit brand in the Central Indian state of Madhya Pradesh. HUL had been marketing water purifiers under the Pureit brand in India since 2008. Through this affordably priced product it was able to reach people who till then had not had access to clean drinking water. HUL partnered with several NGOs to distribute the water purifiers. Pureit became highly popular and Unilever introduced it in other markets in South East Asia, Sub Saharan Africa, and Latin America.

However, the cheapest Pureit, priced at around Rs.1000[2], was still beyond the reach of some sections of consumers in India. To cater to them, Pureit launched water sachets as an extension of Pureit purifiers.

Pureit was designed by HUL specifically for households in developing countries. It was a microbiological water purifier that purified water in four stages, removing dirt, pesticides, parasites, viruses, and bacteria to provide safe water. All this was done without

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1 "Unilever Sustainable Living Plan Helping to Drive Growth," http://finance.yahoo.com, April 22, 2013.

2 As of October 09, 2013, 1 US$≈ (Indian Rupee) Rs.61.94; 1€ ≈ Rs.83.70.

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Chapter 13:

Tata Swach: The World's Cheapest Water Purifier

Sonali Nagpal and Indu Perepu

"Safe drinking water is a basic human right. Tata Swach combines technology, performance, convenience and above all affordability to serve this basic human right of millions of consumers. The company has made affordability an important part of its innovation efforts. Tata Swach can play its part in the national efforts to reduce water-borne diseases."[1]

– R Gopalakrishnan, Vice chairman, Tata Chemicals, December 2009

"Tata Swach combines technology, performance, design and convenience which makes it unique and one of the most innovative water purifiers in today's age. The new ad campaign aims to connect with consumers and make them aware about Tata Swach's use of silver nanotechnology, with silver being a well known and effective purifying medium. The communication effectively conveys that Tata Swach is a smart choice for safe drinking water."[2]

– Ashvini Hiran, COO, Consumer Product Business, Tata Chemicals, November 19, 2012

Introduction

Manufactured by India-based Tata Chemicals[3], Tata Swach, the world's cheapest water purifier, received the 'Economic Times-Best Promising Brands' award in 2015. Tata Swach was given the award on the parameters of innovation, brand value, brand recall, consumer satisfaction, customer service, and quality (Refer to **Exhibit I** *for the*

1 "Tata Chemicals launches Tata Swach", www.tata.com, December 07, 2009

2 "Tata Swach sings 'Chandu ke Chacha' in new campaign", http://www.bestmediainfo.com, November 19, 2012

3 Tata Chemicals a part of US$ 100 billion Tata Group, had a presence in four continents. As of 2016, Tata Chemicals was the world's second largest producer of soda ash. It also manufactured salt and phosphate-based fertilizers.

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Chapter 14:

Husk Power Systems: Lighting up the Indian Rural Lives

Manish Agarwal and D Satish

"I can guarantee that the pleasure and happiness you will get when you see a village light up every evening is literally "priceless". No amount of Wall Street bonuses or Hedge Fund's profit sharing can bring you that level of satisfaction, happiness, and of course recognition."[1]

– Manoj Sinha, Co-founder, Husk Power Systems, in September 2011.

In June 2011, Husk Power Systems (HPS), a social enterprise based in Bihar, Eastern India, won the prestigious Ashden Award for Sustainable Energy[2], considered as the 'Green Oscar'. The international award carried prize money of £[3]120,000. On this occasion, Gyanesh Pandey[4] (Pandey), Co-Founder and Chief Executive Officer (CEO) of HPS, said, "Winning the Ashden awards is a big achievement for Husk Power Systems. Almost a third of India's population has no access to electricity and the role of energy is vital in catalyzing the economic development in India"[5]. Jacqueline Novogratz, CEO, Acumen Fund[6] said, "Companies like HPS are working to impact positively not only the environment, but to ensure that someday everyone, including the

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1 "SOCAP11 Social Entrepreneur Spotlight: Manoj Sinha, Husk Power Systems (India)," http://socialcapitalmarkets.net, September 3, 2011.

2 Started in 2001, Ashden Awards for Sustainable Energy is the internationally recognized annual awards in the field of green energy.

3 £ = British pounds sterling. As of September 2012, US$1 was approximately equal to £ 0.6279.

4 Gyanesh Pandey is a native of Bihar. He did his B.Tech in Electrical Engineering from Benaras Hindu University before moving to the US for his Master's degree in Electric Power and Power Electronics Engineering from Rensselaer Polytechnic Institute. He worked in the Power Management Semiconductor industry before HPS.

5 Pranava K Chaudhary, "Husk Wins Intl Award for Clean Energy," http://articles.timesofindia.indiatimes.com, June 18, 2011.

6 Acumen Fund is a non-profit global venture fund started in April 1, 2001

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Chapter 15:

SELCO: Providing Sustainable Energy to the Bottom of the Pyramid Consumers

Hadiya Faheem and G V Muralidhara

"SELCO's frugal just-in-time energy distribution system — as opposed to the always-on but wasteful electricity grid — brings more value to more Indians at less cost, and it is both environmentally and economically sustainable. SELCO's business model is an outcome of the jugaad mindset."[1]

– Navi Radjou, Jaideep Prabhu, and Simone Ahuja, authors of the book Jugaad[2] Innovation, in 2012.

"You have to look at the bottom of the pyramid more sustainably – by creating asset-based consumer goods."[3]

– Harish Hande, co-founder, Solar Electric Light Company, in 2011.

"A unique social business model. This is a most exciting example of a company that has corporate and social responsibility at the heart of its mission."[4]

– Julian Birkinshaw, Faculty of Strategic and International Management, London Business School, in 2008.

Introduction

In July 2011, Harish Hande (Hande), a social entrepreneur and co-founder of Solar Electric Light Company (SELCO), a Bangalore[5]-based solar electric company, was honored with the Ramon Magsaysay

1 D S Madhumathi, "More Energy, by Word of Mouth," www.thehindubusinessline.com, March 4, 2012.

2 *Jugaad* referred to a quick, creative idea, and an alternative way of solving problems.

3 Diana Von Trupp, "Rethinking the Bottom of the Pyramid," www.swissstyle.com, 2011.

4 "The FT Arcelor Mittal Boldness in Business Awards," www.ftconferences.com, 2008.

5 Bangalore is the capital of Karnataka, a southern state in India.

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Chapter 16:

Emerging Markets Strategy: Nokia Life Tools for Rural Markets

Hadiya Faheem and Debapratim Purkayastha

"Filling in the information gaps in agriculture and education with Nokia Life Tools, we strive to contribute towards empowering people with the right tools to help them make informed decisions in their daily lives. Nokia Life Tools was developed to help bridge the Digital Divide in the emerging markets."[1]

– **Jawahar Kanjilal, global head of Emerging Market Services at Nokia Corporation (Nokia), in November 2008.**

"There were many in the rural and emerging areas whose needs and pain points were being unmet?"[2]

– **Dinesh Subramaniam, senior manager of communications for Nokia, Finland, commenting on the launch of Nokia Life Tools in India, in June 2009.**

"It's important to remember that this is about money: Nokia wants to sell handsets to this growing market, and providing services to farmers in India may prove as lucrative as selling us applications and content through Ovi. But better informed farmers grow better crops so, for once, it seems everyone can be a winner."[3]

– **Bill Ray, *The Register*[4], in April 2009.**

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[1] Michael Schwartz, "Nokia Brings out Life Tools for Rural Emerging Markets," www.developingtelcoms.com, November 19, 2008.

[2] Dan Butcher, "Nokia Life Tools Targets Emerging Markets such as India," www.mobilemarketer.com, June 17, 2009.

[3] Bill Ray, "Nokia Life Tools Help Indian Farmers Get One," http://theregister.co.uk, April 8, 2009.

[4] *The Register* is a British technology news and opinion website that provides independent news, views, opinions, and reviews on the latest in the IT industry.

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Chapter 17:

The Tata Nano Project – Making of the World's Cheapest Car

Barnali Chakraborty and Vivek Gupta

"The Nano shows that a new world order is possible in the auto industry. It shows a glimpse of what's to come."[1]

- Vikas Sehgal, Vice-President at Booz & Company[2], in March 2009.

"This is a big achievement but the auto market has been changing over the years anyway. To sustain this requires production volumes, great after-sales and product-acceptance."[3]

- Rakesh Batra, Partner, Ernst & Young[4], in March 2009.

The People's Car

On April 25, 2009, bookings closed for the much-awaited Tata Nano, the world's cheapest car, made by India-based Tata Motors Limited (Tata Motors). The bookings began on April 09, 2009 and the car received an overwhelming response from the Indian consumers. The company received a total of 203,000 bookings for the car.

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1 Jessie Scanlon, "What Can Tata's Nano Teach Detroit?" http://www.businessweek.com, March 18, 2009.

2 Booz Allen Hamilton Inc., founded in 1914, was a leading global management consulting firm. In mid 2008, it separated its US government and global commercial businesses, and sold a majority stake in the US government consulting business to the Carlyle Group for US$ 2.54 billion. The US government consulting business would retain the name Booz Allen Hamilton and the commercial and international businesses would be operated as Booz & Company. (Source: http://www.booz.com)

3 "'Will the Nano Change India's Auto Industry'," http://business.rediff.com, March 25, 2009.

4 Ernst & Young was one of the largest professional services firms in the world. It was founded in 1989. (Source: http://en.wikipedia.org)

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Chapter 18:

Sulabh International: Providing Sustainable Sanitation Solutions

Hadiya Faheem and Debapratim Purkayastha

> *"In 1974, the Patna corporation asked me to create toilets on their land. They also provided the construction money. The only condition was that they wouldn't give the money for maintenance, so we decided to charge the money from the users. So there were jokes in Patna that you will have to pay to even shit. However, the bright side was that on the first day, 500 people used the toilets. From there the Sulabh revolution started. Today, about 20 million people use 9000 public toilets throughout India."*[1]
>
> **– Bindeshwar Pathak, Social Entrepreneur and Founder of Sulabh International (Sulabh), in September 2018.**

In December 2018, Bindeshwar Pathak (Pathak), social entrepreneur and founder of India-based social service organization Sulabh International (Sulabh), was chosen as The Weekend Leader [a] – VIT Person of the Year (2018) in recognition of his immense service to the field of sanitation. In his acceptance speech after receiving the award, Pathak said that Sulabh not only liberated manual scavengers[b] from the inhuman task of cleaning night soil[c] but also restored their dignity to them by rehabilitating them by training the women and children in different skills.

---

[a] Founded in 2010 by founder and editor, PC Vinoj Kumar, The Weekend Leader is a media venture managed by experienced journalists focusing primarily on positive news and features.

[b] Scavengers were a class of people who manually cleaned up the excreta of others. The scavengers were not just placed at the bottom of the stratification system but were also despised among the scheduled castes as they tended to be identified with filth and squalor.

[c] Night soil refers to human excrement collected at night from buckets, cesspools, and privies and sometimes used as manure.

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Chapter 19:

Iluméxico: Fighting Energy Poverty in Mexico

Koti Vinod Babu and V. Namratha Prasad

"Our goal is to have no house without electricity in Mexico by 2024."[1]

– Manuel Wiechers Banuet, Co-founder and CEO, Iluméxico, in 2018.

"After spending my whole life without electricity, this is going to be a great improvement. We have always had to wake up very early to grind our corn manually. We will now be able to rest longer and have more time."[2]

– Francisco Florentino Santos, a customer of Iluméxico in 2015.

Introduction

Iluméxico, a Mexico-based B Corp[a] company and a social enterprise whose mission was to catalyze development through solar energy in the most remote communities of Mexico, had joined Business Call to Action[b] (BCtA) in 2018 with a commitment to bring its solar home systems to 50,000 off-grid rural homes with approximately 300,000 people by 2020. This commitment included the creation of 180 new jobs, of which 90 would be designated for women and 70 would be based in rural communities.[3] Manuel Wiechers Banuet (Banuet),

[a] B Corporation certification (also known as B Lab certification or B Corp certification) is a private certification issued to for-profit companies by B Lab, a global non-profit organization.

[b] Business Call to Action (BCtA) was launched at the United Nations in 2008. It aims to accelerate progress toward the sustainable development goals.

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Chapter 20:

Mexico's Vinte – Affordable and Sustainable Housing for BOP Customers

V. Namratha Prasad and G V Muralidhara

"What VINTE does is different. What VINTE does is: I stay with you. I sell you a home. I organize you socially. I sell you the furniture for your home. I sell you the technology for your home. I take care of the maintenance. And then I buy back your home to sell you a bigger one [as your family grows]. Thus our business model is a long-term chain. VINTE innovated on this theme, and surely the sector will move in that direction no."[1]

– Sergio Leal, Chief Executive Officer of VINTE Viviendas Integrales, S.A. de C.V., in 2012.

"In VINTE, we have found a company striving to generate value for Mexican families by building environmentally-friendly housing using best practices."[2]

– Rodrigo Navas, Senior Investment Officer at Inter-American Investment Corporation (IIC)[3], in 2012.

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1 "Being the Change," www.ifc.org, 2012.

2 "IIC Approves Five-Year Revolving Credit Line of up to MX$50 Million for Vinte Viviendas Integrales S.A.P.I. de C.V. in Mexico," www.iic.org, January 11, 2012.

3 The Inter-American Investment Corporation (IIC), founded in 1984, is a member of the Inter-American Development Bank (IDB) Group. IIC seeks to promote economic development in its 26 regional developing member countries by encouraging private enterprises, with the focus on SMEs. IIC has approved almost 800 direct loans worth US$ 4.8 billion to entities in Latin America and the Caribbean.

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Chapter 21:

Fabio Rosa – Bridging the Electricity Divide in Brazil

A. Harish and Vivek Gupta

> *"Fabio Rosa is one such entrepreneur, and while his name may not be as well known as many of today's brightest minds, he is the man who brought light to rural Brazil. This may seem an overstatement, but for the farmers living without the benefit of electricity – up to 70% of the rural population – this is no small thing. In fact, it has made a world of difference."*[1]
>
> - **Niel Peterson, Head of Edge Foundation[2], in June 2009.**

Providing Electricity to Rural Masses

In February 2008, Fabio Rosa (Rosa), a social entrepreneur based in Brazil, was awarded The Leapfrog Fund Award[5] sponsored by The Schwab Foundation for Social Entrepreneurship[6] and the Lemelson Foundation[7]. This was the second time that Rosa was receiving the

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[1] Niel Peterson, "The Case of Fabio Rosa: How Social Entrepreneurs Take on the World," www.nielpeterson.com, June 27, 2009.

[2] Edge Foundation is a charitable organization that provides personal coaches for children with Attention-Deficit/Hyperactivity Disorder. It was founded in 2006 in the US.

[5] The Leapfrog Fund Award was presented by the Schwab Foundation for Social Entrepreneurship and the Lemelson Foundation. The Leapfrog fund supports the transfer and adaptation of technological innovations developed by social entrepreneurs. Winners were awarded grants worth US$ 75,000 over a 36-month period to facilitate technology transfer.

[6] The Schwab Foundation for Social Entrepreneurship was established in 1998 in Geneva, Switzerland. Its purpose was to advance social entrepreneurship and to foster social entrepreneurs as an important catalyst for societal innovation and progress.

[7] Established in 1993 in the US, the Lemelson Foundation supports projects in the US and developing nations that nurture innovators and unleash inventions to advance economic, social, and environmentally sustainable development.

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Chapter 22:

Unilever Brings Frugal Innovation into Europe

B Sravana Kumar and D Satish

Concerned about its sluggish growth in the US and the European markets, Anglo-Dutch consumer goods giant Unilever decided to apply the lessons it had learned from its Asian businesses and sell its products in smaller and cheaper packages to meet budgets of consumers in the developed nations[1]. With the effects of the economic crisis of 2008 expected to persist for a few more years, Unilever decided in September 2012 to adopt the strategies implemented by its subsidiary Hindustan Unilever Limited[2] in India in the developed nations. These strategies had already been taken to other Asian countries like Indonesia, China, and the Philippines and to Latin American countries like Brazil.

Background Note

Unilever, based in London and Rotterdam, was formed in September 1929 through the merger of British soap maker Lever Brother Ltd and Dutch Margarine Union. Operating in more than 190 countries, Unilever, the third largest consumer goods company[3] in the world as per Forbes list of 2000 companies, manufactured and marketed food and drinks and home care and personal care products. Unilever had under its belt more than 14 brands[4] with more than €1

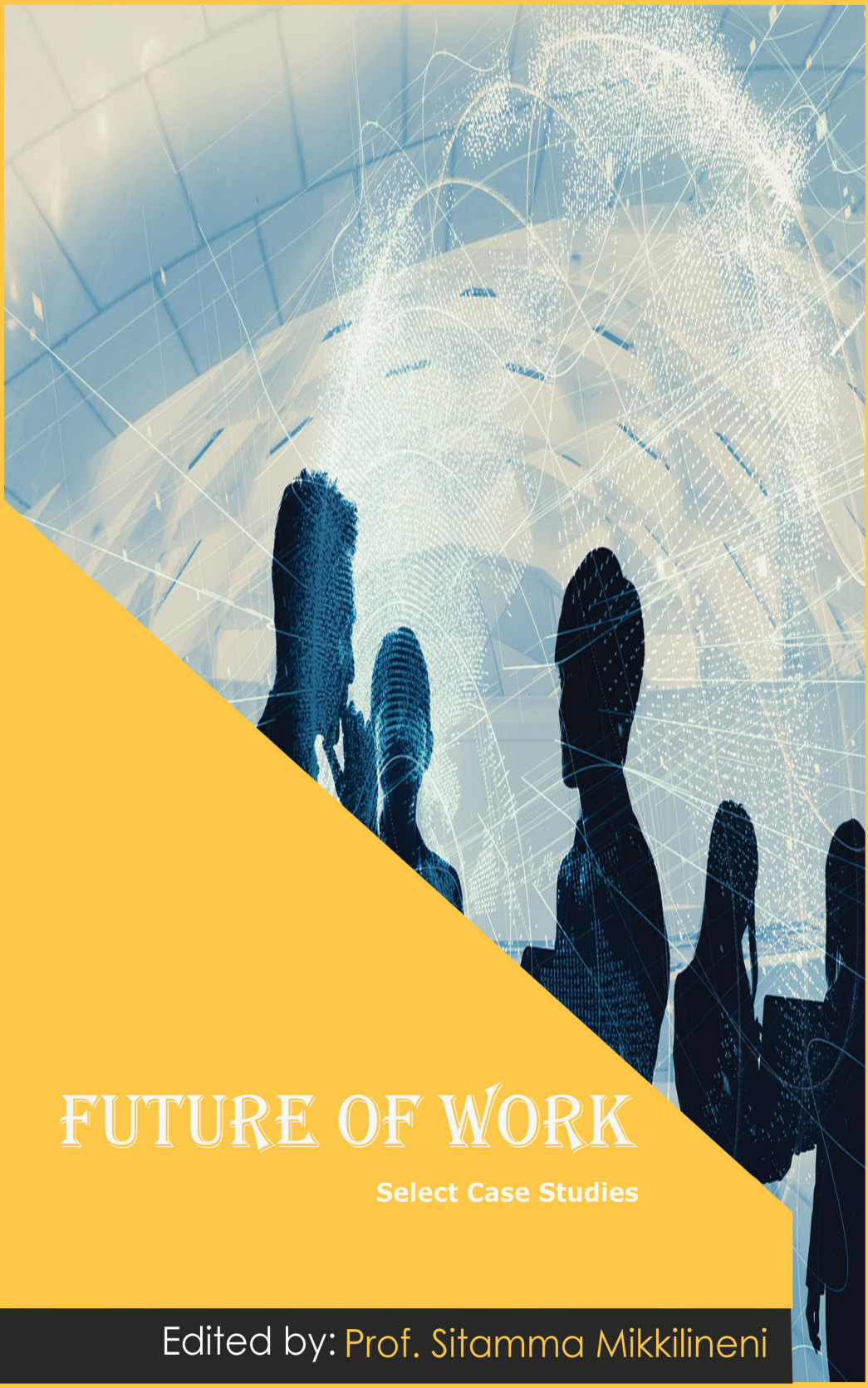
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1 http://www.futureal.net/the-fortune-at-the-bottom-of-the-pyramid/

2 HUL was formed in 1933 as Lever Brothers India Limited and came into being in 1956 as Hindustan Lever Limited through a merger of Lever Brothers, Hindustan Vanaspati Mfg. Co. Ltd.. and United Traders Ltd. In June 2007, the company was renamed as Hindustan Unilever Limited

3 http://www.forbes.com/global2000/list/, April 2012

4 14 brands having more than €1 billion annual sales are - Dove, Knorr, Omo, Flora, Rama, Surf, Lux, Axe, Lipton, Hellmann's, Rexona, Sunsilk, Mangnum and Wall's



FUTURE OF WORK

Select Case Studies

Edited by: Prof. Sitamma Mikkilineni

Future of Work: Select Case Studies

Editor:
Sitamma Mikkilineni

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Chapter 1:

Automating Blind Hiring at Compose Inc.

Jitesh Nair *and* Balaswamy Pasala

> *"It's part of our circuitry. Our brains make rapid, snap judgments when we meet new people. Blind hiring helps take some of people's preconceived notions about others out of the hiring equation, at least initially*[1]*.*
>
> **– Kim Ruyle, President, Inventive Talent Consulting LLC, in 2018**

Introduction

Compose Inc. (Compose), a database-as-a-service startup that offered cloud hosted, fully managed database services wanted to hire new employees to scale up its operations. It had the option of following the conventional approach of hiring mainly from internal sources such as referrals from friends and trusted acquaintances. Though this was the simplest and among the best ways to hire employees, it was time-consuming and the percentage of candidates who made it to the interview stage was minimal. The founding members of Compose, Ben Wyrosdick (Wyrosdick), Jason McCay (McCay), and Kurt Mackey (Mackey), had to look at other hiring options since onboarding new candidates quickly was critical for the start-up to scale operations and raise funds from venture capital and similar investors. The founders also wanted to make the hiring process more transparent, less subjective, and less biased.

Background

Compose was founded in the year 2010 as MongoHQ, Inc. Later, in August 2014, the name was changed to Compose. Compose was a

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Chapter 2:

Telecommuting at Xerox – The Future of Work is Here!

Jitesh Nair *and* Balaswamy Pasala

> *"If you've got development centers all over the world, you've got a sales force out with the customers, the fact that tools like Skype [and] digital collaboration are letting people work better at a distance—that is a wonderful thing."*
>
> **– Bill Gates, Cofounder of Microsoft in April 2019**

> *"Employees need to be clear about what exactly is expected of them when they're working remotely. Be more than just text on email! Investing in the right collaboration technology is critical to increase focus and productivity at work. It is essential for all team members to have the same understanding of goals, aided by regular milestone checks that are both verbal and well documented"*[1].
>
> **– Raj Kumar Rishi, Managing Director, Xerox India in Jan 2019**

Introduction

US-based document services company, Xerox Corporation (Xerox), had consistently found a place in the Fortune 500 list since 1996 because of the quality of its offerings, customer satisfaction, leadership, and corporate responsibility. It was ranked 318 in the 2019 Fortune 500 rankings.[2] Xerox valued its employees as its greatest asset. It offered them and their families many benefits such as paid holidays, health care benefits, life insurance, retirement savings plans, employee assistance programs, and resources for childcare and eldercare.

Xerox also offered a variety of flexible work arrangements including remote, part-time, temporary, and short-term jobs in areas such as account management, computer & IT, customer service, and sales. Over time, it had started to employ many remote specialists

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Chapter 3:

Mindfulness Training at Google

Jitesh Nair *and* Bitra Vasudev

> *"I feel that if we have inner peace, inner joy and compassion on a global scale, it will lead to world peace. And I feel that one way to achieve that is with an effective curriculum for emotional intelligence for adults.*[1]
>
> **– Chade-Meng Tan, Head of Personal Growth, Google EDU, in 2016**

Introduction

In 2019, Google was the most sought-after employer in the world. According to the report, 'Global 2000: The World's Best Employers,[a] Google was the best company to work for in 2019.[2] The success of the company, which had been number one for three consecutive years, was generally attributed to the high salaries, generous perks, flexible working schedules, and free meals offered to employees.

However, the company's efforts to foster employee well-being had also played a key role in Google's success. Google's "Search Inside Yourself" (SIY) program, aimed at boosting the Emotional Intelligence (EI) of its employees, was the flagship program that had played an important role in the exceptional performance of Googlers.[b] Conceptualized by Chade Meng Tan (Meng), a former Google

[a] Forbes partnered with Statista to cull our annual list of the world's 2,000 largest public companies based on 1.4 million employment recommendations sourced from a global poll and regional surveys.

[b] Google's employees are called Googlers.

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Chapter 4:

Toggl's Fully Remote Operating Model

Jitesh Nair *and* Bitra Vasudev

> *"If one's daily routine is different and tasks do not require co-working with others, let the employee choose when and how they do their things. It's about productivity, not hours spent in office."*[1]
>
> **– Alari Aho, Chairman, Toggl, in 2019**

Introduction

Toggl, a provider of cloud-based time tracking tools, online project planners, and team calendars that helped managers in making and changing plans, was established in 2006 in Tallinn, Estonia, by Alari Aho (Alari) (current Chairman) and Krister Havv (current CEO). The company served clients in different countries such as Australia, Germany, Canada, Japan, the UK, and the US. In 2014, Toggl's management decided to discontinue their brick and mortar offices and turn the company into a fully remote one and also to adopt the The Results-Only Work Environment™ (ROWE)[a] approach.

Post the switch to a full remote company, Toggl was able to grow globally with employees working from different parts of the world. In 2016, the company reportedly served 1.6 million clients across the world with a majority of them located in developed countries such as Australia, Germany, Canada, Japan, the UK, and the US. Moreover, the management saw improvements in the overall wellbeing and productivity of its employees after the ROWE approach was adopted.

[a] The ROWE approach, is a human resource management strategy that places emphasis on setting and meeting objectives. It was developed by former managers of Best Buy (a US retailer) Jody Thompson and Cali Ressler at the company's headquarters in Minneapolis.

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Chapter 5:

Kerala Government's 'Work near Home' Model: Reimagining the Workspace

Jitesh Nair *and* Balaswamy Pasala

> *"Work near Home facilities will provide a key role in solving the series of challenges faced by the employees currently opting for Work at Home facility."*[1]
>
> **– Pinarayi Vijayan, Chief Minister of Kerala, in June 2020**
>
> *"The Kerala model is already known across the world for being resilient against natural calamities and pandemics, and is considered one of the safest destinations. The working spaces being offered by Kerala are the most ideal and conducive as they lay great emphasis on environmental and sustainable parameters,"*[2]
>
> **– Sasi Pilachery Meethal, CEO of IT Parks-Kerala, in June 2020**

Introduction

In March 2020, amidst the COVID-19 pandemic, much like the rest of the world, the government of Kerala, a state on the south western Malabar Coast of India, announced a lockdown. As a result, employees across the state were asked to work-from-home (WFH). Officials of the state government very soon observed that even though productivity was quite high in the first month of WFH, things had begun to deteriorate thereafter. The productivity levels of employees declined in the second and third months of the lockdown due to various issues such as irregular power connections, unavailability of laptops at employees' homes, family responsibilities and compulsions, and poor Internet connectivity. According to Sasi P.M. (Sasi), CEO of the Kerala government-owned IT parks, *"While a majority of the women employees*

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Chapter 6:

Tata Steel Adopts New Agile Working Model

Jitesh Nair *and* Balaswamy Pasala

"The kind of culture we had was that physically being present was important, which became completely unimportant for more than 40-50% of our workforce post-Covid-19."[1]

– Atrayee S Sanyal, Vice President, HRM (Designate), Tata Steel, in November 2020

"This policy is a shift in mindset from monitoring to creating a trust and outcome-based work culture. Flexible working not only portrays an organisation's intent to create a workplace for the upcoming generations but also solidifies its intent to cater to the needs of its diversified workforce across geographies."[2]

– Suresh Dutt Tripathi, Vice President, Human Resource Management, Tata Steel, in November 2020

Introduction

In the midst of the ongoing COVID-19 pandemic, Tata Steel, an Indian multinational steel-making company, decided to implement an 'Agile Working Model' policy for its employees with effect from November 01, 2020. The new working model would facilitate its employees to work from home up to 365 days a year. Even officers who were currently required to be based out of a particular location could work from home for an unlimited number of days a year. The new policy was intended to signal a shift in the mindset of how a workplace should operate and move toward a model compatible with the future workplace. Tata Steel decided to move toward a trust and outcome based working culture that would offer its employees more flexibility. The new policy was initiated

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Chapter 7:

Unilever's AI-powered Internal Talent Marketplace Unlocks Workforce Capacity

Jitesh Nair *and* Balaswamy Pasala

> *"We wanted to bring agility to placing the right people, in the right place, at the right time and to allow employees the opportunity to work in collaborative empowered networks. This project was about augmenting AI-enabled technology to disrupt the way we develop our talent and how we staff teams up and down in a flexible way, to unlock capacity and focus on growth."*[1]
>
> **– Jeroen Wels, EVP Human Resources at Unilever, in December 2020**
>
> *"In today's competitive workforce, internal mobility is mission critical. 94% of employees say they would stay longer in a company that invests in their career, positioning InnerMobility as the ultimate tool for organisational growth. We have been working closely with Unilever and the Unilever Foundry over the last 12 months to deliver a platform for their employees that will revolutionise how people build a career within the company, unlocking potential and development.*[2]
>
> **– Ben Reuveni, CEO of Gloat, in June 2019**

Introduction

On June 24, 2019, British-Dutch multinational Unilever introduced a new internal online talent marketplace, 'FLEX Experiences' (FLEX). The AI-powered internal talent marketplace mapped Unilever employees with new career opportunities and projects. The platform was first piloted in 2018 and by mid-2020 was rolled out across Unilever to 100,000+ employees in 12 business areas in 90+ countries. FLEX helped Unilever increase its workforce capacity by unlocking +300,000 hours and boosting the company's overall productivity rate by 41%.[3]

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Chapter 8:

IndiQube: Offering Alternate Workspace Solutions

Jitesh Nair *and* Balaswamy Pasala

> *"Real estate is undergoing a huge transformation and the lines between home and work are getting blurred. 'Walk to work', 'Work from anywhere', 'Satellite offices', AI and other technological advancements are changing the way we are going to consume workspaces."*[1]
>
> **– Rishi Das, Co-founder of IndiQube, in 2019**
>
> *"During our initial days of entrepreneurship, we realised that real estate was rigid, non-agile, and involved huge capex. Either we had tech parks on one side or residential apartments on the other side. A dedicated product for MSMEs, startups, and growing companies was totally missing."*[2]
>
> **– Meghna Agarwal, Co-founder of IndiQube, in 2020**

Introduction

IndiQube, a Bengaluru-headquartered provider of flexible office space, was the 'Brands of India 2019' winner in the real estate category hosted by YourStory[a] in association with the Ministry of MSME, Government of India[3], because of its key differentiators such as diverse client base with flexibility, strong community, and growth options. The company provided an 'office in a box' solution comprising an interior build out, workspace design, and B2B & B2C services leveraging technology. It also provided personalized and accessible workspaces that ranged from individuals using one seat to enterprises with 500

[a] A publishing platform on startups and entrepreneurs

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Chapter 9:

Gothenburg Trial: Can Shorter Workday Raise Productivity?

Koti Vinodbabu *and* Debapratim Purkayastha

> *"The time during which the labourer works, is the time during which the capitalist consumes the labour-power he has purchased of him. If the labourer consumes the disposable time for himself, he robs the capitalist."*[1]
>
> **– Karl Marx and Friedrich Engels**

> *"For years, we've been told that an eight-hour workday is optimal. But I think we should let ourselves challenge that view and say, 'Yes that's the way it is now, but if you want to increase productivity, be open to new ideas."*[2]
>
> **– Anders Hyltander, executive director, Sahlgrenska University Hospital, in 2016.**

Since 2015, nurses at the Svartedalens retirement home (Svartedalens) in Gothenburg, Sweden, had been working six hours per day but getting the normal 8 hours work per day pay. They were part of an experiment sponsored by the Swedish government to see whether a shorter workday could raise productivity. According to the results of the experiment at Svartedalens, 68 nurses who worked six hours a day took half as much sick time as those in the similar facility who worked for eight hours. Bengt Lorentzon, a researcher on this project, said, "They were 2.8 times less likely to take any time off in a two-week period. If the nurses are at work more time and are more healthy, this means that the continuity at the residence has increased. That means higher quality [care]."[3] According to the experiment results, the nurses were happy and had more energy at work and in their spare time as well. The six hours per day work permitted them to indulge in 64 percent more activities with elderly residents of Svartedalens as per the metrics used to measure the productivity in the experiment.

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Chapter 10:

Microsoft: Building a Collaborative Work Culture to Foster Innovation

Jitesh Nair *and* Balaswamy Pasala

"The company was sick. Employees were tired. They were frustrated. They were fed up with losing and falling behind despite their grand plans and great ideas. They came to Microsoft with big dreams, but it felt like all they really did was deal with upper management, execute taxing processes, and bicker in meetings."[1]

– Satya Nadella, CEO, Microsoft, in 2017

"Going from feedback provider, to a manager, and then to the employee made it harder and slower to get valuable insights to the employee who needed it most. It wasn't as helpful as it could be. And our process didn't go far enough in promoting brain-friendly behaviors like asking for feedback that we learned about in our research."[2]

– Liz Friedman, Director - Global performance and development at Microsoft, in 2018

"We decided to pilot a new program that shifts the mindset from traditional "feedback" to one of gathering "perspectives"—combining learning culture and behavior change with a new feedback approach that helps employees understand how to engage in the process in a more constructive way."[3]

– Kristen Roby Dimlow, Corporate Vice President – Total Rewards, Performance and HR Business Insights at Microsoft, in 2018

Introduction

In 1995, Microsoft Corporation (Microsoft) was a market leader in desktop computing with a 95% market share. Over the next decade, this dominance reduced and the company began to face a series of problems.

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Chapter 11:

Automattic: Building Virtual Teams and Happy Tools

Jitesh Nair *and* Balaswamy Pasala

> *"We believe the future of work is distributed, so we set out to create applications and services that will help companies work smarter in managing internal communication, projects, and flexible time – wherever they're located."*[1]
>
> **– Matt Mullenweg, CEO Automattic in 2019.**

Automattic Inc. (Automattic), a San Francisco, US, based fully distributed company with over 1,000 employees spread across 75 countries, was founded in August 2005 by Matt Mullenweg (Mullenweg).[2] Automattic was best known for operating WordPress.com, a popular publishing and blogging platform, and for its contributions to the open source WordPress software. Its other services were WordPress.com VIP, e-commerce platform, and plug-in technology.

The core corporate culture of Automattic was remote work. Automattic began operating from the very beginning as a distributed company. Its teleworking policy gave employees the option to work from its offices or to work from any coffee shop or co-working space near them. The company gave a stipend to employees to pay for the coffee or up to US$250 per month for co-working space. Automattic did not set office hours as it had people working in all time zones. People could work the hours that suited them best and productivity was measured based on the final outcome.

The company's teleworking policy worked so well that none of its San Francisco-area employees ever showed up at the 15,000 square foot head office in the city, despite its games-tables, gorgeous decor, kitchen, and library. So, the company closed its San Francisco office in 2017.

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Chapter 12:

The 'Four-Day Work Week' Proposal in India: Will it Work?

Koti Vinod Babu *and* Namratha V Prasad

> *"We have tried to give flexibility in working days. It is entirely possible that some employers may want to provide a five-day week. We have also come across employers who said they are keen to provide a four-day working week."*[1]
>
> **– Apurva Chandra, Secretary of Indian Ministry of Labor and Employment[a], in February 2021.**

In February 2021, Apurva Chandra (Chandra) Secretary, Indian Ministry of Labor and Employment, announced that a new 'Labor Proposal' with four new 'Labor Codes'[b] was under consideration in India that would give employers the flexibility to provide a four-, five-, or six-day work week. Furthermore, Chandra stated that companies were bound to limit the working hours per week to 48 hours and to 12 hours per day. The new 'Labor Codes' would be applicable to all establishments and factories.

Issues such as 'Occupational Safety, Health and Working Conditions' were also considered in the new 'Labor Codes'. A rule for overtime calculation was proposed as well that stated that if an employee's work hours exceeded the stipulated time by anywhere

[a] The Ministry of Labor and Employment is India's federal ministry which is responsible for protecting and safeguarding the interests of workers in general and the poor, deprived, and disadvantaged sections of the society.

[b] In 2019, the Indian Ministry of Labor and Employment introduced four Bills on labor codes to consolidate 29 central laws. These codes regulate: (1) wages, (2) industrial relations, (3) social security, and (4) occupational safety, health (OSH) and working conditions. The Indian government had reduced 44 different labour laws into 4 labour codes.

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HR Management

- Contemporary Perspectives



Edited by
KBS Kumar

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Editor:
KBS Kumar

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Chapter 1:

An Introduction to Change Management

R Prasad and AV Bala Krishna

Globalization eroded the boundaries between different countries and propagated the newed to change. Companies by virtue of fast changing technologies are getting connected to suppliers and customers at will. Organizations equipped with various management tools such as TQM, BPR, Six Sigma, among others are emphasizing the need to implement and sustain major organizational changes. Employees realizing the need to change are addressing the issue of change management at HR level. In this perspective, the article explores various facets of change management.

"Change begets change. Nothing propagates so fast"

– Charles Dickens.

Introduction

Managing Change is leadership's greatest challenge. *'Nothing is more perilous or uncertain'* is what Machiavelli had to say centuries ago. *'Nothing is harder'* asserted Jefferson.

These are unsettling times. Much of what we have learnt and assumed is in dispute. There is fear of problems looming over businesses. Enormous opportunity is also being sensed. As wave after wave of transformation alters familiar institutions, markets and mores, we are forced to ponder the very nature of change: pace, scale magnitude, direction and its implications for society.

Joseph Schumpeter (1883-1950) stressed on the dynamic nature of capitalism. He argues: "Capitalism… is by nature a form of method of economic change and not only never is but never can be stationary."

"The fundamental impulse that sets and keeps the capitalist engine in motion comes from new consumer goods, new methods of production or transportation, new markets, the new forms of industrial organization that capitalist enterprise creates…"

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Chapter 2:

The Role of Leadership in Managing Change

K B S Kumar

This article explains the significance of change. It also discusses the process of change and the role of the leader inthe change process.

Change has become inevitable in any organization today. Competition, consumer choice, diversified product choice, improved technology, unrestricted trade territories etc., have contributed significantly to the necessity of bringing about change in the organization and embracing it as an ongoing process. Globalization and liberalization have further fueled the necessity for change. However, there are various factors that restrict an organization to adapt change. The various factors are discussed below:

Resistance to Change: The first and often encountered problem in any organizational change process is the resistance of the employees to change. It needs to be understood that change has to occur at the individual level. Implementing and managing change in an organization will not be possible if individuals do not change. The CEO has to play a crucial role in driving the organization to change. She/he has to convey to his/her employees the significance of change in the success of an organization.

Jacques Nasser, former CEO of Ford Motors had successfully led his company through a massive transformation process cruising through the various factors that resisted change. A company spread across 200 countries and employing approximately 340,000 employees, had to change to face the challenges in the highly competitive automobile industry. Traditionally, Ford Motors was used to the *fiefdom* policy. In a *fiefdom* policy, the culture of sharing ideas was totally missing. Jacques Nasser, convinced the employees, the need for a paradigm shift in approach of the company to take on the growing competition. Thus, Ford successfully adapted to change.

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Chapter 3:

Change and Leadership Style

CSV Ratna

In today's dynamic business environment the leadership also has to change. Success of an organization depends on synchronizing leadership style with the requirements of changed environment.

Most organizations, at some time in their existence, face decline in performance. During a company's lifespan depicted in the firm's lifecycle, a stage comes when it may need a turnaround in order to survive. Here, the right kind of leadership makes the difference. Most often a turnaround situation may demand an outsider to lead the company out of the mess. But, sometimes all it may need is a change in leadership style rather than a change in the leadership.

Lifecycle Stage and Leadership Style

Each stage in a company's lifecycle requires a particular type of leadership style. Success can be achieved by matching the stage of the lifecycle with the type of leadership. A company in its infancy needs a visionary leader, an entrepreneur, and a risk-buff. He should be similar to a Prophet in having a foresight; he should be a futurist who shows the path and preaches it. He must be a creative person who supports a new system of beliefs and principles. He should be an innovator who believes in changing the status quo.

As the company grows, a more aggressive leader is needed. This leader should be more like a barbarian, a capriccio, who attacks the markets and garners as much marketshare as he can lay his hands on. He can be ruthless with savage instincts and can be quite impulsive, making decisions off the cuff. With further growth and marketshare, the need for a builder/explorer CEO arises. This leader is often a tweam builder and assigns tasks to well organized teams. As the company nears maturity, it has to find new markets – it has to explore and, spread its wings. And for it to expand its realm, the leader should acquire, assimilate resources, partner and strategize for new market entry.

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Chapter 4:

The Steps of Change Management

D Satish

In 'The Heart of Change', John P Kotter and co-author Dan Cohen of Deloitte Consulting bring to life the principles of successful change with stories culled from hundreds of interviews with people from organizations worldwide. Revolving around the revolutionary eight-step process outlined in the Kotter's best-selling Leading Change, this book introduces a 'see-feel-change' dynamic, resulting from research that reveals change takes place when people are made to 'feel' differently. The authors reveal the core problems people face at each of these eight stages and provide straightforward solutions. Their main finding is that the central issue concerns not structure or systems but changing the behavior of people.

Business Environment and Philosophy of Change

In today's business environment, any organization whether large or small, local or global is immune to change. To cope with new technological, competitive, and demographic forces, leaders in every sector have sought to fundamentally alter the way their organizations do business. These change efforts have paraded under many banners like total quality management, re-engineering, restructuring, mergers and acquisitions, turnarounds etc. Yet, according to most assessments, few of these efforts accomplish their goals. Fewer than 15 of the 100 or more companies (which the author studied) have successfully transformed themselves. The particulars of every case vary, but he has found that the change process involves eight critical stages. Mismanaging any one of these steps can undermine an otherwise well-conceived vision. Four mistakes in particular are the source of most failures.

What demands will a fast moving, more turbulent, business climate place on those in positions of leadership? What are the essential positions of leadership? What are the essential skills needed to cope with these demands? The authors speak about the ability to effectively lead and change. Through compelling, real- life stories from people in the trenches, to the people in all kinds of organizations, the authors

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Chapter 5:

British Airways: Leadership and Change

AV Vedpuriswar and Usha Ramachandran

This case study highlights the difficulties of top management at British Air Ways in managing the change. It portrays in detail the wide gap that existed between management policies and employees expectations. PPF and MPF coupled with other training programmes could break the ice between management and employees. It also explores in detail the difficulties of the management in aligning employees with the company's major change initiatives.

"It has been incredible. I recall the dark days of the oil hike and of the Gulf war, but what we are experiencing just now, and I'm afraid what is likely to continue for some time ahead, dwarfs anything I have ever experienced.[1] **1**

There are clearly tough times ahead and experience has shown us that conserving cash is critical at these times."[2]

– Rod Eddington, Chief Executive Officer, British Airways.

On February 11, 2003 Rod Eddington, the Chief Executive of British Airways (BA) woke up in his hotel room in New York. Switching on the news channel, he was delighted to see that the channel was covering the airline's recent quarterly results, announced the previous day in London. It was then that he saw the tanks at the Heathrow airport. On his return to London, Eddington saw first hand the troops and police roadblocks put in place at dawn by the government, worried that terrorists might try to shoot down an aircraft. The same day Eddington received a note from his management group predicting a gloomy picture of zero revenue growth for the following 12 months, as the prospect of a war in the Gulf and weak economic conditions would deter international travelers. Eddington wondered when the good times

---

1 The Guardian Unlimited, September 22, 2001.

2 www.britishairways.com, British Airways Press release, 'Response to Iraq conflict', March 26, 2003.

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Chapter 6:

Value Leadership

Harsh Bhargava

The author has identified seven principles which can drive corporate value in any economy. The Concept phase of Value Leadership is supported by seven principles (for example, value human relationships), which prescribe the way an organization should put value into practice. Each of the seven principles has three to four activities (such as adhere to core values), which broadly help an executive realize the principle. Each activity then has between five to eight tactics (such as define core values), or specific action steps that managers and their employees take to incorporate these activities into the company's work.

Organizations are run by people. People are part of the society. Bedrock of any sustainable society is human values. Organizations which are also an integral part of the society, and its leaders must therefore possess values. The title of the book *Value Leadership* thus assumes greater significance and relevance. Numerous scams in global corporations have highlighted the need for value-based leadership. The book by Peter S Cohan addresses the practical issues, which concern the executives in the corporate world. With consumers and investors losing confidence in corporate America, executives are under increasing pressure to perform in an open and transparent manner. As the risk of failure is a reality, executives are looking for rock solid foundations to help them perform and grow. This book tries to answer questions by corporate executives such as how to create higher levels of value for your employees, customers and communities; how to steer your organization to increased profitability in good times as well as bad times, etc. To answer questions like these, the author offers seven management principles to corporate executives. He then goes on to build a Value Quotient (VQ) to measure and assess the performance on the values front.

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Chapter 7:

The Sources of Success

Five Enduring Principles at the Heart of Real Leadership

N Janardhan Rao

The business world has radically changed over the past decade, leaving many of the organizations in a puzzle about how to adapt to the changing environment. The book equates success in business with the character traits that make for a happy life. Success and happiness work hand in hand, both for organizations and individuals. The author calls on everyone to undertake a journey toward a new way of doing business and work. It's about a fundamental and a radical change in the way we think about doing business.

We are living at the end of one era and the beginning of another which no longer responds to mere tactics. In the last decade, the world has changed in many ways. The business world no longer has hope and confidence. However, the authors say, it can unleash a tremendous untapped reservoir of energy within itself if organization understand the nature of the new economic world and the business model it requires. The book highlights the nature of this changed world and chalks out a new strategic model and identifies the sources of success.

Everything in the coming days depends on a shift that shakes some of the deepest assumptions about what it takes to succeed. It explains the five principles necessary to cope with the new world. The authors suggest that the business community must adapt to the changing world—in a way that's honest and accountable to customers, employees and shareholders—in order to expand and enhance people's standard of living and the quality of their lives.

The End of the World as We Know It

"Many have the will to win. Few have the will to prepare."

– Anonymous.

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Chapter 8:

Why Should Anyone Be Led By You?

What It Takes to Be an Authentic Leader

D Satish

An authentic leader of an organization is one who knows what he/she is, where the organization needs to go and how to convince his/her followers to help reach the goals. The book talks about the merits of authentic leadership and gives practical advice on how leaders at all levels can achieve it.

Leadership makes a big difference to the performance of the organization. There is a great requirement for good leaders in all organizations but these leaders are in short supply. According to the authors there are two reasons for the short supply of good leaders. First reason is, the organizations are in need ofleaders but they structure themselves in a way that they kill the leadership. Many of the companies encourage either conformists or role players. Secondly, the understanding of leadership is blinkered. According to the authors, the main body of literature on leadership is focused on the characteristics of leaders which give a strong psychological bias. This view sees leadership qualities as inherent in the individual. The authors say that leadership should be seen more as something we do with other people rather than something we do to other people.

The authors are categorical in saying that there are no universal leadership characteristics. They say that what works for one leader may not work for another. Those who are aspiring to be leaders should discover what it is about themselves that they can mobilize in a leadership context. They need to identify and deploy their own leadership assets based on the circumstances.

People aspiring to become leaders should understand the three fundamental axioms about leadership. First that the leadership is situational. What is required by the leader would be determined by the situation. The authors give some examples from the business and political history. Winston Churchill was an inspirational war-time leader but his bulldog style was ill-suited for the reconstruction of the post-war Britain.

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Chapter 9:

Innovation and Entrepreneurship

AV Vedpuriswar

A remarkable book about the economic future of America, Innovation and Entrepreneurship, shows how both of them complement and depend on each other. It shows how creative imitation is sometimes as good as genuine innovation and how unexpected success and failure within a sector frequently point out hidden opportunities. It treats entrepreneurship as a practice and presents us with an abundance of ideas which challenge the common presumptions about the success and failure of business organizations.

There is a strong link between innovation and entrepreneurship. An entrepreneur shifts economic resources out of an area of low productivity to an area of high productivity and greater yield. Entrepreneurs may not invent, but they do innovate.

There is nothing technical about innovation. One of the best examples of entrepreneurship is McDonald's. It did not invent anything. Its final product was what any decent American restaurant had been producing for years. But by applying management concepts and management techniques, by standardizing the "product," by designing processes and tools, by offering training and by setting the standards, McDonald's both drastically upgraded the yield from resources, and created a new market with new customers. This is the essence of entrepreneurship.

Removing Some Misconceptions

There are various misconceptions about entrepreneurship. Small does not itself imply entrepreneurial management. To be entrepreneurial, an enterprise must have special characteristics over and above being new and small. Moreover, an enterprise does not need to be small and new to be an entrepreneur. Indeed, entrepreneurship can be practiced by large and often old enterprises.

Entrepreneurship is by no means confined to economic institutions. Entrepreneurs are not capitalists although they need capital to run their business. Entrepreneurs are not investors either.

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Chapter 10:

Bench Strength

Developing the Depth and Versatility of Your Organization's Leadership Talent

D Satish

In today's environment, the issues like size, image or technology do not assure a sustained competitive advantage, but only the talent, especially at the leadership level, would assure the necessary advantage. The organizations' future depends on identifying, retaining and preparing a dependable next generation bench continuously. The book gives a step-by-step approach in building a powerful talent strategy that will ensure the ongoing availability of potential leaders.

Business managers and HR managers should be aware that there is a significant gap between the talent management requirements and their ability to successfully execute against these requirements and this projected short fall of the leadership talent is likely to affect all sectors. This point is emphasized by the author because, many companies feel that they are unprepared to capture and develop the leadership talent which they need to succeed.

But, he says that many organizations are just beginning to address this problem. This is because the HR departments in these organizations have gone much beyond the transactional HR activities like pay-roll and employee benefits in assuming the role of talent strategists. Some of these organizations have gone so far as to create a post designated as CTO (Chief Talent Officer). HR and OD leaders who are able to go beyond the traditional HR activities and articulate a viable game plan for capturing and leveraging leadership talent that would be suitable for this job.

Talent management is crucial for the success of any company and it should be taken up as a strategic tool. Talent management strategy should be a flexible gameplan for acquiring, strengthening and deploying an organizational leadership talent, to ensure the best long-term competitive advantage for one's organization.

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Chapter 11:

Sam Walton: Made in America

K B S Kumar

The book is more an autobiography of Sam Walton. The book starts with Sam's childhood, stretches itself to formation of Wal-Mart and then to its phenomenal success.

Sam Walton – The Personality

One would definitely run short of words to describe the personality of Sam Moore Walton, who had an indomitable "never say never attitude". It was his unconquerable passion for success in his assignments that kept him second to none althrough his career. The book narrates the story of the man behind Wal-Mart's incomparable success – Sam Walton – an embodiment of his humility and down-to-earth attitude. He lived an ordinary life keeping himself away from the glitterati of the riches. Integrity, humility and discipline in life were in the DNA of Walton Family. Sam had several things to learn from his father Thomas Gibson Walton, who was a multi-faceted, hard-working and disciplined businessman into a variety of businesses viz. banking, farming, insurance, real estate, etc. Hence, we can observe that Sam had inherited the sense of running and expanding a business to a great extent. Sam was introduced to the practice of buying and selling commodities at the tender age of 12 when the country was passing through the great depression. It struck to Nan Walton to sell milk bottles, and Sam's job was to milk the cow and supply the milk to the customers. Sam, at a very early age realized his responsibility as a member of the family. He realized that he should also contribute to the well-being of the family. Sam in this book says that the early realization, the family practices and the lessons from parents helped him understand the value of a dollar and the efforts to earn it.

Respect Towards the Dollar

In addition to being adjudged the richest American by the Forbes magazine in 1985, Sam has been equally famous for his incomparable thrift. Sam was brought up in an environment where the value of each dollar earned and spent was understood and the same

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Chapter 12:

The Bosses: Desired and Detested – A Survey of Literature

K B S Kumar and Lalithya

According to Euripides, the Greek philosopher (480 BC), "Authority is never without hate". Times have changed, but the meaning has not. Ego follows power. That probably compels the boss to look into the loopholes of the subordinates, leading to a cat-mouse relationship. Let us have a look at different types of behaviors of the bosses and the strategies employees can follow to handle them. The article also sheds light on those bosses who replace the egoistic expression "I" with the collective form "We", and work in collaboration with their subordinates. The following survey of literature takes a look at more than 45 different types of bosses and their behavioral tendencies.

By definition, the term 'Boss' stands for a polite way of addressing a person in a superior position, in order to acknowledge his/her leadership or power.

This Dutch word came into the existence in the middle of the 16th century itself. 'Boss' is Dutch for 'Baas', which means 'Master', and Boss eventually replaced the latter. In plain words, boss is a person who can be your manager, employer or your immediate superior to whom you report. Boss is the one who is clear in his/her approaches and the one who leads his/her staff. He/she is a role model. However, over time, the definition of boss and people's perception about their bosses have changed. Boss is the one who takes the lion's share in impacting an employee's work life, his/her career and his success rate in the organization. Hence, it becomes highly necessary for an employee to understand his/her boss, deal with him carefully to establish a fruitful superior-subordinate relationship and set a harmonious work culture for himself/herself. The new generation bosses are, however, losing their credibility. They appear to be more micromanagers and manipulators, than the leaders who stand by their team and lead through thick and thin. Boss is now viewed as the one who stands first in the line to grab the credit for one's employees' success, one who never trusts one's subordinates, one who is busy promoting one's with the management to climb up the corporate ladder. Employee development thus goes for a toss.

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Chapter 13:

What Type is Your Boss? – I

K B S Kumar

The popular belief about those unhappy employees is that 'employees leave the bosses and not the companies'. Managing the Boss is one of the crucial activities that has a vital role to play in determining the performance of an employee. The article will explore the general behavioral tendencies of the bosses towards the subordinates and offers the possible solutions to maintain congeniality between a boss and his subordinate.

Managing one's boss has a crucial role to play in managing one's career. Generally, we see that very few are good at managing a boss, and getting along with each other, resulting in a happy workplace. The charge of positivity spreads across the workstations. Good Bosses are almost synonymous to good appraisals-good feedback-good progress, etc. Whereas, bad bosses are known for being otherwise. But at the outset, if one is asked as to ***who wants to be a badboss?,*** unequivocally, the answer is none. Then why the hell do we tag a few bosses as bad bosses and praise a few as good ones? It is probably unfair and hasty to segregate the bosses into good and bad. What differs is only the type of the personality. Werthiemer's Gestalt psychology says, that the whole is different from the sum of its parts. The law of proximity of Gestalt psychology says that the elements that are closer together will be perceived as a coherent object.

Gestalt's psychology can be applied to the boss before tagging him good or bad. Applying the same to the boss' behavior, the personality of the person whois incidentally a boss, appears close to or perceived same as the role of the boss. One should appreciate that a person carries two aspects being a boss.

1) The type of personality he possesses,

2) The role and responsibility of the position he serves.

Thus, one can infer that:

Role of the Boss + Type of the personality = Good Boss/Bad Boss.

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Chapter 14:

What Type is Your Boss? – II

K B S Kumar

In part I of the article we had classified the bosses into four types. This article focuses on understanding the personality of the bosses taking the MBTI matrix as the base. The article intends to indicate the behavioral tendencies of the various bosses with various personality traits, which should facilitate the employees to manage the bosses accordingly.

In part I, we attempted identifying the types of bosses and their behavioral tendencies. We arrived at a conclusion that the chameleon boss is the most difficult type of boss whose behavior towards employees varies from person to person. It is almost a 'dream coming true', if one learns the magic of turning the Chameleon bosses into Mr. Maneuverables. We can certainly convert a chameleon into maneuverable, provided we understand the personality of the boss thoroughly and assess his behavioral tendencies towards people. The magic of maneuvering or controlling his behavior, is all about understanding his/her personality, behaving the way he/she expects us to do and thereby, bringing the boss into your stride. Hence, this part of the chapter attempts to understand the personalities of the people in the role of bosses. We shall take the Myers and Briggs Type Indicator as the base to understand the personalities and assess the subordinate's desirable behavior, in order to maneuver the boss.

Myers and Briggs Type Indicator (MBTI) is the matrix that classifies the personalities of human beings into as many as 16 types with a conscious combination of four traits in each type. The following are the types of personalities as per the MBTI followed by an analysis of the bosses with each of the personality types.

ESTJ

ESTJ bosses are the Sensing Extroverts with Thinking and Judging as the principal traits. The ESTJ bosses are observed to be in touch with external environment. These bosses are appealed absolutely by the five senses to arrive at a consensus. Hence the subordinates, in order to manage these bosses should be ready with the concrete evidences and strong logic while proposing something. The intuition of the gut feeling does not appeal to them.

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Chapter 15:

Cultural Intelligence: A Guide to Working with People from other Cultures

K B S Kumar

With the growing competition, the cross-cultural business has assumed significance. Under such circumstances, the behavioral aspects of the leaders with respect to the new cultures matter a lot. The following is the review of the book "Cultural Intelligence: A Guide to Working with People from other Cultures", by Brooks Peterson, which narrates the essential elements of cross-cultural behavior.

Say the word 'culture', the common perceptions would rotate around a very restricted and defined sphere. Think of Japanese culture: The very visuals that strike one would be the Sumos, the samurai warriors etc.; say Americans, the things that remind one are tentatively, the individuality among the people (unlike Japanese), fast decision-making etc. What causes these perceptions about culture?

With the ever-expanding geographic boundaries, and ever-increasing cross-border business, it becomes inevitable on our part to understand various cultures, the cross-cultural practices, and become culturally intelligent. Before we start understanding various cultures it is crucial to understand the definition of culture, which would help as a platform for the further approach.

The author Brooks Peterson in his book *Cultural Intelligence*, defines culture as the totality of socially transmitted behavior patterns, arts, beliefs, institutions and all other products of human thought.

The definition includes within its scope, the history, the common traits, geographic location, religion, caste etc. In simpler words, culture can be defined as what people think, what they do, or how they feel. Though this is a simpler definition, it calls for a necessity to understand the human psychology, sociology and anthropology in order to understand his culture and behave intelligently.

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Chapter 16:

Multinationals in India: Managing the Interface of Cultures

K B S Kumar

With the advent of the multinationals in India, the workplace practices and the workplace culture have assumed a paradigm shift. The following is the review of the book Multinationals in India by Jai B P Sinha which presents the incidence of multinational culture on Indian organizations.

The book raises the curtain with the introduction to the times 300 years ago, before the English entered India. The first chapter refers to the free India under the dynamic leadership of the first prime minister of free India Pt. Jawaharlal Nehru. The author makes note of the industrial policy resolution (1948), which set the ball rolling for further emphasis on the Industrialization in India. The chapter makes a close comparison of the private sector and government participation towards the industrialization. The chapter narrates the crucial role played by the government in the early days of industrial development. The chapter broadly classifies the Indian industrial landscape into three broad phases viz:

1. The receptive phase of foreign investment (1948-1967);
2. The Restrictive phase (1968-1979); and
3. The phase of Gradual liberalization (1980-1989).

The author paves the way for subsequent chapters by elaborating on the Industrial policy statement (1980-82). The first chapter discusses the New Industrial Policy of July 24, 1991, that spelt the beginning of new era, emergence of the multi-cultural landscape in Indian corporate scenario.

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Chapter 17:

Training Practices in Indian Organizations: An Overview

Harsh Dwevidi* and Ona Ladiwal**

Today employees no longer are eager to join any new organization where their knowledge and skills do not get upgraded. Providing opportunities for learning is being used as a retention tool by large number of organizations. Attracting and retaining employees have become a challenging task in the competitive environment. Increase in training budget and providing proper training have become the strategies of the best companies to magnetize, retain and get highest quality output from the employees. This article explores the training practices used by the Indian organizations for effective utilization of its workforce.

Training is a planned and systematic attempt to alter or develop knowledge/skill, attitude through learning experience, so as to achieve effective performance in an activity or range of activities. It is a very important aspect of any organization. According to Flippo, training is the act of increasing the knowledge and skill of an employee for doing a particular job. It provides employees with the knowledge and skills to perform more effectively. This allows them to meet present job requirements and also prepares them to meet the unavoidable changes that occur in their jobs. However, training is an opportunity to learn. What is learned depends on several factors, such as the design and execution of training, the inspiration and learning style of the trainees, and the learning environment of the organization?

Taylor (1961) conceptualized training as a means to bring about a continuous improvement in the quality of work performed, it would equip them with necessary knowledge, skill, abilities and

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Chapter 18:

Training and Development – Insights from China

K B S Kumar

China stands as one of the most happening countries across the world, where the multinationals are thronging to invest in various sectors. China, a leader in the manufacturing sector, is yet to sensitize itself with regard to the emerging HR functions to make it a congenial base for the global business houses. Training and development function, not being an exception, leaves a lot to be desired in China. This article gives a brief outline of the training and development practices prevailing in China complemented with a few advocacies.

People's Republic of China is a happening business hub today with more than 3000 Chinese companies having their floodgates opened to the international business houses. China, being a potential Asian country, swiftly jumped on the bandwagon of globalization, with more than $500 bn of foreign trade in its exchequer. With around 15 companies representing China on the list of Top 500 global companies, the dragon stands as a promising avenue to the domestic as well as the international business houses. However, China is yet to catch up on the grounds of human resource development, employee training and promoting the practice of learning among the employees. The survey and research findings suggest that the Chinese firms have a lot to be desired on the grounds of employee training. In the light of globalization and liberalization, where China has opened its floodgates to the world for business purposes, it needs to equip its organizations not only with infrastructure and capital but also with the human capital.

Though the domain of human resource development had been gaining momentum of late, with the multinational enterprises showing interest in the Chinese firms, it stands as an imperative on the part of Chinese firms to pay attention to the present state of employee training and catch up with the global pace. There is a pressing urge on the part of the Chinese enterprises to wake up to the call and adopt those emerging and widely adopted, new age training and development practices.

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Chapter 19:

Workplace Training in Europe

K B S Kumar

Training and development as a part of organizational strategy is assuming paramount importance. Lisbon strategy stirred the hornet's nest and made the European Union countries initiate the steps towards inculcating the culture of learning and training on a warfooting. The paper gives a brief analysis of the employee-training scenario across the European Union.

The paper refers to the Lisbon Summit, wherein the European Union countries collectively felt the necessity to take immediate measures to keep the Union on the path of development. The Union countries recognized education and training as the two inalienable ingredients of the Union's development and realized that the two sectors need to be transformed. However the dream translating into reality is not an easy job. The paper focuses on various such factors that have an effect on the activity of education and training to the employees.

The report draws a comparative analysis among the European countries, with respect to the workplace training practices.

As far as the provision of training in general is concerned, the paper observes that there are many countries in the Union, which register better record of workplace training when compared to the US companies, which apparently has been chosen as a benchmark against the European Union countries. The countries that have a better training track record than US include UK, France and Scandinavian countries. However, there are countries that lag behind US too, which include the countries like Greece, Portugal, Spain, Italy etc. The incidence of training has been measured on the basis of the average training participation as well as the number of hours of training per employee. Surprisingly, only three countries among the European Union registered as places in terms of better labor productivity than US, viz., Ireland, Greece and Finland.

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Chapter 20:

Training and Development – South African Experience

K B S Kumar

With the increasing globalization, rising competition and augmenting multi-cultural exposure, training and development among the firms stands as an imperative rather than a choice. South Africa being a developing country is also seen to be catching up with the pace in the light of the various government initiatives. The article briefly scans the various education and training initiatives in the South Africa.

The globalization has been having its impact on various parts of the world. However, the pace at which the countries are globalizing varies in accordance with the several factors that are responsible viz: the demographics, the economics, the infrastructure, the growth rate, the culture etc. South Africa is one of those countries, which woke up to the call of globalization of late and thus, is in the process of transforming. Hence, inevitably, it is a call to the South African companies too, to react towards globalization and catch up with others on the path of development. Peter Drucker prophesized years ago, when the industries were still running with the might of Capital and Labor, that the next society will be a knowledge-based society. He emphasized investing on people (employees) and nurturing them towards the firm's development. Not different even an iota from what Drucker said, today's society is a knowledge-based society and thus the most precious capital in any organization is the human capital, followed by the monetary capital. With these developments on the human front, the function of training and development of the employees, which was earlier perceived as a formality when an employee joins an organization, has become a necessary touchstone for every organization.

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In Search of the Triple Bottomline

Case Studies in Corporate Sustainability

Edited by
Debapratim Purkayastha

In Search of the Triple Bottomline: Case Studies in Corporate Sustainability

Editor:
Debapratim Purkayastha

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Chapter 1:

'Compassion vs Competitiveness' Dilemma at Novo Nordisk

Debapratim Purkayastha

"How to strike the right balance between business and global health? Again, we were challenged by stakeholders...,"[1] quipped Lise Kingo (Kingo), Executive vice president and chief of staffs, Novo Nordisk. The Danish pharmaceutical company, Novo Nordisk, had gained global recognition as a champion of sustainability for a number of sustainability related initiatives that it had taken over the years.

Over the years, Novo Nordisk's business grew substantially and it emerged as a leader in the global insulin[a] market. In the new millennium, Novo Nordisk's new sustainability strategy placed global health at the center of its sustainability initiatives. According to Novo Nordisk's vision statement, the company strove to find the right balance between compassion and competitiveness. From then on, Novo Nordisk started selling its products at a subsidized price in some of the poorest countries around the world. Despite all the efforts that it took to protect the interests of all its stakeholders, in 2010, Novo Nordisk was severely criticized by patients and NGOs when it stopped selling its drugs in Greece when the crisis ridden government there ordered a 25 percent cut in the prices of all medicines sold in the country.

Novo Nordisk was accused of putting profits above corporate social responsibility. Though the issue was settled later with the

[a] Insulin is used for the treatment of some forms of diabetes. Patients with Type 1 diabetes depend on external insulin (most commonly injected subcutaneously) for their survival because the hormone is no longer produced by their body. Certain patients with Type 2 diabetes may also require insulin if other medications fail to control blood glucose levels adequately.

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Chapter 2:

Coffee Cup Woes: Starbucks' Environmental Sustainability Challenge

Debapratim Purkayastha

> *"Because cups are so tangible, touchable, and really part of the ethos, our customers feel partially responsible for those cups when they choose to dispose of them. If this is their only option–an overflowing garbage can on the street–they are going to hold Starbucks partially responsible too. The consequence is that we've got to solve these issues to be able to address the other major wins that we have on our environmental and sustainability front."*[1]
>
> ***– Jim Hanna, Starbucks' Director of environmental impact, Starbucks Coffee Company***

In 2013, the world's largest coffee chain, Starbucks Coffee Company (Starbucks), introduced a US$1 reusable cup in its stores in the US and Canada and later on, in the UK. The company came up with the idea of a plastic reusable cup to reduce its environmental footprint as it often faced criticism from environmental enthusiasts for generating 4 billion single-serve cups as trash each year that ended up in landfills or as litter. Starbucks also offered a 10 cent discount on the drink every time the customer used the reusable cup in its store. According to Starbucks' Director of environmental affairs, Jim Hanna (Hanna), *"Energy security and price spikes and brownouts and climate change are really now part of our everyday lives and everyday lexicon. Those who choose to spend their dollar at Starbucks, or make their careers at Starbucks, expect us to really use our size for good in that arena."*[2]

One of the most pressing challenges before the world's largest coffee chain, and more specifically Hanna, was to solve the problem caused by the branded trash it generated each year. Hanna contended that the 4 billion cups it generated as waste each year was a small

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Chapter 3:

Sustainable Development at PepsiCo♥

Debapratim Purkayastha *and* Adapa Srinivasa Rao

> *"Great companies are built to succeed today, tomorrow, and well into the future. Our commitment to balancing excellent operating performance with sustainable business practices is a big reason PepsiCo has become one of the world's top performing food and beverage companies."*[1]
>
> **– Indra Nooyi, Chairman and CEO of PepsiCo, in September 2011**

Since mid-2011, PepsiCo's Chairman and CEO, Indra Nooyi (Nooyi), had been facing some difficult questions. During the first five years of her tenure at the helm of the consumer packaged goods major, Nooyi had been credited with transforming PepsiCo by spearheading the company's sustainable development journey with her 'Performance with Purpose' strategy. But since mid-2011, she had been facing criticism that this had come at the cost of marketing and positioning of PepsiCo's products to boost sales.

Faced with environmental and social criticism, PepsiCo started an ambitious new sustainable development program called 'Performance with Purpose' in 2009. The five-year mission was based on the philosophy that that the organization should not only keep focus on financial performance but also on its responsibilities. The new program listed 47 commitments that PepsiCo had toward society and these came under four broad areas: Performance, Human Sustainability, Environmental Sustainability, and Talent Sustainability. The first commitment was to its shareholders to give good returns for their investments while the others were to its other stakeholders. PepsiCo

♥ This case was a Runner-up in the 2012 oikos Global Case Writing Competition (Corporate Sustainability track), organized by oikos International, Switzerland.

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Chapter 4:

BP's Continuing Safety Problems: The Gulf of Mexico Crisis

Debapratim Purkayastha *and* Syeda Maseeha Qumer

"BP has systemic safety and health problems. They need to take their intentions and apply them much more effectively on the ground, where the hazards actually lie."[a]

– Jordan Barab, deputy assistant secretary of labor, OSHA[b], in 2010.

"We are a responsible and professional company. We work to high standards. Safety is our highest priority."[c]

– Steve Rinehart, BP spokesman in Alaska, in 2010.

Yet another Disaster at BP

On April 20, 2010, an explosion aboard the drilling rig Deepwater Horizon[d], leased by the British oil company BP Plc (BP) in the Gulf of Mexico, left 11 workers missing and 17 injured. Two days later, oil

[a] Jad Mouawad, "For BP, a History of Spills and Safety Lapses," www.nytimes.com, May 8, 2010.

[b] The US Occupational Safety and Health Administration (OSHA) is an agency of the US Department of Labor. OSHA's mission is to prevent work-related injuries, illnesses, and deaths by issuing and enforcing rules for workplace safety and health.

[c] Richard Mauer, "BP has a History of Safety Failures," www.adn.com, May 8, 2010.

[d] Built in 2001 in South Korea, The Deepwater Horizon is one of the world's most advanced deepwater, semi-submersible offshore drilling rigs. The rig was leased to BP by Transocean Ltd. for exploration in the Gulf of Mexico until September 2013 at a daily rate of about US$ 500,000. The rig arrived in the Gulf of Mexico in February 2010.

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Chapter 5:

Coca-Cola India's Corporate Social Responsibility Strategy♥

Debapratim Purkayastha *and* Hadiya Faheem

"Coca-Cola India undertakes a diverse range of activities for the benefit of the community across the country. As part of our CSR strategy, sustainable water management remains our top priority."[1]

– Deepak Kaul, Regional Vice-President, South, The Hindustan Coca-Cola Beverages Pvt. Ltd., in 2007.

"It is in India where the company's abuse of water resources have been challenged vociferously, and communities across India living around Coca-Cola's bottling plants have organized in large numbers to demand an end to the mismanagement of water…. In response to the growing Indian campaigns against Coca-Cola, the company has decided to promote rainwater harvesting – a traditional Indian practice – in and around its bottling plants in India. Touting rainwater harvesting initiatives is now central to Coca-Cola's public relations strategy in India."[2]

– Amit Srivastava, *Coordinator of India Resource Center*[a], *in 2007.*

♥ This case is a Runners up in the oikos Global Case Writing Competition 2009 (Corporate Sustainability track), organized by oikos Foundation for Economy and Ecology, University of St. Gallen, Switzerland.

[a] India Resource Center is an organization that keeps track of activities related to corporate globalization in India. As of 2008, Amit Srivastava is the director of IRC.

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Chapter 6:

Kimberly-Clark Corporation: The Environmental Sustainability Challenge

Debapratim Purkayastha *and* Indu Perepu

"We have an ever-increasing responsibility to our customers – and to the people who use our products – to source the materials and services for the products we manufacture in an environmentally and socially responsible manner."[a]

– Thomas Falk, CEO and Chairman, Kimberly-Clark Corporation, in 2007.

"This is a company that claims to be a leader on the environmental front. Unfortunately, when you dig into the claims, you come up with a very different story."[b]

– Richard Brooks, a campaign coordinator at Greenpeace[c], in 2006.

Introduction

In September 2008, Kimberly-Clark Corporation (K-C), the paper-based consumer packaged goods giant based in the US, topped the list in the personal products category in the Dow Jones Sustainability

[a] Sustainability at Kimberly-Clark - Guide for Suppliers (2007)

[b] Marc Gunther, "Are Kleenex Tissues Wiping Out Forests?" www.money.cnn.com, September 27, 2006.

[c] Greenpeace is a noted environmental activist group founded in 1971 in Vancouver, British Columbia, Canada. Its main objective was to oppose the testing of the nuclear devices by the US in Alaska. But it later expanded its focus to other environmental issues like deforestation, genetically modified food items, whaling, global warming, nuclear power, etc.

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Chapter 7:

Nestlé's Micro-distribution Efforts to Serve the Low Income Consumers in Brazil

Debapratim Purkayastha *and* Indu Perepu

> *"People of low income are being incorporated more and more now that there is a larger supply of products at a competitive price and quality. The quality is the same; that doesn't change, because the poor aren't going to buy lower-quality products just because they are poor."*[1]
>
> ***– Ivan Zurita, President & CEO, Nestlé Brazil, in 2007***
>
> *"Adding nutrients to junk food is just another marketing maneuver by Nestlé to sell its products by suggesting that there are health benefits from junk food. But adding nutrients to junk food is one step forward and two steps backward -- no amount of added nutrients will negate the ill effects of junk food."*[2]
>
> ***– Amit Srivastava, coordinator of India Resource Center[a], in 2010***

By mid-2012, Nestlé Brasil, the Brazilian subsidiary of the world's largest nutrition and wellbeing company, had made significant inroads into Brazilian households with its wide range of products. Its Popularly Positioned Products[b] (PPP) coupled with its unique micro-distribution

[a] An international organization based in the U.S. and India, works to support movement against corporate globalization.

[b] PPPs were essentially high-quality food products that provided nutritional value at affordable price. These products were targeted at less affluent consumers in the emerging markets, with low power parity, who were low food spenders. They accounted for over 50% of the global population. These products focused on around 3 billion consumers across the globe.

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Chapter 8:

'Gramin Suvidha Kendra': MCX's Corporate Social Opportunity Approach to Inclusive Growth♥

Debapratim Purkayastha

> *"Gramin Suvidha Kendra (GSK) embodies a CSO [Corporate Social Opportunity] activity providing farmers future price signals, thereby spearheading a 'silent revolution' wherein farmers become better informed and are able to make sound business decisions. This model works on the principle and belief of shifting farmers from being mere 'producers' to now becoming 'marketers'."*[a]
>
> **– Lamon Rutten, Managing Director and CEO, Multi Commodity Exchange of India Ltd. (MCX).**

Introduction

Sarita Bahl (Bahl) had good reason to be proud. She worked in a company that viewed initiatives to address social problems as corporate social opportunities that contributed positively to the company's growth and business. While being the Vice President (CSO) in such an organization was fulfilling, what gave her even more satisfaction was

---

♥ This case is prepared solely to provide material for class discussion. It is not intended to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality. We thank the management of MCX for extending support to us for the preparation of the case study.

[a] Gramin Suvidha Kendra is a Hindi term meaning 'Village Convenience Center'.

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Chapter 9:

The Body Shop: Social Responsibility or Sustained Greenwashing? ♥

Debapratim Purkayastha *and* Rajiv Fernando

"In terms of power and influence, you can forget the church, forget politics. There is no more powerful institution in society than business - I believe it is now more important than ever before for business to assume a moral leadership. The business of business should not be about money, it should be about responsibility. It should be about public good, not private greed." [1]

- Dame Anita Roddick, founder of The Body Shop, in her book Business as Unusual, in 2000.

"It's ironic that a company (The Body Shop) well-known for its anti-animal testing stance should sell-out to one (L' Oreal) that tests on animals and which has yet to show its commitment to any ethical issues at all." [2]

– Ruth Rosselson, Ethical Consumer magazine,[a] in March 2006.

"I do not believe that L' Oreal will compromise the ethics of the Body Shop. That is after all what they are paying for and they are too intelligent to mess with our DNA …I want to make things happen, to spread human values wider in business if I possibly can. And this sale gives us the chance to do so." [3]

– **Dame Anita Roddick, in May 2006.**

♥ This case won the Third Prize in the Oikos Sustainability Case Writing Competition 2007, organized by University of St. Gallen, oikos foundation for economy and ecology, Switzerland.

[a] Ethical Consumer is a magazine in the UK that is produced by the Ethical Consumer Research Association (ECRA). ECRA is a not-for-profit consumer organisation that seeks to promote human rights, environmental sustainability, animal welfare, and provide information on the social and environmental track record of well-known organizations. (Source: http://www.ethicalconsumer.org/aboutec/aboutus.htm).

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Chapter 10:

Jeffrey Immelt: Making GE Sustainable

Debapratim Purkayastha *and* Syeda Maseeha Qumer

> *"I'm responsible for this company. I stand behind the results. I know the details, and I think the CEO has to be the moral leader of the company, ... I think high standards are good, but let's not anybody be confused, it's about performance with integrity. That's what you have to do."*[1]
>
> **– Jeffrey R. Immelt, Chairman and CEO, General Electric Company**

In mid-2011, Jeffrey R. Immelt (Immelt), Chairman and CEO of US-based technology giant General Electric Company (GE), was thinking of new ways of expanding the company's green technologies and clean energy portfolio. He knew that in these tougher times marked by an economic slowdown, the sustainability movement would face more challenges than when economic times were good. Immelt wondered why in tough economic times, people saw sustainability as something that companies could not afford. Since the beginning of his tenure as CEO in 2001, Immelt had transformed GE into a world leader in technological innovation in emerging markets and environmental solutions. Under his leadership, GE became one of the first companies to recognize the broad scope of applications available to green technology, investing in technologies that added cleaner and more environmentally responsible products to the company's portfolio. In 2005, Immelt laid the foundation for the company-wide green initiative called Ecomagination designed to promote GE's commitment to building clean energy technologies, fulfilling customers' demands for energy-efficient products, and bringing reliable growth for the company. As part of the program, GE developed products and services with lower environmental impact, such as energy-efficient engines, appliances, locomotives, and wind turbines, solar power, and water-purification systems, and a range of cleaner coal technologies. Some analysts hailed

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Chapter 11:

Ethical Leadership: Ratan Tata and India's Tata Group♥

Debapratim Purkayastha

> *"Maybe I'm stupid or old fashioned, but I really want to go to bed at night saying I haven't succumbed to this."*[1]
>
> **– Ratan Tata, Chairman, Tata Group, on paying bribes.**
>
> *"Ratan Tata has set an example with his transparency and integrity. In a milieu haunted by wheeler-dealers and a business climate where companies will stop at nothing to pouch contracts, [Ratan] Tata is an inspiration for young entrepreneurs."*[2]
>
> **– Rajeev Chandrasekhar, an independent member of the Indian Parliament and a former telecom entrepreneur.**

"[W]e have endeavoured to uphold a value system that has been part of our tradition, and we've been disadvantaged repeatedly in that we have lost projects, projects have been delayed...," said Ratan Naval Tata (Ratan), Chairman of Tata Sons Ltd., the holding company of The Tata Group, on the difficulties of doing business in his home country – India, "And in that sense, we would like to keep the Group ferociously protecting this one asset...."[3] As he prepared to hand over the reins of the group to his successor by the end of 2012, Ratan's job was to ensure that his successor carried forward the legacy of the Tatas and did not view its ethical standards and values as a burden while operating in this key emerging market.

♥ This case won the Third prize in the BLR Case Study Competition, organized by Business Leadership Review, the official journal of the Association of MBAs (AMBA), UK.

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Leadership and Corporate Governance

Edited by
Indu Perepu

Leadership and Corporate Governance

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Chapter 1:

Introduction to Leadership

Sitamma Mikkilineni

After going through the chapter, the students will be able to:

- Understand the concept of leadership
- Define Leadership
- Explain the difference between leadership and management
- Understand the Key perspectives in leadership theory and Research

Leadership is one of the most written about and researched topics in the area of management, and scholars and practitioners continue to ask the question, 'What makes good leaders?' There are many definitions of leadership from different perspectives by different scholars. This sometimes leaves the reader confused, as the concept of leadership is so complex that no single description or understanding covers them all.

Many readers have difficulty understanding the scientific research behind a concept that has many theories and perspectives. The usual question asked by them is, which is the right one? We all remember the story of the seven blindfolded men each of who are led to an elephant and asked to describe it. None of them had ever seen an elephant earlier. One of them grasped its tail and said that the elephant was like a rope. Another who touched the leg said that the elephant was like a tree trunk. A third person holding the trunk said that it was like a snake and a fourth person touching the ears said that the elephant was very much like a sail.

The point of this story is that we can look at Leadership from several different perspectives, with each emphasizing a particular aspect, and perhaps missing others. It is important that we have an understanding of the major theories and perspectives of leadership as each is conceptualized differently and their theories complement one another, helping in a greater understanding of the subject. Further, these theories and perspectives help to inform the practice of leadership.

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Chapter 2:

Mukesh Ambani - Reliance Industries

Shubhanjali Chakravarty and Sanjib Dutta

In the Forbes' 'Billionaires – The Richest People in the World 2019' list published on March 5, 2019, Mukesh Ambani (Mukesh), Chairman and Managing Director of Reliance Industries Ltd. (RIL), was ranked 13th.[1] Also in 2019, Mukesh topped the list of 'The World's Richest Sports Team Owners 2019' published by Forbes.[2] The business empire that Mukesh had built over the decades helped him grow his wealth tremendously – from US$ 19.3 billion in 2016 to US$55.2 billion in 2019, an increase of more than 150%.[3]

In the Deloitte 'Global Powers of Retailing 2019' Index, Reliance Retail Ltd (RRL), the retail arm of RIL, was ranked 94th out of 250 companies covered in the list.[4] By January 2019, RRL was operating 9,907 stores across 6,400 towns and cities, which made it the largest retail chain in India, both in terms of revenue and number of stores.[5] For FY 2018, RRL posted revenues of Rs[6] 939.03 billion and profits of Rs 42.78 billion.[7]

Mukesh single-handedly led RIL post its de-merger in 2005 (owing to a feud between the Ambani brothers – Mukesh and Anil). In 2006, he announced an investment of Rs 2.5 billion for venturing into the retail segment in India. Between 2006 and 2010, he launched several retail ventures which included Reliance Fresh (groceries), Reliance Digital (consumer electronics), Reliance Mart (hypermarkets), Reliance Trendz

---

1 "The richest people in the world," www.forbes.com, March 2019.

2 "Mukesh Ambani becomes world's richest sports team owner!" www.timesnownews.com, March 17, 2019.

3 "Mukesh Ambani is the world's 13th richest man; wealth increased 25% in a year: Forbes," www.businesstoday.in, March 6, 2019.

4 "Global Powers of Retailing 2019," www2.deloitte.com, June 2018.

5 *Ibid*

6 As of March 29, 2019, 1 USD was equal to 69.20 INR

7 "Reliance Retail leaps to 94th spot on Deloitte's top retailers' list," economictimes.indiatimes.com, January 23, 2019.

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Chapter 3:

Contingency and Situational Leadership

Neha Gahlawat

After reading the chapter, the students will be able to:

- Explain how the situation inspires the choice of leadership style.
- Present a framework of the contingency theories of leadership effectiveness.
- Describe the path-goal theory of leadership effectiveness.
- Apply the normative decision model in determining the most appropriate decision-making style in a given situation.
- Explain Hersey and Blanchard's situational leadership theory
- Discuss the implications of situational and contingency theories for leadership effectiveness.

Introduction

For a long time, leadership effectiveness and its linkage to firm performance and employee satisfaction has been studied with relation to the traits, styles, and behaviors of leaders. The notion of leadership has been deeply examined through the lens of anthropology, economics, politics, psychology, and sociology. Despite these efforts, we know little about what makes one leader more effective than another or why a leader is effective in one situation but a complete failure in another.One of the most confounding issues challenging managers and behavioural scientists has been to discover the leadership style that is most favourable in promoting effective work groups. Behavioral experts have been surprised to find that both the authoritative leader and his/her counterpart, the democratic or human relations leader, have demonstrated effectiveness in innumerable situations.

Bearing these points in mind, some scholars have proposed a few contingency and situational factors to determine leadership effectiveness. To some extent, these provide a theoretical explanation for

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Chapter 4:

Erez Israeli - Dr. Reddy's Laboratories

Rupali Chaudhuri and Indu Perepu

On March 29, 2018, India-based multinational pharmaceutical company Dr Reddy's Laboratories (DRL) announced a change in the Management Council. The Council had witnessed a churn of employees over the previous few years, with several retiring from the company or joining competitors. The company named Erez Israeli (Israeli) as the new Chief Operating officer (COO) and Global Head of Generics &Pharmaceutical Services & Active Ingredients (PSAI) following the retirement of COO Abhijit Mukherjee (Mukherjee) on March 31, 2018. Israeli would report to the Co-Chairman and Chief Executive Officer G.V. Prasad (Prasad).

Israeli joined DRL from Enzymotec[a], where he had served as President and Chief Executive Officer. Well respected in the global pharmaceutical circle as a strategic thinker and executor, Israeli worked with Teva Pharmaceuticals Industries Limited[b] for over 23 years prior to joining Enzymotec and held many positions of responsibility. These included the positions of Vice President Marketing & Sales for North America, Vice President Asia Operations, President Teva API, Group Executive Vice President, Head of Global Quality, and President & CEO Growth Markets.

Israeli faced a tough and a challenging road ahead at DRL, away from his home country, in a foreign land. He needed to create a vision for the future of the organization and take strategic decisions so that the company could deliver products and not lose market share. Israeli needed to sustain the environment of innovation in the organization, its zeal to serve patients, desire to understand them, and the sense of urgency to treat patients. Would he be able to promote DRL's belief– 'Good health can't wait'?

---

[a] Enzymotec is an Israel based speciality Chemicals Company that made a diverse range of products created from lipids and used as food ingredients, dietary supplements, and medical food products for adults, children, and infants.

[b] Teva Pharmaceutical Industries Ltd. is an Israel based multinational Pharmaceutical Company, primarily specializing in active pharmaceutical ingredients and is the largest generic drug manufacturer in the world.

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Chapter 5:

Charismatic Leadership

Neha Gahlawat

Learning Objectives

After going through the chapter, the students will be able to:

- Describe the essential traits that charismatic leaders possess.
- Pinpoint the types of charismatic leaders.
- Elucidate the communication style charismatic leaders use to influence their followers.
- Describe the ethical concerns about charismatic leadership from a moral point of view.

Introduction

Among several leadership styles, charismatic leadership is known to hold the most influential power in the businesses and the societies. It is observed that charismatic leaders have appeared at all places, at various points of time. Be it Mahatma Gandhi, Martin Luther King Jr or Steve Jobs, they all are known to us as highly dynamic and inspirational leaders. These leaders inspired people throughout their lives and even after their lifetimes. How? The answer lies in one sentence – by being successful charismatic leaders. According to Ronald Riggio, professor of Leadership and Organizational Psychology at Claremont McKenna College, the characteristics that set charismatic leaders apart from other leaders are that they are essentially excellent skilled communicators who are not only verbally eloquent, but also able to connect to their followers on a deeper and more emotional level. The current chapter focuses on enhancing the knowledge of students through discussions on the meaning of charisma, types of charismatic leadership, and the characteristics of charismatic leaders. We also describe the ways through which people can learn how to develop charisma. Finally, we express our views on the dark side of charismatic leadership.

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Chapter 6:

Steve Jobs - Apple, Inc.

Syeda Maseeha Qumer and Debapratim Purkayastha

Steve Jobs (Jobs) was born on February 24, 1955 in San Francisco, California. He was adopted soon after birth by a lower middle class couple Paul and Clara Jobs. His father was a machinist while his mother worked as an accountant. Jobs attended Homestead High School in California. As a boy, Jobs worked on electronics with his father in their family garage. Upon graduating from high school in 1972, Jobs enrolled at Reed College in Portland, Oregon. But he dropped out of college after one semester. The following year he took classes in calligraphy which later became the basis for the Mac typography.

In early 1974, Jobs took up a job at Atari Inc.[1] (Atari) as a video game designer. He worked there for some time and then left his job to take a trip to India in search of spiritual enlightenment. In 1974, Jobs returned to California and joined a computer hobbyists' club where he met his childhood friend Stephen Wozniak[2] (Wozniak). Wozniak, who was an electronics engineer, had developed a personal computer (PC). He had tried to pitch the product to Hewlett-Packard Company[3] where he worked but was turned down. Confident about the product's marketability, Jobs persuaded Wozniak to build prototypes of the product. He, along with Wozniak, set up shop in Jobs's garage and started making prototypes of the product. They named it Apple I and marketed it at a price of US$666. Ronald Gerald Wayne (Wayne) who worked with Jobs at Atari, joined them in exchange for a 10% share in the business. The trio's first contract came from Paul Jay Terrell (Terrell), owner of the Byte Shop, a local electronics equipment retailer. Terrell bought 50 computers for US$500 each. Wayne parted ways with Wozniak and Jobs in 1976, the same year he had joined.

---

1 A US-based pioneer in electronic arcade creation.

2 Stephen Wozniak, a University of California (Berkeley) dropout was an engineer at HP. He had a passion for building electronic gadgets. He visualized a PC that could be used with ease.

3 Headquartered in Palo Alto, California, Hewlett-Packard Company is one of the largest technology corporations in the world and develops and manufactures computing, storage, and networking hardware, software, and services.

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Chapter 7:

Transformational Leadership and Change

Asha Binu Raj

After reading the chapter students will be able to

- Understand the concept of transformational leadership, characteristics, and traits of transformational leaders
- Understand the role of transformational leaders in bringing change
- Understand the concept of VUCA and leadership competencies needed to manage VUCA climate

Transformational Leadership

Transformational leadershipis a leadership style where one or more persons engage with others in such a way that the leaders and followers raise one another to higher levels of motivation and morality.

Transformational Leadership Characteristics

According to industrial psychologist Bernard Bass (Bass), these are the hallmarks of a transformational leader that sets them apart from other leadership styles. A transformational leader is someone who:

- Encourages the motivation and positive development of followers
- Exemplifies moral standards within the organization and encourages the same of others
- Fosters an ethical work environment with clear values, priorities, and standards.
- Builds company culture by encouraging employees to move from an attitude of self-interest to a mindset where they are working for the common good
- Emphasizes authenticity, cooperation, and open communication
- Provides coaching and mentoring but allows employees to make decisions and take ownership of tasks

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Chapter 8:

Irene Rosenfeld - Kraft Foods Inc.

Syeda Maseeha Qumer and Debapratim Purkayastha

Irene B. Rosenfeld (Rosenfeld) was born on May 3, 1953, to a Jewish couple settled in Westbury, about 30 miles from New York City (Her maiden name is Irene Blecker). Her father, who was her main inspiration in life, was an accountant by profession. Rosenfeld obtained a Bachelor's degree in psychology from Cornell University (Cornell) in 1975. Upon graduating, she acquired an MBA, followed up with a doctorate in marketing and statistics from the same university in 1980. At Cornell, she met Philip Rosenfeld, a fellow student whom she married in 1977. They had two daughters. After her husband's death in 1995, she married Richard Illgen, an investment banker. But she retained her first husband's name – Rosenfeld.

After completing her doctorate in 1980, Rosenfeld had to decide on a career either in academia or business. She chose the latter. Rosenfeld began her career as an associate research director in consumer research at a New York-based advertising agency Dancer Fitzgerald Sample. After working there for two years, she joined General Foods[1] as an associate market research manager in 1981. This marked her entry into the food industry. While working at General Foods she fixed some struggling brands such as Kool Aid[2]. She presented the company's executives with research showing that Kool-Aid should be marketed directly to kids instead of mothers. Impressed by this, they asked her to work full time on the brand. Rosenfeld repositioned Kool-Aid as a healthier drink and this improved sales. In November 1985, General Foods was purchased by Philip Morris Companies Inc.[3] (Philip Morris).

---

1 In 1929, Postum Cereal Company, Ltd changed its name to General Foods Corporation. In November 1985, tobacco company Philip Morris purchased General Foods for US$5.6 billion.

2 Kool-Aid is a powdered beverage available in a range of flavors.

3 Philip Morris Companies Inc. was one of the largest tobacco companies in the world. In 2001, Philip Morris changed its name to Altria Group, Inc.

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Chapter 9:

Ethical Leadership

Sharda Singh

After going through the chapter, the students will be able to:

- Define Ethical Leadership
- Understand the Dilemmas in Assessing Ethical Leadership
- Explain the Determinants of Ethical Leadership
- Discuss the Consequences of Ethical Leadership

Powerful leaders exercise influence as an essence to impact the lives of their followers and organizations. According to Gini (1998), leadership is all about how leaders use their power wisely. As leaders have immense potential to misuse power, studying the ethical aspects of leadership is crucial. In this chapter, the ethical and moral behavior of leaders from several perspectives, the relationship between business ethics and organizational performance, and research on ethical are included.

Ethical Leadership

Ethics determine what is good for individuals and society. The term "ethics" means customs, habits, and character. Ethics help leaders to distinguish between right and wrong. Edwin A. Locke explains that a rational leader aims to focus on the interests of the individuals and achieving organizational prospects. In spite of the growing importance of ethical leadership, there has been considerable criticism as to the method of defining and studying ethics. Management scientists have pointed out that the ground for ethics in leadership depends on implicit assumptions about its influence.

The definition of ethical leadership includes values, traits, and behaviors. Leaders are said to be ethical when their behavior includes trustworthiness, honesty, and natural justice. Leaders use statements about the importance of ethics and forming a code of conduct for following the rules and regulations of the organization. Leaders use a

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Chapter 10:

Ratan Tata – The Tata Group

Debapratim Purkayastha

The Tata Group, which was founded by Jamsetji Tata in 1868, had grown to comprise over 100 companies in seven business sectors – communications and information technology, engineering, materials, services, energy, consumer products, and chemicals. Initially inspired by the spirit of nationalism, the group had pioneered several industries of national importance in India – steel, power, hospitality, and airlines. Tata Sons Ltd., the holding company of The Tata Group. As of early 2012, the major Tata companies were Tata Steel, Tata Motors, Tata Consultancy Services, Tata Power, Tata Chemicals, Tata Global Beverages, Tata Teleservices, Titan, Tata Communications, and Indian Hotels. The group had operations in 80 countries across the globe, and its companies exported products and services to 85 countries. It had revenues of US$83.3 billion in 2010-11, with 58% of this coming from business outside India. Tata companies employed over 425,000 people worldwide. The Tata Group's contribution to the Indian exchequer for the year 2010-11 was US$6.93 billion out of the total US$210.26 billion.[1] **(Refer to Exhibits I and II)**.

Each enterprise in the Tata Group operated independently, with its own board of directors and shareholders. These enterprises had a combined market capitalization of about US$80.59 billion (as on January 19, 2012), and a shareholder base of 3.6 million. The Tata Group had had a series of illustrious leaders – Jamsetji Tata (1868-1904), Sir Dorab Tata (1904-1932), and JRD Tata (1932-1991) – who spurred the growth of the company, taking it into newer businesses.

In 1991, Ratan Naval Tata (Ratan), became Chairman of Tata Sons Ltd. Ratan was credited with transforming The Tata Group under his leadership and bringing it into the 21st century. For generations of Indians and even outside the country, the word Tata had been synonymous with "trust" and "integrity". The group was well known for its corporate social responsibility and principles such as the "Tatas don't bribe" and the "Tatas don't indulge in politics".[2] Strict adherence to these principles had led to the group prospering under the predecessors of Ratan and under his reign becoming the best-known Indian group in the world.

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Chapter 11:

Spiritual Leadership in Organization

Chetna Priyadarshini

After reading this chapter, students will be able to

- Discuss the spiritual leadership theory
- Discuss the dimensions of spiritual leadership
- Describe the role of spiritual leadership in shaping individual work performance
- Describe the role of spiritual leadership in promoting knowledge sharing behaviors
- Describe the role of spiritual leadership in fostering employee innovative behaviors

Introduction

When a company's employees are expected to be spiritual leaders, what does that look like? This chapter explores the concept of spiritual leadership in organizations, including the importance of managing emotions, inspiring team members, and connecting to culture. Modern organizations are building a culture where spirituality is at the forefront. In exchange for a leader's unique experience and expertise, they get the opportunity to offer their values and spirituality too. Organizations that hire spiritual leaders seek out individuals who intrinsically know how to inspire their teams by staying calm during stressful situations and motivate them by using positive affirmations. An organization that doesn't accept and encourage spiritual leadership at the workplace is exposed to the risk of losing its key employees. There is a strong link between spirituality and leadership. When an individual has spiritual insights that help him/her lead a team effectively, he/she is at the top of the game. In contrast, when they don't have such spiritual insights, they are simply not suitable for the task of leading. Leaders with little or no spirituality can still be effective because they use the skills that they possess in a positive manner, but without this spiritual insight, it becomes impossible for them to lead

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Chapter 12:

Anshu Gupta – Goonj

K B S Kumar and Indu Perepu

Goonj, an organization involved in community development, disaster relief, and humanitarian aid, was founded by Anshu Gupta (Anshu). Goonj recycled household goods and clothes from urban areas in the country into useful products and distributed them to the needy in rural India.

Anshu was born in Meerut in north India. His father was with the Military Engineering Services of the Indian armed forces. When he was 17, Anshu met with a road accident in which he sustained multiple fractures. Bedridden, he started writing articles for the local newspapers. Seeing his interest in writing, his father encouraged him to take up journalism. While studying, in 1991, Anshu went to Uttar Kashi[1], devastated by an earthquake. There he found that though relief work was being done, it was being done without any sensitivity. He found that relief trucks were dumping bundles of clothes, but people from the region were not taking them, as they felt it would be a loss of dignity for them to do so. Instead, they preferred to use potato sacks to protect themselves from the cold. That was when he realized that giving charity without any regard for the dignity of the receiver amounted to insulting the person

He went on to complete his Masters in Journalism & Mass Communication and also in Economics and took up a comfortable corporate job. In the mid-1990s, Anshu was in the Khooni Darwaza locality in Old Delhi. There, he came across a rikshaw puller, Habib, on whose rikshaw he saw an advertisement for the disposal of dead bodies. Intrigued by the strange advertisement, Anshu spoke to Habib.

Habib, who was himself poor, lived on the pavement outside a government-run hospital in Delhi. He was given Rs.20 by the Delhi Police to take the bodies of those who had died of natural causes from the city's streets and deposit them at a crematorium. Habib's insights about the plight of the destitute during winter moved Anshu and opened his eyes to the problems that the downtrodden faced in the city.

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[1] A Town in north India located at an altitude of 1158 meters above sea level.

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Chapter 13:

Shared Leadership

Kalaa Chenji

After going through this chapter, students will be able to:

- Explain the meaning of shared leadership
- Understand the theoretical contribution of shared leadership
- Identify the components of shared leadership
- Describe how shared leadership influences team performance

Introduction

In the current business arena, organizations are undergoing a series of complex technological and transformational complications which make it clear that the strength of a solitary leader alone is not adequate take the organization forward. In the past, individual leadership focused on vertical approaches aimed at accomplishing organizational tasks. Leaders aimed at making strategic decisions and influenced the organization in executing these decisions effectively. Leadership has been envisaged around a person and his or her relationship with the team. For decades, leadership has been revolving around this paradigm. Recently, this school of thought has been challenged arguing that leadership is an activity that is shared or distributed among the members of the team. For example, it is observed that some individuals demonstrate leadership when the situation demands it and allow others to lead during normal times. The present leadership thought has gained this momentum; however, understanding the dynamics and prospects of shared leadership is still in its infancy. Given the state of affairs, an introduction to shared leadership at this juncture would help in initiating our understanding and knowledge in this field.

In the recent past, teams have grown as an organizational unit, especially cross functional teams, and this distinguished them from traditional organizational forms. Leadership is not decided by a position of authority but by an individual's capacity to influence the team and members of the team.

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Chapter 14:

Co-CEO Model – Wipro

Rao M, Arora D and Suresh K

Wipro, India's third largest software services firm announced in April 2008, the appointment of Girish Parajpe and Suresh Vaswani as the company's co-CEOs. In theory, joint leadership is a successful concept as it involves blending complementary skills and experiences which eases the strain of responsibility. However practically the probability of failure is high as power sharing and trust between two people at the top is not easy. It is a delicate arrangement where both partners have to tread carefully as there are no fixed rules and guidelines. Azim Premji, chairman Wipro is confident of the arrangement and says, "We believe that two people who have worked together for more than 10 years and been in the company for more than 15 years would be able to work very well as a team."[1] Wipro's organisational structure is complex, and some experts feel that two CEO's may work better in handling business complexities and helping the company move up the value chain in the global software industry from a mere executor of projects to a genuine IT consultant. With global experiments on joint leadership, the track record shows more failures than successes. Will Wipro manage better with two heads or would it have been better off with a single leader is a question that needs to be answered.

Overview of Wipro

Wipro Ltd (Wipro) together with its subsidiaries provides information technology (IT) solutions and services and products to corporations globally, and is also in to FMCG consumer care and lighting products. It was set up in 1945, primarily as an oil manufacturer, and in the 1980's it made its foray into the Infotech area. Since the 1980's to 2008, it has emerged as the third largest IT services company in India.[2] Traditionally Wipro's IT businesses fall

[1] Aron Ravi, "Wipro Chairman Azim Premji, the next challenge is to globalize our leadership much more", http://knowledge.wharton.upenn.edu/india/article.cfm;jsessionid=a830d01685f6435a4916?articleid=4297, June 12th2008

[2] "Wipro Company history", http://www.moneycontrol.com/stocks/company_info/company_history.php?sc_did=W

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Chapter 15:

Trust in Leadership

Smita Kulkarni and Rupali

After going through the chapter, the students will be able to:

- Demonstrate an understanding of the role trust plays in leadership.
- Understand how trust is an important determinant of successful leadership.

Introduction

Equity Master[1] asked investors whom they would trust among the big corporate groups in India. The poll results declared the Tata Group was the number one choice, pegged at 66.3% of the total votes.The Tatas were able to gain the trust of the investors, which is beneficial to their long-standing growth and success. The Tata Group's motto is itself 'Leadership with Trust'. This motto permeates across the investors, customers, and employees. There are important lessons we can learn from the group on trust. One such incident is when Ratan Naval Tata (Ratan), former chairman of the Tata Group, in his early days with the group in 1990s faced a major strike at a Tata Motors plant. The strike saw managers being stabbed and workers getting beaten up. Ratan did something unconventional in that situation. "I stayed for four days at the plant to say that we are together. We overcame the strike and started to work again,"[2]. This approach made the labor unions come to an agreement with the management and the union voluntarily decided not to take the bonus. The unions trusted Ratan and his team. Together, the workers and the managers worked tirelessly to turnaround of a potentially dangerous situation.

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1 Equity Mastera renowned equity research firm in India,

2 Ryan Frantz, "Empathy and ethics: Ratan Tata's message to India's youth on their potential and purpose in India's progress,"www.yourstory.com, July 25, 2020.

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Chapter 16:

Azim Premji – Wipro Limited

Manasi Pawar and Vivek Gupta

Azim Premji (Premji) was born on July 24, 1945 in Mumbai. His father, MH Premji, was a businessman. Premji was forced to quit Stanford University, California, US where he was enrolled as a student in order to take over his family business in the year 1966. His family owned Western India Vegetable Product (Wipro), located at Amalner, Maharashtra that manufactured vanaspathi[1], edible oil and related products. Under Premji's leadership, Wipro embarked on a major expansion and diversification plan. The company began manufacturing light bulbs with GE[2] and other consumer products such as soaps, baby care products, shampoos, etc.

Since Wipro was manufacturing a wide range of products, the company was renamed Wipro Products Limited in 1977. In the second half of the 1970s, with the expulsion of IBM from India, the Indian government decided to close its doors to fully-owned foreign companies. Premji seized this opportunity and began manufacturing mini-computers with technology from the ailing Sentinel Corporation, a Cincinnati based company. In order to further develop the technology, Wipro partnered with the IIS, Bangalore for its R&D capabilities. The product was a major success in India. Talking about the product, Premji said, "It took the Indian scene by storm after the junk they were getting used to from IBM. And it got us initial reference customers. We did a damn good job with those customers and we built a business. And

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1 Vanaspathi refers to hydrogenated vegetable oil used for cooking.

2 General Electric Company (GE) is a New York based technology and service conglomerate with businesses in areas such as electricity, aircraft jet engines, finance, entertainment, railway locomotives, medical equipments, medical software, etc.

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Chapter 17:

Power and Leadership

Preshita Neha Tudu

After going through the chapter, the students will be able to:

- Understand the concept of power and link it with leadership.
- Understand the different sources of power.
- Understand the dark side of leader power and its impact on organizational performance.

When we hear the term power, it often has a negative connotation for us. The term is allied with words like 'control' or 'dominance' and is associated with assigned leaders more than emergent ones. Though there are a plethora of examples that justify these associations with leaders who have used power immorally and unethically, power is actually used every day by leaders and organizations to get work done. Therefore, it is necessary to understand the importance of power, how power is acquired, when to use it, and its potential effects. The concepts of power and leadership are closely linked. Power within an organizational context can be considered as the ability to influence a person to get something done that needs to be done. Power influences the behavior of people with or without resistance by using different tactics to push or prompt actions. Power is used by leaders to attain group goals, and if an individual has knowledge about the operation of power in an organization, it enhances his/her capacity to be an effective leader. People with power are capable of influencing the attitude and behavior of others to accomplish objectives and goals. Although people may regard power as malicious or corrupt, the fact is power is a necessary in organizational life and is neither good nor bad. Leaders can use their power to benefit people or to restrain them, to achieve the organization's goals, or to emasculate them.

Power is often perceived as negative but when pursued for the correct motives, it can be a tremendous force for good. Leaders can use power wisely and translate intention into reality and sustain it. As Mary Parker Follett, an American social worker, management consultant, and pioneer in the fields of organizational theory and organizational

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Chapter 18:

Tim Cook - Apple Inc.

Barnali Chakroborty and Debapratim Purkayastha

In March 2015, Tim Cook (Cook), the CEO of technology giant, Apple Inc. (Apple), was named as the "world's greatest leader" by *Fortune* magazine.[1] Apple, a US-based company, designed, manufactured, and marketed mobile communication and media devices, personal computers, and portable digital music players, and sold a variety of related software, services, peripherals, networking solutions, and third-party digital content and applications.

Despite being regularly compared with the legendary founder CEO, Steve Jobs (Jobs), Cook had his own strengths. Since becoming the CEO, Cook had transformed himself from a soft-spoken operations manager to a high-profile leader at Apple. After replacing Jobs, he not only led the company to even greater financial success, but also changed the culture of the company along the way. Apple grew to become the world's most valuable company after Cook took the helm, His emphasis on the existing strengths of the organization, his belief in consensus building among leading executives, and his lack of interest in micromanagement indicated a democratic management style. Moreover, his leadership qualities including focus on core products, long-term orientation, transparency, advocacy of human rights, and sustainable development made him an example for future business leaders.

Cook also took an interest in philanthropy and had plans to give away all his wealth, after providing for the college education of his 10-year-old nephew. As of March 2015, Cook's net worth was about US$120 million along with restricted stock worth US$665 million if it were to be fully vested. [2] While he had already started donating money, he wanted to develop a systematic approach toward philanthropy. Under him, Apple was also gradually shedding its image of a sustainability laggard.

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Chapter 19:

Leadership and Change Management

Prerna Chhetri

After reading the chapter, the students will be able to:

- Define Leadership
- Describe the role of positive leader in leading organizational change
- Explain positive leadership, authentic leadership, and servant leadership

Leadership is a topic that is widely discussed and the role of leadership in change has been widely recognized by academicians as well as practitioners. With various perspectives of Leadership by different researchers, Stogdill (1974, p. 259) highlighted that "there are almost as many definitions of leadership as there are persons who have attempted to define the concept." Along with that, several theories and definitions of Leadership have emerged which define leadership is defined in terms of traits, behaviours, nature of influence, the interaction patterns between a leader and follower and various role relationships. Specific definition of Leadership closely related with change is definition by Schein, 1992 as "the ability to step outside the culture to start evolutionary change processes that are more adaptive". Another definition by House et al., 1999 defines Leadership as "the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organization".

In an effort to come up with a holistic definition of leadership including all perspectives Yukl, 2010 defined Leadership as "the process of influencing others to understand andagree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objective". This definition includes the influence of Leadership on several aspects that are key in change management which include; influencing the choice of objectives and strategies to follow and influencing the motivation of members to achieve the objectives. Influence of a leader can be bot direct as well as

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Chapter 20:
Role of CEO in Managing Change

Debapratim Purkayastha and Rajiv Fernando

In the late 1990s, there was stiff competition in the US retail market. J C Penney Corporation, Inc.[1] (JCP) had to face strong competitors in the form of giant discount retail chain Wal-Mart on the one side, and from mall-based players like Dillards on the other. JCP, which had more than 90 years history behind it got into trouble but a dramatic turnaround was effected at the company between 1999 and 2004. It was against this backdrop, that Myron E Ullman III (Ullman) joined JCP as chairman and CEO in December 2004. He was chosen ahead of other contenders due to his "superior record of success in retailing, and has demonstrated his effectiveness as a leader during his time at Macy's, LVMH Moet Hennessy Louis Vuitton, and the DFS Group (Duty Free Shoppers)."[2]

Shortly after joining as chairman and CEO of JCP, in December 2004, Ullman unveiled a 'Long Term Plan' with the focus on taking JCP to industry leadership level.[3] One of the strategies to achieve this objective was to make JCP a great place to work in. Ullman felt that there was a "correlation between engaged associates and store profitability."[4,5] He understood that to achieve his ambitious objectives, he had to make JCP a great place to work in. Ullman explained, "The associates are the first customers we sell. If it doesn't ring true to them, it's impossible to communicate and inspire the customer."[6]

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1 JC Penney, headquartered at Plano, Texas, USA, is a chain of department stores. It operated more than one thousand stores in the US and Puerto Rico.

2 "Myron (Mike) Ullman Named Chairman and CEO of JCPenney, Questrom to Step Down after Smooth Transition," www.jcpenney.net, October 27, 2004.

3 In 2005, Ullman unveiled the 'Long Range Plan' which JCP strove to achieve through a four-pronged strategy: make an emotional connection with the customer; make JCP an easy and exciting place to shop; make JCP a great place to work in; and, make JCP a leader in performance and execution.

4 JCP called its employees associates.

5 "J.C. Penney Q2 2006 Earnings Conference Call Transcript (JCP)," www.retail.seekingalpha.com, August 10, 2006.

6 Maria Halkias, "Penney Remakes Culture to Remake Image," www.dallasnews.com, February 13, 2007.

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Chapter 21:

Leadership Derailment

Surajit Saha

After going through the chapter, the students will be able to:

- Understand the concept of leadership derailment
- Understand the various causes of leadership derailment
- Understand the results of leadership derailment
- Understand the different mitigation technique of leadership derailment

Introduction

Before we begin, let us briefly review what you learned in the previous units. You got an overview of ethics, and the impact it has on leaders. You also understood the meaning of ethical organization, vis a vis the roles of leaders in building an ethical organization. In this unit, you will learn about the concept of 'leadership derailment', along with its causes or factors. You'll also learn how leaders' derailment can, and does impact organizational performance, and what needs to be done to mitigate the possibilities of leaders' derailment.

Let us take the example of a car; a car's performance effectively depends on how the vehicle is driven. Thus, the onus is on the driver to ensure that the vehicle's performance is at the optimal level. Similarly, a leader is the driver of an organization, and therefore, s/he is the one responsible for yielding optimal organization performance. Just like a derailment/accident of a car cannot be caused by the vehicle itself, derailment of an organization is not possible without it being triggered by the leader, who him/herself may be derailed. In a derailed organization therefore, there's considerable damage to the organization itself, along with its stakeholders, which goes on to severely affect its present and future performance and brand image thereof.

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Chapter 22:

Elizabeth Holmes - Theranos Inc.

Debapratim Purkayastha, Sanjib Dutta and Shubhanjali Chakravarty

In June 2019, Elizabeth Anne Holmes (Holmes), former CEO and Chairperson of Theranos Inc. (Theranos), a US-based healthcare startup that offered blood testing for medical investigations, and Ramesh Balwani (Balwani), its former President and COO, were indicted by a federal grand jury of the US on charges of wire fraud and conspiracy to commit wire fraud. They were indicted for distributing falsified blood test reports to consumers. Holmes and Balwani were to go on trial in August 2020, and could face up to 20 years of imprisonment if the charges against them were proved. Not too long ago, Theranos was being identified as a revolutionary company and Holmes was being widely celebrated as a leader and the youngest female self-made billionaire.

Holmes launched a blood testing device in 2005 and named it *"Theranos 1.0"*. The device was designed in such a way as to perform a number of blood tests on a drop of blood collected from a finger pinprick. It was aimed at making blood testing more accessible, affordable, and less painful. However, the device had some technical flaws and scientists at the company raised objections against it.[1] Holmes then refurbished the device and also launched a new one named *"Edison"* in 2007. Theranos entered into a partnership with Walgreens Company (Walgreens), the second largest pharmacy store chain in the US, in 2009 and supermarket chain Safeway Inc. (Safeway) in 2010, whereby both companies agreed to stock Theranos's devices in their outlets. In 2011, Theranos came up with another device and named it *"miniLabs"*. Holmes managed to attract investments worth US$700 million by 2014. As the wealthiest female entrepreneur in the US, she appeared on the cover pages of Forbes and Fortune magazines. Her net worth was US$5 billion in 2014.

By 2014, Theranos was being regarded as the healthcare startup darling of Silicon Valley, and enjoyed a market valuation of US$9 billion in 2014. Its initial value proposition of offering blood testing for medical

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Chapter 23:

Cultural Diversity and Leadership

Preshita Neha Tudu

After going through this chapter, students will be able to:

- Understand why cross-cultural leadership is important.
- Explain the contribution of cultural sensitivity
- Understand how to manage diversity and provide equal opportunities

Understanding how people from different cultures interact with one another is crucial. It is equally important for leaders to understand how people from different cultures view them and interpret their actions. Cross-cultural leadership is the ability to influence and encourage people's attitudes and behaviors on a global platform to attain common organizational goals. It is the ability of a leader to influence, motivate, and enable others who belong to a different culture to contribute toward the effectiveness and success of the organizations of which they are members and belong to different culture. It includes shared values, motives, beliefs, and interpretations or meanings of significant events that result from common experiences of members of collectives and are transmitted across age generations.

With the advent of a multicultural workforce, firms have moved from a regional to trans-global enterprise models; businesses have become borderless and the homogenous workforce has become obsolete. Diversity has entered the workforce and cross-cultural leadership skills are critically important. Today, organizations require leaders who can adapt to and adjust to different environments quickly, work with people belonging to other cultures, and bridge the gap between cultural diversity and achievement of business goals. A cross cultural leader has to be capable of encouraging diverse teams to manage change effectively.

Not all people can adapt to the leadership styles expected in a different culture. In an ever-evolving business world, leaders must possess the skill to develop an understanding and sensitivity to other cultures. Cross cultural leadership refers to managing organizations

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Chapter 24:

Indra Nooyi – PepsiCo

Amrit Chaudhari and Debapratim Purkayastha

Indra Krishnamurthy Nooyi (Nooyi) was born on October 28, 1955 in Chennai, India. She was heavily influenced by her stay-at-home mother, Shantha Krishnamoorthy (Shantha), whom she considered the first management teacher in her life.[i] Though she had a conservative South Indian upbringing, there were many contrasting influences in her life. Nooyi admitted that Shantha "encouraged us but held us back, told us we could rule the country as long as we kept the home fires burning."[ii] Observers described how Shantha would remind a young Nooyi that she would get her married at the age of eighteen, while also giving her daughter the freedom to dream about rising high in life.[iii,iv] Nooyi noted that she was made to compete with her sister for a piece of chocolate after meals, with questions like "What will you do if you were to become a prime minister?" or, "How would you change the world?"[v] Nooyi believed that this process encouraged her to think, and made her come up with different ideas in order to get the reward.[vi] Another influence was her grandfather, who kept a tab on her scholastic progress while ensuring that she was always prepared in advance with her lessons.[vii] Nooyi recalled that while she was taught Indian classical music, she also had the permission to be part of a rock band where she played the guitar.[viii]

Nooyi went on to graduate from Madras Christian College in Chemistry, Physics, and Mathematics.[ix] This was immediately followed by an MBA from the Indian Institute of Management, Calcutta. Then she went on to work with ABB[1] and Johnson and Johnson[2] where she successfully launched various products.[x] However, Nooyi's heart was set on other things. She said, "I always had this urge, this desire, this passion…to settle in the United States." [xi] Nooyi said her parents were

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1 ABB is a multinational headquartered in Zurich, with operations in power and automation technology.

2 Johnson and Johnson is a global American pharmaceutical, medical devices, and consumer packaged goods manufacturer.

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Chapter 25:

Leadership and Succession Planning

Asha Binu Raj

After going through the chapter students will be able to

- Understand the link between leadership and succession planning in organizations
- Understand the importance of succession planning in identifying leaders in organizations
- Understand the critical elements of succession planning

Leadership and Succession Planning in Organizations

Succession is the right or act of taking over another person's place in office, rank, or duties. Though succession is important, not many organizations give it any serious attention. Today, organizations need to give more attention to leadership succession because the tenure of CEOs has come down to less than 5 years, from 8 years a decade ago. This short tenure does not offer enough time to CEOs to groom their successors. Leadership succession also becomes a problem when organizations don't consider it an important issue worth years of preparation. Sometimes, especially when the CEO has founded the organization, he is happy only when another member of the family takes over. When there is no able and willing member of the family, the CEO is unwilling to plan for a successor from outside his own family.

Succession planning is the process of identifying and developing new leaders to succeed current leaders. At its best, it is a proactive and systematic investment in building a pipeline of leaders within the organization and identifying strong external candidates, so that when transitions are necessary, leaders at all levels are ready to act. Succession planning lets nonprofits respond to strategic changes that create new leadership needs or roles and be prepared for transitions when necessary. This embeds leadership development as a core organizational system, rather than as an ad hoc process, so the organization is ready for inevitable change.

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Chapter 26:

Succession Planning – General Electric Inc.

A. Neela Radhika and Vivek Gupta

The roots of the US-based multinational conglomerate General Electric Inc. (GE) can be traced back to Thomas Alva Edison (Edison), the inventor of the incandescent light bulb. Edison set up The Edison Electric Light Company (EELC) in 1872, to conduct experiments on electricity, and in 1879, he invented a carbon-filament lamp and direct current generator for incandescent electric lighting. The EELC was comprised of a number of smaller companies involved in different businesses ranging from power stations and wiring grids to electrical appliances. The EELC merged with The Thomas-Houston Electric Company[1] in 1892, to form General Electric (headquartered in Schenectady, New York).

In 1894, Charles Coffin (Coffin) replaced Edison as CEO of GE. Coffin brought about a number of changes in the company by creating a rigid hierarchy and organizing the company around different individual "works," or units dealing with specific product lines or jobs. He also imposed rigid financial controls to keep the different units on track. By the end of the century, GE was able to consolidate its position by licensing its electric bulb technology to other companies.

Gerard Swope (Swope), who succeeded Coffin in 1922, played an influential role in making positive changes in industrial relations at GE. He introduced many schemes such as group insurance, profit sharing, bonuses, pensions, home-mortgage assistance, and stock-purchase plans, which were widely appreciated. He consolidated GE's position in the industry further. GE also became the first company to establish unemployment pension plans, which guaranteed its laid-off workers a stipend of $7.5 per week for a period of 10 weeks after layoff.

[1] In 1879, Elihu Thomson and E J Houston formed the Thomson-Houston Electric Company. The company was involved in producing electrical equipment and building electrical power stations.

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Chapter 27:

Corporate Governance and the OECD Principles of Corporate Governance

Indu Perepu

After reading thce chapter students will be able to

- Define Corporation
- Define of Corporate Governance
- Understand the Theories of Corporate Governance
- Summarize the OECD Principles of Corporate Governance

Corporation

A "corporation" facilitates tapping of large amounts of capital in order to create wealth. It further facilitates an increase in International trade, thereby increasing employment opportunities and encouraging rapid business development.

In the early nineteenth century in Europe and North America, business was carried out essentially in three ways: sole proprietorship under contract law; partnerships as per the partnership act; or as an unlimited and unincorporated company.

According to the definition given by Melvin Avon Eisenberg, "The business corporation is an instrument through which capital is assembled for the activities of producing and distributing goods and services and making investments. Accordingly, a basic premise of corporation's law is that a business corporation should have as its objective the conduct of such activities with a view to enhancing the corporation's profit and the gains of the corporation's owners, that is, the shareholders."

Black's Law Dictionary defines a corporation as "An artificial person or legal entity created by, or under the authority of, the laws of a statement. The corporation is distinct from the individuals who comprise it".

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Chapter 28:

Governance Systems at Cisco

Debapratim Purkayastha and Vijaya Narapareddy

Cisco System, Inc (Cisco) was founded by a group of computer scientists, who had together designed a software system named IOS (Internet Operating System), which could send streams of data from one computer to another. This software was loaded into a box containing microprocessors specially designed for routing, and sold as a package to businesses. The company was incorporated on December 10, 1984, and was headquartered at San Jose, California, USA. Cisco was a pioneer in developing innovative forms of customer support using new technology. In the 1990s, it was known as one of the "4 Horsemen of IT".[1] In 1997, Cisco was organized around three specific lines of business to address two major new market opportunities: the service provider migration to Internet Protocol (IP) services and the adoption of IP products by small and medium-sized businesses through channel distribution. These three specific lines of business were Enterprise (IT departments of corporations, government and education), Service provider (telecommunications carriers and Internet service providers), and Commercial (small and medium size enterprises).

John T Chambers (Chambers) took over as CEO of Cisco in January 1995. Between May 1991 and December 1999, Cisco stock rose 33,991% from US$0.22 a share to US$75 at a compound annual growth rate of 97%.[i] For a brief period in the 1990s, Cisco was the largest tech company in the world. It strategically acquired many of its competitors. It enjoyed a dominant position in the routers and switches markets and was generating close to US$10 billion annually in cash which placed Chambers in the league of leaders considered as celebrity CEOs.[ii] The dotcom bubble burst, and in December 2000, Cisco's stock dropped to around US$17.[iii] In 2001, Cisco reported its first loss since becoming a public company. In August 2001, Cisco restructured the company to one core business with centralized engineering and marketing organizations in response to some major changes in the networking industry.[iv] The new engineering organization focused on 11

[1] The other three were: Microsoft Corporation, Intel Corporation, and Dell Computer.

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Chapter 29:

Role of the Board of Directors

Jitesh Nair

After going through the chapter, the students will be able to

- Understand the roles, responsibilities and duties of Directors
- Understand how directors are appointed
- Explain the Legal Aspects and Liabilities of Directors
- Elucidate the Structure, Size and Composition of Board Of Directors
- Understand the functions of the board, the chairman and the CEO

Corporate governance is concerned mainly with the Board of Directors. To ensure good corporate governance, an organization needs to have a proper system of relationships between the management of the corporation, its board, its shareholders, and other relevant stakeholders.

The board must decide and agree on the corporation's purpose (what it is for), its values (what it stands for), and the strategy to be adopted to achieve its purpose. The board must govern the corporation in a manner which confirms and enhances the authority by which it has to function. The board is regulatory in nature and it also facilitates the corporation's interaction with its shareholders and other stakeholders such as the communities in which it operates, bankers, and other suppliers of finance and credit, customers, the media, public opinion makers, and pressure groups. The board's chief function is to monitor the management on behalf of the shareholders. The directors have to maintain a balance between the conflicting interests of shareholders, promoters, customers, and directors. Therefore, they are the heart and soul of a company. The directors are appointed by the shareholders and they set the overall policy for the company. The board also appoints the managing director/ executive director/ whole time director with the prior approval of shareholders. The way in which the board handles a range of issues from business ethics to environment protection has an impact on certain stakeholders and this in turn may have an influence on the reputation and long-term interests of the business enterprise.

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Chapter 30:

Dual Corporate Governance Structure – AXA Group

Indu Perepu and Vivek Gupta

The parent company of France-based AXA Group (AXA), Mutuelle Contre de l'Assurance Contre l'Incendie (MCI) was founded in 1816 by Jacques-Théodore le Carpentier and 17 other entrepreneurs. The company was located at Rouen[1] and was established as a fire insurance company. For a period of five years, every shareholder in the company was both insurer and the insured party. This was the beginning of a mutual company, where the insured parties owned the company.

With growing competition from companies like La Providence (founded in 1838) and La Paternelle (founded in 1843), MCI decided to diversify and develop its activities. For this purpose, it created two companies – Mutualité Immobiliére and Mutualité Mobiliére, and they started operating in 1847. In the 1850s, the companies expanded their activities across France and started covering real estate risks. In 1881, both the companies merged under the name Ancienne Mutuelle (AM).

In 1922, AM began offering automobile insurance under the name of AM Accidents. In 1944, during the Second World War, US forces bombed the company's offices. Though the accident and life insurance divisions were not severely damaged in the bombing, tighter controls became necessary. This led to the constitution of Groupe AM in 1946 under the leadership of André Sahut d'Izarn. The company's first merger, the one with AM du Calvados, took place in 1946. The other acquisitions made during the next decade were Mutuelle d'Orléans, Mutualité Gérale life insurance company and La Participation.

In 1955, AM ventured overseas by starting its operations in Quebec, Canada. In 1958, Claude Bébéar (Bébéar) joined the group as a senior manager. Bébéar was sent to Canada on an assignment and he developed the Canadian subsidiary of AM named Provinces Unies.

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[1] Rouen was the capital city of Normandy, in northwestern France, and is now the capital of the Haute-Normandie region.

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Chapter 31:

Corporate Governance Practices in India

Swati Hans

After going through the chapter, the students will be able to

- Understand the importance of Corporate Governance
- Explain the Corporate Governance Framework in India
- Understand the Corporate Governance practices in India

Introduction to Corporate Governance

The economic well-being of an organization is not only determined by its productivity, efficiency, and customer satisfaction but is also dependent on the transparency and proper disclosure practices that the organization maintains toward its stakeholders while conducting its operations. The implementation of corporate governance standards and principles positively impacts both the internal efficiency and financial performance of a firm. Corporate governance is a set of regulatory guidelines that focus on bringing appropriate management and control for a company. It is a philosophy rather than a tool or an instrument. It protects the interests of various stakeholders such as employees, customers, government, community, shareholders, suppliers, etc. Good corporate governance "ensures that corporations take into account the interests of a wide range of constituencies, as well as of the communities within which they operate, and that their boards are accountable to the company and the shareholders" (Organization for Economic Cooperation and Development, 1999).

Corporate governance was originally developed to protect the shareholder's interest but gradually it has gained importance for other stakeholders and society (Jizi, Salama, Dixon, Startling, 2014). Corporate governance is paramount for shareholders as it improves credibility, increases confidence in the company, and makes it more attractive for outside entities to invest in the company, thereby, resulting in a better return on investment. For other stakeholders such as employees, customers, government, suppliers, and society, corporate

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Chapter 32:

Satyam Computers – Failure of Corporate Governance

Indu Perepu and Vivek Gupta

Satyam Computer Services Limited (Satyam) was incorporated in 1987 as a private limited company providing software development and consultancy services. B. Ramalinga Raju (Raju) and his brother Rama Raju were the promoters of the company. Before starting Satyam, they were involved in other businesses like construction and textiles. The company started operating from Hyderabad in India with 20 employees.

In 1991, the company went in for an IPO which was oversubscribed by 17 times. In the same year, Satyam bagged a project with John Deere & Company – its first Fortune 500 client. The company was one of the first to adopt the off-shoring model to provide IT services from a remote location.

In 1993, Satyam entered into a joint venture with Dun & Bradstreet for IT services, followed by another joint venture with GE. In 1996, the company set up two offices in the US and one in Japan. In 1998, the first overseas development center was started in New Jersey, US.

By 1999, Satyam had a presence in 30 countries across the world and was assessed at SEI CMM Level 5[1]. By the year 2000, the company had 10,000 employees. In 2001, Satyam was listed on National Association of Securities Dealers Automated Quotations (NASDAQ)[2].

By 2004, Satyam was providing its services in 45 countries across the world, and had more than 15,000 employees. At that time, it was operating in different business segments like financial services,

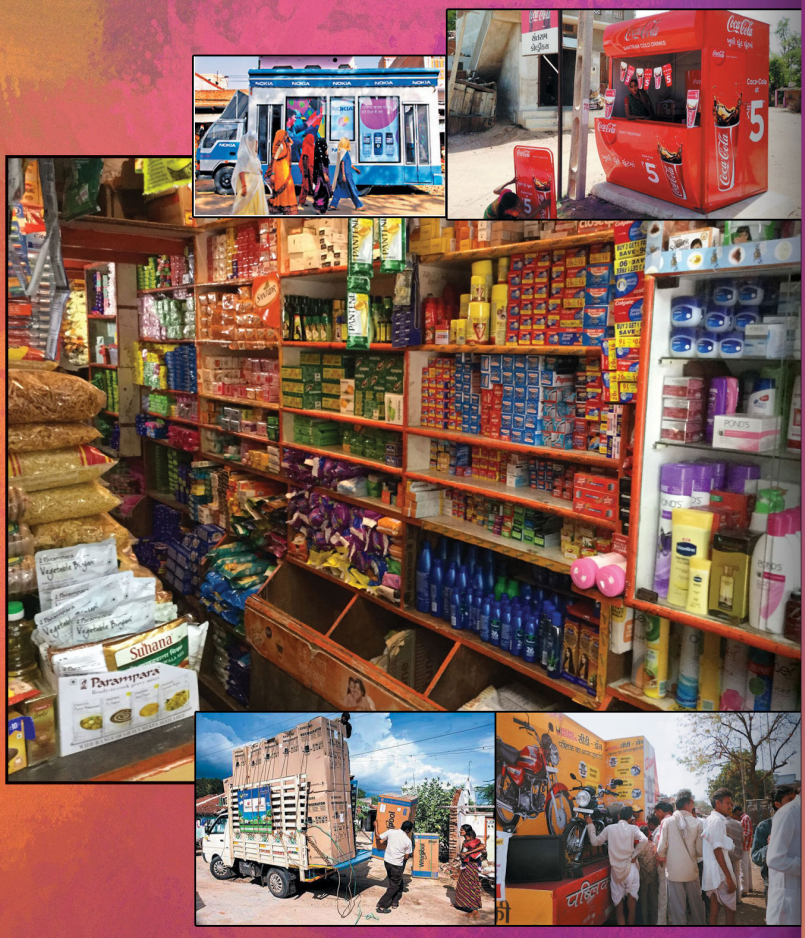
[1] Capability Maturity Model (CMM) is a set of instructions followed by an organization to gain control over the software development process. At maturity level 5, the focus is on improving process performance continually through technical changes/improvements. CMM was developed by SEI, the Carnegie Mellon Software Engineering Institute.

[2] NASDAQ was founded in 1971. It is the largest electronic securities exchange in the US, where more than 3,800 companies are listed.

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Lessons in Rural Marketing

Select Case Studies



Edited by:

Prof. K. S. Venu Gopal Rao

Lessons in Rural Marketing: Select Case Studies

Editor:
K. S. Venu Gopal Rao

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Chapter 1:

Bulbul: Wooing Rural Online Shoppers through Video-commerce

Jitesh Nair *and* Bitra Vasudev

> *"We wanted to replicate the offline shopping experience. So, our videos are more demonstrative in nature. Our content creators would show you their beauty routine, and if it's a juicer they are selling, they'd make juice, disassemble the juicer, and show the ease with which it can be washed, among other things."*[1]
>
> **– Sachin Bhatia, Co-founder & CEO Bulbul, in July 2020.**
>
> *"As new internet users come online, they struggle to buy on traditional e-commerce sites. It's too complex and more search-oriented. Bulbul.tv is the commercial entertainment space, is more discovery-oriented, vernacular and better suited to the new generation of shoppers."*[2]
>
> **– Rajul Garg, Founder & Managing Partner Leo Capital, in August 2019.**

Introduction

Bulbul.tv (Bulbul), India's first live commerce (or social commerce)[a] mobile application, registered a conversion rate[b] of around 7-8% while traditional, well-entrenched e-commerce players in the

[a] Live commerce is an amalgamation of real-time streaming videos and shopping services. In social commerce, consumers use a host of social networking platforms (Facebook, Instagram) and reselling apps (Meesho, GlowRoad) to buy and sell products.

[b] Conversion rate refers to the percentage of users who take a desired action such as buying a product on a website.

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Chapter 2:

Coca Cola India's Thirst for the Rural Market

K. Subhadra *and* Sanjib Dutta

"We want to be the Hindustan Lever[a] *of the Indian beverage business."*

– Sanjeev Gupta, Deputy President – Coca-Cola India in May 2002.[a]

"The rural market is a significant part of our marketing strategy which enables us to help the consumer link with our product."

– Sanjeev Gupta, Marketing Director – Cola-Cola India, in August 1995.[b]

'Thanda' Goes Rural

In early 2002, Coca-Cola India (CCI) *(Refer Exhibit I for information about CCI)* launched a new advertisement campaign featuring leading bollywood actor – Aamir Khan. The advertisement with the tag line – *'Thanda Matlab Coca-Cola*[b]*'* was targeted at rural and semi-urban consumers. According to company sources, the idea was to position Coca-Cola as a generic brand for cold drinks. The campaign was launched to support CCI's rural marketing initiatives.

CCI began focusing on the rural market in the early 2000s in order to increase volumes. This decision was not surprising, given the huge size of the untapped rural market in India *(Refer Exhibit II to learn*

[a] Indian arm of FMCG major Unilever. HLL was credited with pioneering rural market initiatives in India with its *Project Bharat* (1988) and *Project Shakti* (2002). The company boasts of the largest rural distribution network and presence in India.

[b] Cool drink means – Coca Cola.

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Chapter 3:

Emerging Markets Strategy: Nokia Life Tools for Rural Markets

Hadiya Faheem *and* Debapratim Purkayastha

"Filling in the information gaps in agriculture and education with Nokia Life Tools, we strive to contribute towards empowering people with the right tools to help them make informed decisions in their daily lives. Nokia Life Tools was developed to help bridge the Digital Divide in the emerging markets."[1]

– Jawahar Kanjilal, global head of Emerging Market Services at Nokia Corporation (Nokia), in November 2008.

"There were many in the rural and emerging areas whose needs and pain points were being unmet?"[2]

– Dinesh Subramaniam, senior manager of communications for Nokia, Finland, commenting on the launch of Nokia Life Tools in India, in June 2009.

"It's important to remember that this is about money: Nokia wants to sell handsets to this growing market, and providing services to farmers in India may prove as lucrative as selling us applications and content through Ovi. But better informed farmers grow better crops so, for once, it seems everyone can be a winner."[3]

– Bill Ray, The Register[a], in April 2009.

Introduction

On June 12, 2009, Finland-based telecom giant, Nokia Corporation (Nokia) launched its Nokia Life Tools (NLT) service in the state of Maharashtra in India. This was a bid to expand its rural base in

[a] *The Register* is a British technology news and opinion website that provides independent news, views, opinions, and reviews on the latest in the IT industry.

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Chapter 4:

Hero Honda's Rural Marketing Initiatives in India

Barnali Chakraborty *and* Vivek Gupta

"The majority of India lives in rural areas and the government is pumping in a lot of money through various programmes. Hero Honda is focusing a lot on rural markets. Going forward, a substantial industry growth is expected to come from these markets."[1]

– Pawan Munjal, MD and CEO, Hero Honda Motors Limited, in May 2009.

"They [Hero Honda] have positioned themselves as a rural India story, at just the right time."[2]

– S. Ramnath, Vice President at IDFC-SSKI Securities Limited[a], in March 2009.

"The penetration of two-wheelers in rural areas is estimated to be less than 10 per cent and around 25 per cent in urban areas. This makes us optimistic about the market."[3]

– Anil Dua, Senior Vice President for Sales and Marketing, Hero Honda Motors Limited, in January 2009.

Introduction

In April 2009, India-based Hero Honda Motors Limited (Hero Honda) announced that it was planning to develop a low-priced motorcycle. The company said that the motorcycle would be launched specifically for rural consumers and was likely to be priced between

[a] Mumbai, India – based IDFC SSKi Securities provides corporate finance and institutional securities services.

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Chapter 5:

Horlicks Using 'mSamvaad' to Reach Out to a Media-Dark Rural Market

Koti Vinod Babu *and* Namratha V Prasad

> *"Brands are always looking for innovative ways to engage with the audiences and whenever we are able to create novelty in the voice space, they are always open to adopting it."*[1]
>
> **– Niraj Ruparel, National Head of Mobile, Mindshare India,in December2019.**

In late 2019, Mindshare India, the Indian subsidiary of global media agency Mindshare[a], launched a high-scale engagement program for Horlicks[b] through its new mobile voice-driven platform called 'Audio Conferencing Bridge' or 'mSamvaad'. British multinational pharmaceutical company GlaxoSmithKline plc (GSK)[c], which owned leading Health Food Drink brand Horlicks, used 'mSamvaad' to deliver a message about the nutritional benefits of a new variant of Horlicks to mothers in Bihar, a media dark[d] state considered one of India's most backward[e].

[a] Mindshare is a US-based global media and marketing services company launched in 1997. It is part of GroupM, which is one of the leading advertising media companies headquartered in New York City. It has over 36,000 employees and 400 offices in over 100 countries, as of 2019.

[b] Horlicks is a sweet malted milk hot drink powder developed by founders James and William Horlick in 1873. The drink was originally conceived as an energy booster for children, the elderly, and sick. Horlicks came to India with the British soldiers in World War I in 1918 as a diet supplement. In April 2020, Hindustan Unilever Limited (HUL), the country's biggest consumer goods firm acquired the Horlicks brand from GSK Plc. Horlicks commands a volume market share of 43% of health drinks in India, as of 2020.

[c] GlaxoSmithKline plc is a British multinational pharmaceutical company. It was established in 2000 by a merger of Glaxo Wellcome and SmithKline Beecham. GSK was the world's sixth largest pharmaceutical company according to Forbes as of 2019.

[d] 'Media Dark'areas are those which cannot be accessed by companies through different media channels like social media, television for their brand promotion.

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Chapter 6:

ITC: Going Rural with e-Choupal

A Mukund *and* V Sarvani

ITC is one of India's leading private sector companies with a market capitalisation of around US $ 4 billion and a turnover of US $ 2 billion. It has presence in Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business, Branded Apparel, Packaged Foods & Confectionery, Greeting Cards and other FMCG products.

ITC believed that the profit margins were not as high as they could ideally have been. To a great extent, it was right. The company did not get the desired results due to several reasons – firstly, it did not have sufficient control over the supply chain of the agricultural produce. For instance, in Madhya Pradesh, soya farmers were generally located at far flung villages scattered throughout the state. In Karnataka, the roles of coffee planters (large and small), traders and agents were not clear. As a result the company did not have any direct control over the quality of the products. As the quality of the products was very important to be able to attract and retain international buyers, ITC suffered. Lack of infrastructure for storage, handling and transportation of the produce acted as a major hurdle.

Next on the list was the problem of middlemen or intermediaries. The company was completely dependent on the middlemen for obtaining good quality products. Not just this, the middlemen exerted influence on the farmers by concealing the prevailing market prices and other related information. They also made unreasonable profits for themselves by blocking such information.

In order to overcome these problems ITC took recourse to technology. Even in the technologically advanced global business environment of the 21st century, it would perhaps be rather difficult to think of poor, illiterate farmers in the remote, dusty villages of India (in the states of Madhya Pradesh, Uttar Pradesh, Andhra Pradesh and Karnataka) making e-business a part of their daily lives. E-choupal

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Chapter 7:

Lifebuoy 'Swasthya Chetna': Unilever's Social Marketing Campaign

Debapratim Purkayastha *and* Rajiv Fernando

"Swasthya Chetna is not about philanthropy. It's a marketing program with social benefits. We recognize that the health of our business is totally interconnected with the health of the communities we serve and if we are to grow sales of our brand, we have to increase the number of people who use soap."[1]

– Harpreet Singh Tibb, Senior Product Manager for Lifebuoy, Hindustan Lever Ltd, in 2005.

"Unilever believes that one of the best and most sustainable ways it can help to address global social and environmental concerns is through the very business of doing business in a socially aware and responsible manner."[2]

– Unilever, in its report "Global Challenges – Local Actions", in 2005.

Lifebuoy Leaves its Stamp on India

In April 2006, Lifebuoy, a leading soap brand manufactured and marketed by Hindustan Lever Limited (HLL), the Indian arm of the fast moving consumer goods (FMCG) major, Unilever, became the first brand in India to be featured on a postal cover. On the occasion of World Health day, on April 7, 2006, the Minister of State for Communications and IT, Government of India (GoI), Dr Shakeel Ahmed, released a special Lifebuoy *"Swasthya Chetna Postal Cover"* (*Refer to Exhibit I for a picture of the Lifebuoy "Swasthya Chetna Postal Cover"*). The Department of Post under the Ministry of Communications issued this Special Postal Cover in recognition of the work done by HLL to increase

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Chapter 8:

Samsung India's Rural Service Push: Venturing into New Avenues

Namratha V Prasad

"Samsung has a strong brand image in India, as it has been present in multiple consumer electronic segments with quality products for a long time now. The brand is trusted due to its long history in the country, pan India presence and a robust after sales support for consumers."[1]

– Shobhit Srivastava, Research Analyst at Counterpoint Research, Inc.[a], in April 2018.

"We'll transform the way service is offered in our country."[2]

– Anurag Parashar, Service Head, Samsung India, in October 2016.

In late 2016, as part of ongoing efforts to revamp its after sales services and in a first-of-its-kind service initiative, Samsung India Electronics Pvt. Ltd. (Samsung India)[b] launched 535 service vans called 'Customer Delight Service Vans'. The company also added 250 service centers with a similar number of resident engineers, increasing its service network to over 3,000 service centers. Consequently, Samsung's service network became the largest in the mobile and consumer durables categories in India.

[a] Counterpoint Research, Inc. founded in 2012, is a Hong Kong-based global industry research firm.

[b] Samsung India Electronics Pvt. Ltd., started in 1995, is the entity controlling the South West Asia operations of South Korean multinational conglomerate The Samsung Group. It deals in Consumer Electronics, IT and Telecom products in the Indian market.

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Chapter 9:

Tata Motors' Project Neev: Rural Influencer Marketing

Namratha V Prasad

In 2019, the biggest automobile manufacturing company in India, Tata Motors Ltd. (Tata), stated that its rural marketing initiative called *Project Neev* (Foundation) was operational in 25 Indian states and had engagements in 448 districts.

In the early 2010s, Tata realized that the market for the SCV's in the hinterlands of the country was not growing as expected and therefore it looked for a strategy to expand its rural reach. Through its research, Tata concluded that its product portfolio and prices were appropriate for the rural markets, but there were issues with the other two P's of a typical marketing mix: Promotion and Place.

Launched in 2010, *Project Neev* intended to grow the sales of the company in the small commercial vehicles (SCV) segment in far-flung villages with a population of less than 50,000, through the word-of-mouth marketing done by an informal network of key rural influencers called *Tata Gram Mitras* (village friends).

The *Tata Gram Mitras* included teachers, local youth from the villages, doctors, mechanics, and a few people from the *Gram Panchayats* (local village councils). Speaking about the criteria used to choose a person to be a *Tata Gram Mitra,* Ramki Ramakrishnan, Senior-VP, Commercial Vehicles of Tata, said, *"We needed ambassadors. We needed someone who knew the villagers well. We needed someone who understood their sentiments. We needed someone, who had their confidence. So, we went for this concept of feet-on-street, where we identified village youth, people who are known in the village…who villagers trust."*[1]

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Chapter 10:

Unilever in India – Rural Marketing Initiatives

N. Gayatridevi

Everybody wants brands. And there are a lot more poor people in the world than rich people. To be a global business and to have a global market share you have to participate in all segments.

-Keki Dadiseth, erstwhile Chairman, HLL[1].

The basic objective of Project Shakti is to economically empower underprivileged rural women by creating income-generating capabilities and providing a sustainable micro-enterprise opportunity in addition to improving rural living standards through health and hygiene awareness.

-Sharat Dhall, Marketing Manager –Rural, HLL[2].

Introduction

In the early 2000s, around 700 million people, i.e. 70% of the Indian population lived in 6,27,000 villages, in rural areas. Of this, 90% were concentrated in villages with population less than 2000.[3] According to a study conducted in 2001 by the National Council for Applied Economic Research (NCAER), there were as many *"middle income and above"* households in rural areas as there were in urban areas. There were almost twice as many *"lower income households"* in rural areas as in urban areas. There were 2.3 million *"highest income"* households in urban areas as against 1.6 million in rural areas.

NCAER projections indicated that the number of *"middle income and above"* households was expected to grow to 111 million in rural India by 2007, compared to 59 million in urban India.[4] Gone were the

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New Labor Codes - Changes, Opportunities, and Challenges



Mendemu Showry
and
Smita Kulkarni

New Labour Codes - Changes, Opportunities, and Challenges

By:
Mendemu Showry
Smita Kulkarni

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Chapter 1:

An Overview of Labour Laws in India

Mendemu Showry and Smita Kulkarni

This chapter presents an overview of the essential labor legislations in India and provides the context of need of reforms. Further, it presents the approaches taken to frame the labor Codes. The law which relates to labor and employment is popularly known as Industrial law in India. It is also known as 'the law of employment' which is the body of laws and administrative regulations addressing the legal rights of workers and restrictions on, organizations. There are two broad categories of labour law. First, collective labor law relates to the tripartite relationship between employee, employer and union. Second, individual labour law concerns employees' rights at work and through the contract for work.

The International Labour Organization, the tripartite agency that brings together governments, employers and workers is the driving force behind labor laws. Since, its establishment, it is devoted to promote social justice and human as well as labor rights essential for achieving peace. The ILO has also been major instruments behind enacting the progressive labour legislations in India. The Central and State Governments have been accorded the power to enact legislations concerning labor as it is a subject that falls within the "Concurrent List". The following table explain the labor jurisdiction as given by the Constitution of India.

Table 1: Constitutional Status of Labor Jurisdiction

(Central Government)		Concurrent List (Central as well as State Government)	
Entry No. 55:	Regulation of labor and safety in mines and oil fields	Entry No. 22:	Entry No. 22: Trade unions, industrial and labour disputes
Entry No. 61	Industrial disputes concerning Union employees	Entry No. 23	Entry No. 23 Social security and insurance, employment and unemployment
Entry No. 65	Union agencies and institutions for ...vocational training	Entry No. 24	Entry No. 24 Welfare of labour including conditions of work, provident funds, employers' invalidity and old-age pension and maternity benefits

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Chapter 2:
Labour Reforms in India

Mendemu Showry and Smita Kulkarni

An increasing demand for change in labour laws has been a major point of discussion in India. Several entrepreneurs have been vocal about making the law much simple and compatible with the market realities. Several also point a finger at the powerful bureaucracy stifling the operational freedom of the employers. However, the defiant unions are demanding for greater protection and strengthening of the existing laws. Many believe and voice that labour reforms are of paramount of importance and will accelerate growth as well multiply the competitiveness of the industry. The Labor or human resources are the greatest assets of any organization. The employers thus should ensure that interests and rights of the workers are safeguard against any threat of exploitation. Hence, several sets of laws have been gradually enacted and enforced to regulate the working conditions and issues related to the workers. Any violation or noncompliance with the laws can have harmful effects on the workers and the organization. Hence, any attempts to reform Indian labour market have been seen with great suspicion. In last twenty-five years, the government of India has tried to bring in sporadic changes in labour laws aimed at labour. It is imperative that proper labour reforms is the need of the hour to make India a manufacturing hub of the world by capitalizing low cost labour and business practices.

The rapid spread of globalization and liberalization of economy trigged splendid economic growth but the pace at which it is growing has still not captivated the growth ambitions set by the stakeholders. Even the globalization and liberalization process that began in India in 1991 impacted labour market in limited manner. However, many complain that economic growth is sluggish or even getting stagnated and attribute it to the regressive labour laws. Industry claims that India missed the opportunity of being manufacturing hub of the world due to rigidities in labour market, archaic labour laws and glaring skill deficit. Many from the Industry claim that more than three decades of economic reforms have not come to fruition owing to inflexible labour laws. The

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Chapter 3:

The Code on Wages 2019: An Overview

Mendemu Showry and Smita Kulkarni

The Code on Wages, 2019 is the first of the codes to be introduced by the government in pursuance of the recommendations of the 2nd NCL. The code is primarily aimed at rationalizing the existing Central labour enactments related to wages. The Bill was first introduced in the 16th Lok Sabha on 10th August 2017 and subsequently been referred to the Parliamentary Standing Committee. The report submitted on 18th December 2018 made 24 recommendations of which the government accepted 17 recommendations. However, the bill lapsed on account of the dissolution of the 16th Lok Sabha.

The Code on Wages was reintroduced in the Lok Sabha on July 23, 2019. It was passed by the Lok Sabha on 30th July 2019 and subsequently by the Rajya Sabha on 2nd August 2019. It received Presidential assent on 8th August 2019 and awaiting implementation. A draft of Code on Wages, 2019 was made available to the public through the ministry's website and invited their valuable suggestions.

Laws subsumed

The Wage Code amends and consolidates the laws relating to wages, payment of wages, bonus and equal remuneration. Thus, the Wage Code subsumes the following four existing labour law enactments:

- The Payment of Wages Act, 1936 ("PWA");
- The Minimum Wages Act, 1948 ("MWA");
- The Payment of Bonus Act, 1965 ("PBA"); and
- The Equal Remuneration Act, 1976 ("ERA"w).

The ministry held back its implementation as it intends to enforce all the four codes at one go. It is one of the labour codes initiated by the central government to safeguard the interests' workers in the matters related to wage laws.

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Chapter 4:
Equal Remuneration and Minimum Wages

Mendemu Showry and Smita Kulkarni

The primary desire of any worker seeking employment is to earn wages adequate enough to afford a decent standard of living. It is not just the government but the society has an obligation to ensure justice to every worker by paying wages which mitigate the miseries of starvation and poverty of the workers. The Tripartite Committee on Fair Wages constituted in the year 1948 by the Central Advisory Council held that a minimum wage must provide not 'merely for the bare sustenance of life, but for the preservation of the efficiency of the worker'. Hence, the minimum wage must also be adequate enough to afford education, medical care and other amenities of life. As per the Indian Constitution, 'Minimum Wage' has been defined as the level of income for skilled and unskilled workers which ensures a sustaining standard of living while also providing for some measure of comfort. A minimum wage not just supports the bare level of employment

The minimum wages Act, social welfare legislation was Passed on March 15th, 1948. The Act which contains 31 sections grants the power to both Central and State Govt to fix minimum rates of wages payable in select 'sweated' Industries.

The primary objective is to fix minimum wages for workers employed in scheduled industries where sweat is most prevalent. The act ensures the welfare of the workers in a competitive market, prevents exploitation and achieves social justice. It aims to protect the workers from exploitation by offering starvation wages due to the lack of bargaining power. The payment of wages below the minimum wage rate almost amounts to forced labour and hence the act protects the workers employed in sweated or scheduled employments that are vulnerable to exploitation. The Supreme Court held that under no conceivable conditions a worker can be given wages below the minimum rate of wages and stated that any wage below the prescribed rate breaches the Indian constitution. Hence, the minimum wages must be paid irrespective of the extent of profits, financial conditions of firms, and availability of workmen at a lower wage. The minimum wages fixed under the act cannot be

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Chapter 5:
Payment of Wages

Mendemu Showry and Smita Kulkarni

Every worker has a right to receive the wages promised in time without illegal deduction. It is common among a lot of employers in India, to follow an ugly practice of delaying the payment of salary or reducing the salary or entirely deny citing various reasons. Some employers unduly withhold the payment or cause unexplained delay of the payment resulting in suffering to the workers. Worse, several employers used to make reduce the agreed salary by making unreasonable deductions or imposing unjustified fines or penalty resulting in lack of uniformity in the salaries received by the employees. on account of such exploitation by the employer, the need of a law that mandates the employers to fix uniform salaries and pay wages due to their workers at regular intervals was felt. Hence, A law that makes untimely payment of wages and the evil of unauthorized deduction as the offense was proposed. Based on the report by the Royal Commission of Labor that investigated the abuse by the employer, the Payment of Wages Act 1936 was enacted. The law made employers responsible for payment of wages, fixing of wage periods, timely payment of wages without unauthorized deductions and proper maintenance of registers and records. The Act comprises of 26 sections divided into 4 chapters as given below.

Table: The Payment of Wages Act 1936

Chapters	Provision	Sections
I	Preliminary	1-2
II	Payment of Wages and Deduction from Wages	3-13
III	Authorities under the Act	14-18
IV	Miscellaneous	20-26

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Chapter 6:
Payment of Bonus

Mendemu Showry and Smita Kulkarni

The employees of any organization have a legitimate share in the prosperity or surplus created by them. Hence, bonus is the cash payment made to employees in addition to the wages. In early days when the business was characterized by master and servant relationship, the wages paid to the workers were insufficient to fulfil their essential needs. Hence, at the time of festivals employer voluntarily used to give extra money to their workers to celebrate the festival. This was done as per the wish of the master. Hence, bonus was a cash payment initially given as an act of grace or ex gratia to the employees in recognition of their efforts and further act as stimulus for their efforts. Over a period of time, the bonus soon became an essential part of worker's need and the employees considered it as their right receive bonus. As a result, there has been an increased conflict between the establishments and the employees regarding the amount of bonus payable to the employees paving a way for the enactment of the payment of Bonus Act, 1965. Thus, bonus is a production incentive paid in cash in addition to the wages given by the employer and has become legal obligation. Therefore, today it constitutes as an indispensable component of an employee's salary or wage.

The payment of bonus Act had 40 Sections and 4 schedules. The schedule I and II dealt with the Calculation of Bonus, the schedule III address deduction and the schedule IV provides directions on Set on Set off The payment of Bonus Act, 1965 has been amended several times. The amendment made in 2015 has resulted in significant changes with respect to the minimum and maximum limit for payment of bonus. As per the 2015 amendment, the wage threshold for determining the eligibility of employees has been increased from Rs 10000 to Rs 21000. The Principal Act provided that the bonus shall be payable to an employee in proportion to his/her salary. However, the bonus payable is calculated on the basis of the salary notified by the appropriate government. An amendment in 2015 to the Act had raised the wage ceiling for the purpose of calculation of bonus from Rs 3500 to Rs

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Chapter 7:

The Code on Social Security, 2020 – An Overview

Mendemu Showry and Smita Kulkarni

The Code on Social Security, 2020 is an Act to amend and consolidate the laws relating to social security with the goal to extend social security to all employees and workers either in the organised or unorganised or any other sectors.

The bill was formulated according to the Report and Recommendations of the Second National commission of labour was passed by the Lok Sabha on 22nd September 2020 and the Rajya Sabha 23rd September 2020. It received Presidential assent on September 28, 2020 and was to be implemented in the current year. The Government is plans to implement the Code by December 2020, along with other three labour codes, viz., The Industrial Relations Code, 2020, Code on wages, 2019 and The Occupational Safety, Health and Working Conditions Code, 2020.The Code On Social Security, 2020, amalgamate, simplify and rationalise the relevant provisions of the following nine central labour enactments relating to social security, namely

- The Employees' Compensation Act, 1923
- The Employees' State Insurance Act, 1948
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- The Maternity Benefit Act, 1961
- The Payment of Gratuity Act, 1972
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- The Cine Workers Welfare Fund Act, 198
- The Building and Other Construction Workers Welfare Cess Act, 1996

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Chapter 8:
Employee Provident Fund

Mendemu Showry and Smita Kulkarni

The organisation and financing of social security after retirement is one among the most profound responsibilities of a welfare and enlightened society. It provides a greatest sense of support and long-term security to the employees during the rainy day when they are no longer able to earn their living. It embodies the principle of prudence in the matters of future economic security and involves foresight to plan for rainy day. It encourages individuals to provide sufficient for their own needs after retirement and at times the needs of their dependant too. Employees' Provident Fund is a statutory benefit payable to employees working in India. It is a government-managed retirement savings scheme available to employees who belong to certain class of establishments as per the erstwhile Employee Provident Fund and Miscellaneous Act , 1952 and current the III chapter of Social Security Code, 2020. Every month, employees contribute a share of their salary (12%) towards fund. The final goal is to receive lump sum payments with accrued interest at the time of retiring from employment. Legally, any employee who draws a monthly salary of up to Rs 15,000 per month is eligible for EPF schemes. Currently, most Indian companies voluntarily offer it to all employees even if the salary is higher than Rs 15000 per month. If you have a higher salary, you can opt out of it at the beginning of your career, if your employer so permits. If you opt for EPF, you cannot opt out of it during the time of your employment at that workplace. The Employees Provident Fund Organisation, or EPFO, is responsible for the regulation and management of provident funds. The purposes of the Chapter III of the Code on Social Security, 2020, Employees' Provident Fund applies to every establishment in which 20 or more employees are employed. The provision provides for the **establishment shall provide facilities for online claim settlement** and has an online portal for grievance resolution to provide linkages with that of Employees' Provident Fund Organisation within ninety days of grant of exemption.

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Chapter 9:
Employee State Insurance Scheme

Mendemu Showry and Smita Kulkarni

The sixth chapter of the social security code, 2020, dedicates Chapter VI to ESI. This chapter presents the salient features of the ESI scheme and further presents the rules and regulations governing the ESI scheme as given by the Social Security Code. The Employee State Insurance Scheme (ESIS) is the oldest health insurance scheme offered in India. Even though it was in an infant stage of industrial development, India was one of the countries that took the lead in providing a fool proof multi-dimensional and integrated health care protection system. The enactment of the Employees' State Insurance Act, 1948, by Parliament was a major step towards offering organised health care protection to industrial workers through the statutory provisions. It is a remarkable expression of commitment to labour welfare, notwithstanding the challenges that lie ahead. The primary goal of the Act is to provide insured employees with social and financial protection from health risks while also ensuring productivity. The ESI scheme is a comprehensive social security scheme designed to protect employees against certain health-related risks that they are usually exposed to, such as sickness, maternity, temporary or permanent disablement, occupational disease or death arising from employment injury, loss of wages or earning capacity (total or partial). It is legislation that makes an attempt to counterbalance or remedy the physical or financial distress caused to workers on account of risks to health.

It is operated by the ESIC mainly with funds pooled through the contributions made both by the employer and the employees. According to the scheme, it is mandatory for both the employer and the employee to contribute towards the ESI based on their wages. The ESI Scheme operates on a socialistic idea where employees exposed to risks of the same nature come together and make a contribution to mitigate the physical and financial distress arising from such risks. According to the code, the ESI will provide assistance in the case of sickness, injury, maternity, temporary or permanent disablement, death due to employment, funeral benefit, etc. This scheme, which comes into effect

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Chapter 10:
Gratuity

Mendemu Showry and Smita Kulkarni

Etymologically, the word "gratuity" is derived from "gratitude," meaning a reward given voluntarily. Unlike salary or bonus, a gratuity is a tax-free lump sum amount paid by an employer to an employee at the time of exit on account of retirement, superannuation, or death. It is a gesture by which the employer expresses gratitude to its employees for long, continuous, unblemished, and continuous loyal service rendered equivalent to or more than the years notified.

According to the Payment of Gratuity Act, 1972, it is a statutory liability payable by organisations employing 10 or more employees to employees who quit, are terminated, retire, or exit. The Gratuity Act, 1972, prescribes the eligibility conditions for employees to receive gratuity. Further, the act proposes the method by which gratuity may be computed and stipulates the timelines for payment of gratuity. The Act also sets a maximum amount of gratuity payable beyond which the excess amount would be charged as per the IT Act. The maximum amount limit of gratuity payable has been increased by the Parliament from Rs 10 lakhs to Rs 20 lakhs, according to the latest amendment in the March 2018 notification of the Payment of Gratuity Act. Further, the Gratuity Act also suggests the method by which organisations can provide for gratuity, like obtaining gratuity insurance from the Life Insurance Corporation. Besides, several organisations that recognise liability towards the payment of gratuity, establish gratuity trust and contribute periodically so as not to run out of resources. The payment of gratuity code consists of 5 provisions against the 15 sections provided by the Act.

Chapter V in the social security code is dedicated to the benefit of gratuity payable to employees. It consists of just 6 provisions dealing with the issues pertaining to payment of Gratuity.

(1) Payment of gratuity

Gratuity shall be payable to an employee on termination of his employment after the continuous service for not less than 5 years on

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Chapter 11:

Labor Unrest at Tata Motors Plant and the Long-Term Wage Settlement Agreement

Anil Anirudhan and Sanjib Dutta

"Tata Motors shares cordial working relationships with workers and members of its internal union. We have strived to resolve the Long-Term Settlement (LTS) issue and today are delighted to have resolved the matter for a long term, ensuring our business operations' competitiveness on one hand and taking care of the well-being of our shop floor colleagues on the other. Moreover, the union which has been recently formed, is very supportive in ensuring workmen derive maximum benefits through this wage settlement."[1]

– Gajendra Chandel, Chief Human Resource Officer, Tata Motors Limited, in June 2017

"We have had several meetings this week with Tata officials and finally resolved our wage hike issue amicably. The agreement is till 2020, post which we would need to revise the agreement. While we had been in agreement in most other issues, only the distribution had remained a bone of contention which is now resolved."[2]

– Hitesh Rabari, President, Bharatiya Kamdar Ekta Sangh, in June 2017

Introduction

On June 9, 2017, Tata Motors Limited (Tata Motors) headquartered in Mumbai, India, announced that it had signed a long-term wage settlement (LTS) agreement with the workers union at its Sanand plant, Gujarat, India. The wage settlement agreement was for a period of five years from October 2015 to September 2020 and the total wage package of Rs 16,000 per month for each permanent employee

1 Sameer Contractor, "Tata Motors Resolves Long-Term Wage Settlement Issue at Sanand Plant," www.auto.ndtv.com, June 9, 2017.

2 "Tata Motors Resolves Long-Term Wage Settlement Issue with Sanand Workers Union," www.indianexpress.com, June 9, 2017.

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Chapter 12:
Maternity Benefit

Mendemu Showry and Smita Kulkarni

The Universal Declaration of Human Rights (1948) state that "motherhood and childhood are entitled to special care and assistance. Early childhood is a crucial period for the sound development of young children. Missed opportunities during these early years cannot be made up at later stages of the child's life. The health of the women as well as the safety and healthy upbringing of the child is the most important objective of the society and organizations alike. The woman is not able to perform her duty due to the health conditions and constraints she faces during pregnancy. So, the maternity benefits Act, 1961 has been enacted with an objective to promote health, elevate the dignity of motherhood and preserve the respect of motherliness. Since, then there is a continual demand to improve maternity benefits to ensure that infants are provided with wholesome and proper care and nourishment. The organizations take relevant measures for the protection of health and wages of women workers during the maternity period which are of great significance for women workers as well as society.

Indian law makes it mandatory for the establishments to offer maternity benefits in order to protect woman during pregnancy and after childbirth. It has to be noted that those women who work in factories with 10 or more workers are provided maternity benefits under the Employees' State Insurance Act, 1948. The Maternity Benefit Act, 1961 extends to the whole of India comprised of 30 Sections. The Maternity Benefit Act, 1961, will be repealed by the Code of Social Security into which major provisions of the Maternity benefits have been transplanted. From the day the Code comes into effect, women working in various establishments will have to instead seek such benefits under the Code of Social Security 2020.

59. **Employment of, or work by, women prohibited during certain period**

(1) No employer shall knowingly employ a woman in any establishment during the six weeks immediately following the day of her delivery, miscarriage or medical termination of pregnancy.

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Chapter 13:

Being a 'Pioneer' in Global Maternity Benefits: Vodafone's Talent Retention Strategy

Jayasri Bhimalapuram and Debapratim Purkayastha

> *"Too many talented women leave working life because they face a difficult choice between either caring for a newborn baby or maintaining their careers… We believe our new maternity policy will play an important role in helping to bridge that gap."*[1]
>
> **– Vittorio Colao, Chief Executive Officer, Vodafone Group, in March 2015.**
>
> "*What Vodafone is doing is saying this is a talent management issue for us, it's not just about complying with legal requirements."*[2]
>
> **– Anne Weisberg, Senior Vice President, Families and Work Institute[a], in March 2015.**

On March 6, 2015, Vodafone Group Plc, UK, announced its mandatory maternity policy. The telecom giant stated that the policy would be applicable globally to all its female employees working in the 30 countries in which it operated. It stated that the policy would be effective from April 1, 2015. Vodafone proclaimed itself as a "pioneer" in embracing a policy on maternity benefits that was globally applicable.[3] According to the company, the maternity policy included a minimum 16 weeks fully paid leave to its expectant mothers and a 30-hour week with full pay for the first six months[4] after their return from maternity leave. According to Vodafone, the policy would be applicable to the employees of Vodafone, Vodacom[5], and Safaricom[b]. It would not, however, apply to the employees of Vodafone group's partner companies.[6] Vodafone stated

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[a] Families and Work Institute (FWI) founded in 1989, is a non-profit research-to-action institute. It primarily focuses on research for living in a changing work place, changing family, and changing community.

[b] Safaricom Ltd is a leading mobile network operator in Kenya. It was formed in 1997 as a fully owned subsidiary of Telkom Kenya. In May 2000, Vodafone Group PLC acquired a 40% stake and management responsibility for the company.

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Chapter 14:
Employee Compensation

Mendemu Showry and Smita Kulkarni

An employee who is employed by an organisation is subjected to some risk or exposure to some hazards on account of the risks associated with their occupation or employment. An employee must be compensated for any physical injury and any loss suffered due to employment. The Employee's Compensation Act, 1923 is the current legislation that offers compensation to be paid for an injury total or partial, permanent or temporary, suffered by an employee in the course of, arising out of, or in some extension of employment. Personal injury not only refers to bodily injury but also takes into consideration psychological injury or abnormal mental conditions. The Employee's Compensation Act, 1923, previously known as Workman compensation Act is one of the earliest acts enacted to provide compensation to employees. The purpose of the Employee's Compensation Act is not to provide any solace or comfort but to restore the actual loss suffered by him. The objective of the Employee's Compensation Act, 1923 is to make provisions for the payment of adequate compensation by employers to their employees against the hazards of employment to which they are exposed. As per the Act, the employers cannot take shelter under the principles of "contributory negligence" or "inevitable accident" or "negligence of co-workers" available to them to exonerate themselves from the blame.

As soon as the social security code is passed, the government is going to replace the current Act with the newly made provision in Chapter VII Employee Compensation. The word "compensation" literally means "something that is done or given to make up for any damage, trouble, etc. The Social Security code doesn't define compensation with clarity. "Compensation" means compensation as provided under chapter VII. It refers to compensating the employee for any personal injury that occurred as a result of and in the course of employment and resulted in death, total disablement, or partial disablement for a specified time period.

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Chapter 15:

Social Security for the Building, Other Construction Workers, Unorganized Workers and Platform Workers

Mendemu Showry and Smita Kulkarni

The vast majority of India's labor estimated at about 90% are employed by the informal sector, of which the share of total employment in the unorganized sector is estimated at about 80 percent. Further, so little percentage of the regular salaried earners and casual laborers are entitled to one or more social security benefits among Provident Fund, pension, gratuity, healthcare benefits, and maternity benefits or paid leaves. The precarious nature of informal employment, combined with low social security coverage has left many workers in deep economic distress during the COVID-19 pandemic.

The Code on Social Security makes a promising step in the direction of providing social security for the building and construction workers, unorganized sectors, and gig through social security schemes intended for these workers from various funds pooled through the combination of contributions from employers, union government and state governments and gig platform aggregators. The provisions given the chapters VIII and IX provide the overview of the provisions related to the proposed social security for the building and construction workers, unorganized workers and platform workers.

100. Levy and Collection of Cess

The Central Government may, by notification, appoint a local authority to levy and collect a cess at a rate not exceeding 2 percent but not less than 1 percent from every employer involved in building or construction work. The cost of construction shall not include the cost of land and compensation paid or payable to an employee as per compensation social security given in Chapter VII.

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Chapter 16:

Occupational Safety and Health Code 2020 - An Overview

Mendemu Showry and Smita Kulkarni

Health and safety at work are essential parts of work conditions that have a direct impact on the quality of the work done by workers. When employees perceive the workplace as healthy and free from any hazards, they can be more productive. Hence, the government should ensure that employers adhere to rules and regulations governing the health and safety of employees. The government and employers must fulfil their responsibilities to workers by providing a safe and healthy working environment. If they want to improve the quality of work, they must focus on improving the quality of working conditions. The Occupational Safety, Health, and Working Conditions Code, 2020 is an Act which proposes to consolidate and amend the laws regulating the occupational safety, health, and working conditions of the people employed in an establishment. On September 19, 2020, it was introduced in Lok Sabha and passed on September 22, 2020.The Bill was passed in the Rajya Sabha on September 23, 2020. It received Presidential assent on September 28, 2020.

The key objective of economic development should not merely focus on creating wealth and providing jobs, but also ensure proper working conditions to safeguard the health, safety, and dignity of the workers. Further, businesses should also improve the lives and raise the dignity of the work force by protecting the interests of the workers, promoting welfare and providing social security to the labour force both in organised and unorganised sectors. Parliament has enacted various labour laws. Given below are the thirteen pertinent central labour enactments concerning the health, safety and working conditions of workers which it aims to amalgamate, simplify and rationalise.

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Chapter 17:

Health, Safety, Welfare, and Working Conditions

Mendemu Showry and Smita Kulkarni

Every employee is productive and satisfied only when a work environment is free from injuries. Hence, a safe work environment is essential for both employees and employers alike. It is one of the most essential rights of all employees to have safety in the workplace. Hence, workplace safety is essential irrespective of the size of a company. All companies, big or small, need to incorporate safety in their workplace by implementing safety measures to keep employees safe and also protect industrial equipment. It is the responsibility and duty of employers to protect their employees. The chapter health, safety, welfare, and working conditions comprises of three chapters V, VII, VIII of the OSH Code which prescribes the rules and regulations governing factories and establishments with respect to health, safety and working conditions. The code is very extensive and prescribes several norms to maintain, as far as reasonably practicable, a working environment that is safe and without risk to the health of the employees. The maintenance of plants and systems of work in the workplace should be such that it is safe and is free without risk to health. Every arrangement made in the workplace to use, handle, store, and transport articles and substances, etc should ensure safety and absence of risk to health. Besides the provision imparting information, instruction, training, and supervision necessary to ensure the health and safety of all employees at work; The Central Government shall regularly declare, by notification, standards on occupational safety and health for workplaces relating to the factory, mine, dock work, beedi and cigar, building and other construction work and other establishments to protect employees at work. The provision related to Health, safety, welfare, and working conditions given in the code are presented in this chapter.

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Chapter 18:

IRCTC Announces Termination of Contract Workers – A Step in the Right Direction?

Jitesh Nair and Balaswamy Pasala

"In view of partial attendance due to lockdown, and also greater risk involved in the case of those above 60 years due to Covid-19, it is decided that the services of all the re-engaged retired staff of all workshops of Southern Railways as per the details of given below are to be terminated duly given 15-days-notice."[1]

- Notice by Southern Railway, May 2020

Introduction

On June 25, 2020, Indian Railway Catering and Tourism Corporation (IRCTC)[2], the extended arm of the Indian Railways (IR)[3], issued a letter to all the four zonal headquarters (East in Kolkata, West in Mumbai, South in Chennai, and South Central in Secunderabad), asking them to terminate the contracts of 560 contractual employees. Before that, on May 5, 2020, the South Zone of IR terminated 368 retired employees who had been re-engaged in workshops. The termination giving 15 days' notice was served through SMS, WhatsApp, and email. The common reason for the terminations in both cases was the need to cut down on costs owing to the termination of passenger rail services in India due to the COVID-19 pandemic.

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1 Sanya Dhingra, "To cut costs, Indian Railways to axe thousands of retired staff it had re-hired", https://theprint.in/, June 12, 2020

2 Established by Indian Railways in 1999 to upgrade, professionalize, and manage the catering and hospitality services at stations, on trains; to promote domestic and international tourism through development of budget hotels, special tour packages; provide, information & commercial publicity; and manage train reservation systems.

3 Indian Railways is a governmental entity under the Ministry of Railways which operates India's national railway system, the largest employer in the country.

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Chapter 19:

The Industrial Relations Code 2020: An Overview

Mendemu Showry and Smita Kulkarni

The Industrial Relations Code, 2020 is one among the four labour codes which is a part of the Central Government's largest reform proposal. The Industrial Relations Code, 2020 was introduced in Lok Sabha on 19 September 2020 and was passed on 22 September 2020. It was first passed in Rajya Sabha on 23 September 2020. The bill received Presidential assent on 28 September 2020. The primary aim of the code is to consolidate and amend the laws relating to Trade Unions, standing orders of employment in industrial establishment or undertaking and to investigation as well as settlement of industrial disputes. Despite the strident criticism and vociferous protests by the trade unions, the code has been hailed by industry and the government as a major reform that would stimulate growth and offer better employment opportunities. The Industrial Relations Code, 2020 is meant to simplify and merge three central labour acts. It subsumes three major Central laws related to industrial dispute settlement and collective bargaining arrangements, namely: -

Table: Laws Repealed

Act	Industrial Relations Code
1	The Trade Unions Act, 1926
2	The Industrial Employment (Standing Orders) Act, 1946
3	The Industrial Disputes Act, 1947.

The Code is hyped as the one that would animate the industry and spur economic activity, also would liberate the employers from the constraints of the earlier labour laws. It an elaborative piece of legislation which has been divided into six chapters as given below:

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Chapter 20:

Labor Unrest at Wistron's iPhone Facility in India

Jitesh Nair and Balaswamy Pasala

"They went up from 2,000 employees to nearly 10,000. The unprecedented increase in workforce in a rather abnormal pandemic situation impeded their ability to put systems that would have enabled them to discharge their fiduciary responsibilities."[1]

– A Quess Corporation Employee on December 17, 2020

"Though 10,500 workers are employed in the factory the HR department has not been adequately set up with personnel of sound knowledge of labour laws."[2]

– Department of Factories, Boilers, Industrial Safety & Health, Karnataka, December 16, 2020

"This issue has continued for over four months now. Initially, there were three shifts which were converted to two shifts with 12 hours duty and four hours overtime. The company is not paying salaries for the overtime and it has also reduced the promised salaries to the employees."[3]

– Krishna Siddi, All India Trade Union Congress Member, December 15, 2020

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1 Shilpa S Ranipeta, "Karnataka Labour Dept finds Wistron did not record deduction in pay for workers", https://www.thenewsminute.com/, December 17, 2020

2 "Karnataka govt dept finds violation of labour laws at Wistron plant", https://www.thehindubusinessline. com/, December16,2020

3 "Vandalism over salary non-payment, denial by Labour Dept, and a Communist hand: All you need to know about Wistron plant saga", https://www.opindia.com/, December 15, 2020

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Organizational Culture - Building A Positive Work Environment



Edited by
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Chapter 1:

Zappos' Values-Based Culture

Syed Mohammad Muzaffar Khan and Indu Perepu

"*I don't think the Zappos culture can or should be cloned, but I do think the idea of being transparent and running a business based on core values and a meaningful vision that's not just about money or profits can work for any organization. It doesn't really matter what the core values are, as long as the entire organization commits to those core values. The most important thing in any large organization is alignment (around values and vision).*" [1]

– Tony Hsieh, CEO, Zappos, in 2009

"*The Zappos call center is unlike any other I've seen and I've been in thousands. From the outside, it appears disorganized, but it is not. What holds it together is the corporate values they all have. They understand why they are in business and what it takes to keep a customer. It's about being authentic and empathetic. As Tony Hsieh says, culture drives service. It starts with the culture, not service policies.*"[2]

– Mary Murcott, head of Performance Transformation[3] in 2010

Delighting Customers and Employees

In February 2011, the NRF Foundation[4] / American Express Customer Choice awards were announced, in recognition of retailers across all channels and formats who demonstrated superior customer

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1 Conversations on Culture, An interview with Zappos CEO Tony Hsieh, DMI News & Views, September 2009.

2 Glenn Rifkin, "Zappos Races Ahead," Briefings on Talent and Leadership, The Korn / Ferry Institute, Q2, 2010.

3 Performance transformation LLC is a customer-experience consulting firm in Dallas, USA.

4 Research and Education arm of National Retail Federation.

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Chapter 2:

Wegmans: HR Practices and Culture

Rupali Chaudhuri and Indu Perepu

> "*We have to respect thoughts from different people. That's where diversity begins. It's a respect for differences.*"[1]
>
> **– Danny Wegman, Chairman, Wegmans Food Markets, Inc.**

Introduction

Wegmans Food Markets, Inc. (Wegmans), a US-based regional supermarket chain, was listed by Fortune[2] as one of the 100 'Best Companies to Work For' every year from 1998 to 2017 (Refer to **Exhibit I**). In 2017, Wegmans figured second[3] on the list.[4] According to a 2016 Consumer Reports survey, Wegmans was the only chain among the 68 supermarket chains to receive top scores for freshness, baked goods, and overall experience.[5] Being a great company to work for had translated into good business results for it as well. "Results like these are only possible because of our people and because we are paying attention to the things that matter most to our customers,"[6] said Danny Wegman, the chain's CEO, in 2015.

Wegmans, a New York-based supermarket chain, stocked a variety of food from across the world. It sold craft brews, magazines, subs, and ready to cook meals, and also had café, pizzeria, bakery,

---

1 "Diversity," www.jobs.wegmans.com.

2 Fortune is a multinational business magazine, published and owned by Meredith Corporation and headquartered in New York City. The publication was founded by Henry Luce in 1929 and competes with Forbes and Bloomberg Business week.

3 Wegmans was behind American Cloud Computing Company Sales Force, which was ranked No.1 in the Fortune List of 2017.

4 "The 100 Best Companies To Work For," www.fortune.com/best-companies/2017.

5 James Doubek, "Wegmans Tops List Of Best Supermarkets," www.nbcwashington.com, April 2, 2015.

6 David Robinson, "Wegmans Ranked No. 1 Grocery Store Again In Consumer Reports Survey," www.buffalonews.com, April 4, 2015.

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Chapter 3:

Nordstrom: Focusing on a Culture of Service

Indu Perepu

"We keep it simple and follow a customer-focused strategy. It's not a brand, technology, price, merchandising, or any other kind of corporate strategy at Nordstrom—it's about staying focused on improving customer service and taking care of customers one at a time. While our focus doesn't change, the different tools and opportunities we have available to us continue to evolve, and so we're taking advantage of them to do a better job of serving the customer. Our hope is that we can find more ways to build on our culture of service going forward."[1]

– Colin Johnson, Public Relations Director, Nordstrom

"*[At] Nordstrom they zero in like a laser pointer on the right customers...and shower them with love.*" [2]

– Lior Arussy, President of Strativity Group[3]

"*…and if you've never experienced the quality of service that is 'normal' there (at Nordstrom), you've really missed something special.*"[4]

– Mitch Schneider, Senior Editor, Motor Age[5]

---

1 "Nordstrom," Retail Merchandiser, May / June, 2011.

2 Alexandra DeFelice, "A Century of Love," Customer Relationship Management, June 2005.

3 Strativity Group is involved in customer experience strategy design and implementation. Lior Arussy authored a book titled "Passionate & Profitable: Why Customer Strategies Fail and 10 Steps to Do Them Right! "

4 Mitch Schneider, "…Ya Gotta Wanna," www.motorage.com, September 2002.

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Chapter 4:

Organizational Culture at DreamWorks Animation

Bhavika Reddy and Indu Perepu

"…We have transformed over the years from hand-drawn animation to computer-generated films to being a leader in 3D entertainment. Our strategy has remained the same: to produce great stories that are creatively driven and technologically state-of-the-art. In pursuit of this goal I'm proud to say that what defines DreamWorks Animation more than anything else is the dedication and the expertise of our people."[1]

– Jeffrey Katzenberg, CEO, DreamWorks Animation SKG Inc.

"DreamWorks Animation is an incredibly creative and collaborative operation because of the culture."[2]

– Evan Rosen, Communication Strategist.

Best Company to Work For

DreamWorks Animation SKG Inc. (DreamWorks), California, the US-based animation film making company was ranked 12th in *Fortune's*[3] '100 Best Places to Work For' in 2013.[4] *(Refer to* **Exhibit I** *for the list of top 11 companies in Fortune's '100 Best Companies to work for' list*). DreamWorks was the only Entertainment Company to appear on the list. Dan Satterthwaite (Satterthwaite), head of human resources, DreamWorks, said "We are incredibly proud to be named to Fortune's

1 "Our Culture," www.dreamworksanimation.com.

2 Todd Henneman, "DreamWorks Animation Cultivates a Culture of Creativity," www.workforce.com, August 3, 2012.

3 Fortune is a global business magazine published by Time Inc. it was started in 1930 by Henry Luce. It started publishing the list of "100 Best Companies to Work For" in 1998.

4 Ashley Hufford, "DreamWorks Animation Named Best Studio to Work for in Hollywood," www.businessinsider.com, January 17, 2013.

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Chapter 5:

Corporate Culture at WestJet

Geeta Singh and Indu Perepu

> "*We have a very simple statement: If we as a corporation take care of our people, then our people will take care of our guests, and our guests will take care of our profits.*"[1]
>
> **– Sean Durfy, Former CEO, WestJet**
>
> "*Corporate culture is the personality of a business. It's our biggest strategic advantage.*"[2]
>
> **– Don Bell, Executive vice-president, WestJet**
>
> "*(At WestJet) Wherever we went, we found a different attitude, good humor, friendliness, informality and a management team that is loved, not feared. We found a uniform enthusiasm for the company, a clear sense of mission and, most encouragingly, a lack of class boundaries among the employees.*"[3]
>
> **– Michael Roach, the founder of America West**

Best Company in Canada

In May 2014, Canada-based WestJet Airlines Ltd. (WestJet) won the prestigious Randstand[4] Award and was chosen 'Canada's Most Attractive Employer' for the third year in a row. WestJet was selected from among 150 companies by more than 8,000 people in search of employment opportunities. The airline was rated high for its work

---

1 Sanam Islam, "Vision and Values help WestJet Soar," www.waterstonehc.com, January 21, 2009.

2 Michelle Magnan, "People Power," Canadian Business, October 10, 2005.

3 Andy Holloway, "Clive Beddoe," Canadian Business, April 26, 2004.

4 A staffing, recruitment and HR company

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Chapter 6:

Culture at SAS Institute – The World's Largest Private Software Company

Munmun Samantarai and Indu Perepu

> *"95 percent of my assets drive out the front gate every evening. It's my job* to maintain a work environment that keeps those people coming back every morning.*"*[1]
>
> **– James Goodnight, CEO, SAS, in 2003.**
>
> *"SAS going public…..would have destroyed the culture. It was one of the best strategic decisions ever made in the software industry."*
>
> **– Al Segars, Professor University of North Carolina's business school, in 2004[2]**
>
> *"The SAS model is sensible and durable; there's nothing faddish or ephemeral."*
>
> **– Richard Florida, Professor, The Rotman School of Management, University of Toronto in 2009[3]**

Introduction

In 2014, SAS Institute Inc. (SAS) the world's largest private organization offering business analytics software, found a place once again in *Fortune* magazine's[4] "100 Best Companies to Work For" annual

---

1 Leigh Buchanan, "How SAS Continues to Grow", www.inc.com, September, 2011.

2 Kevin Mane, "SAS workers won when greed lost", http://usatoday30.usatoday.com, April 21, 2004.

3 Steve Lohr, "At a Software Powerhouse, the Good Life Is Under Siege," www.nytimes.com, November 21, 2009.

4 Founded by Henry Luce in 1930, Fortune is a US-based global business magazine published bi-weekly by Time Inc.

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Chapter 7:

Corporate Culture and HR Practices at Salesforce.com, Inc.

Barnali Chakraborty and Debapratim Purkayastha

> *"[W]e believe in the importance of our corporate culture of Ohana, which fosters dialogue, collaboration, recognition and a sense of family."*[a]
>
> **– Salesforce Annual Report, 2019**

> *"In my 19 years at Salesforce and Salesforce.org, I have witnessed how strong values can bind a company together and how employees can truly drive purpose, vision and impact."*[1]
>
> **– Rob Acker, CEO, Salesforce.org, in March 2019**

In 2019, Salesforce.com, Inc. (Salesforce) was ranked #2 in the "2019 Fortune 100 Best Companies to Work For" list. The list was based on feedback provided by more than 315,000 workers. According to Great Place to Work and *Fortune,* workers who thought their company was the best place to work were four times more committed to their job. This was the 11th consecutive year that Salesforce had featured on the list. Commenting on the achievement, Cindy Robbins (Robbins), President and Chief People Officer at Saleforce, said, *"The thanks for this recognition goes to our employees who create a great place to work for each other by living our values of trust, customer success, innovation, and equality every day. We're grateful to be recognized, but know that our work building a great workplace is never done. We continue to listen deeply to our employees, our customers, and all of our stakeholders to learn where we can improve and how we can continuously innovate on our culture."*[2] *(Refer to* ***Exhibit I*** *for Salesforce's Awards and Accolades')*

---

[a] Salesforce 2019 Annual Report

Chapter 8:

Facebook: Balancing Growth and Preserving Corporate Culture

Syeda Maseeha Qumer and Debapratim Purkayastha

"Maintaining culture is one of the top priorities we have as a company… We're trying to be really smart and learn about our growth. So we're focused on building a few offices, but making sure they are really tied into the culture."[1]

- Sarah Smith, Head of Facebook's online operations in Austin, in 2011.

"Facebook is amazing. Working here offers the best environment I have ever seen in a workplace. The job is all about cooperation, not competition. The Facebook culture, office design, and management styles all support this."[2]

- A Facebook Operations Engineer in Palo Alto, California, in 2010.

A Corporate Icon

In 2011, US-based social networking[3] utility Facebook Inc. (Facebook) was named as the best company to work for by employees, in the third annual Employees' Choice Awards[4] announced by

[1] Mike Swift, "Facebook Landing Team Transports Company Culture," www.physorg.com, April 1, 2011.

[2] "Facebook – "Awesome Job with Great Opportunities"," www.glassdoor.com, November 27, 2010.

[3] A social networking service is an online platform that focuses on building social networks or relations among people who share common interests and activities.

[4] Employees' Choice Awards lists the top 50 best places to work based on surveys collected from US-based employees. Ranking of the top companies was determined by taking cumulative average ratings from all the employees who responded to the 20-question survey in the year 2010. The survey addressed workplace topics such as work/life balance, career opportunities, communication, compensation and benefits, fairness and respect, employee morale, recognition and feedback, and senior leadership.

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Chapter 9:

Apple Inc.'s Corporate Culture: The Good, the Bad and the Ugly

Syeda Maseeha Qumer and Debapratim Purkayastha

No one denied that Apple's rise was aided immeasurably by his [Steve Jobs'] astonishing energy and persuasiveness and charisma and chutzpah (a word that he loved). And it was his personality that created the company's culture and mystique,"[1]

- **Alan Deutschman, in *The Second Coming of Steve Jobs*.**

"Apple is not Apple because of its technology. Apple is Apple because of the fervor with which its employees believe in the corporate mission.... Apple's campus is a fortress. The people within believe that they are doing The Right Thing, and that they will win... passion for one's company is arguably a prerequisite for any company that wants to dominate its market."[2]

- **Matt Asay, vice president of business development, Alfresco[3], in 2007.**

"Apple is one of the world's coolest companies. But there is one cool-company trend it has rejected [...] Few companies, indeed, are more secretive than Apple, or as punitive to those who dare violate the company's rules on keeping tight control over information [...] Secrecy at Apple is not just the prevailing communications strategy; it is baked into the corporate culture."[4]

- ***New York Times*[5], June 22, 2009.**

---

1 Alan Deutschman, *The Second Coming of Steve Jobs*, (Broadway Books, 2001).

2 Matt Asay, "The Power of Apple's Culture," http://news.cnet.com, August 10, 2007.

3 Alfresco is a company that develops open-source software for content management.

4 Brad Stone and Ashlee Vance, "Apple's Obsession with Secrecy Grows Stronger," www.nytimes.com, June 22, 2009.

5 The *New York Times* is an English daily newspaper published in New York City.

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Chapter 10:

Amazon's Workplace Culture

Munmun Samantarai and Indu Perepu

"It does reflect the future of the workplace. More efficiency, more data.... The question is, how far is too far? Are there limits on how hard employees can work?"[1]

- Jodi Kantor, Reporter New York Times, in 2015

"When [someone comes] to work at Amazon, they know it's a hard place to work. I don't think the rank and file at Amazon will read the article and start demanding to be treated differently. Amazon has a formula, and they're going to generally stick to that formula. As long as the results are there, investors are going to be happy. If [Amazon keeps] doing what they're doing, [investors would] probably say, 'Don't change a thing'".[2]

- Gene Munster, Analyst Piper Jaffray, in 2015

"You can work long, hard or smart, but at Amazon.com you can't choose two out of three."[3]

- Jeff Bezos, CEO Amazon, in 1997.

Introduction

On August 16, 2015, US-based e-retail giant Amazon.com Inc. (Amazon) was hit hard by an article published in the New York Times [4](NYT). The detailed article kicked off a controversy as it described Amazon's workplace as 'bruising'. According to the article, the founder

---

1 Jacob Demmitt and Todd Bishop, "Amazon employees on 'ludicrously comical' NYT story: 'Some people don't belong here, maybe,'" http://www.geekwire.com, August 17, 2015.

2 Rebecca Borison, "Analysts, Investors Respond to Amazon's Office Culture Controversy with a Big Shrug," http://www.thestreet.com, August 18, 2015.

3 Jeffrey P. Bezos, http://media.corporate-ir.net

4 A daily newspaper in America.

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Sharing Economy Business Models



Edited by
Manish Agarwal

Sharing Economy Business Models

Editor:
Manish Agarwal

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Chapter 1:

Airbnb – A Disruptive Innovator♦

Geeta Singh *and* Indu Perepu

> *"The 21st-century economy will be powered by people. So I will be able to sell something directly to you and delight you and surprise you, and the selection you'll be able to choose from won't be four but 4 million."*[1]
>
> **– Brian Chesky, Co-Founder and CEO, Airbnb.**
>
> *"The company is defining a completely new category in e-commerce -- a marketplace for all kinds of spaces, from homes and apartments to tree houses and yachts. Airbnb's explosive growth and passionate community of users reinforce the uniqueness of what they're doing, and in the same way eBay redefined online shopping, Airbnb is redefining the way the world thinks about accommodations."*[2]
>
> **– Jeff Jordan, General Partner, Andreessen Horowitz[a].**

In 2014, a San Francisco-based home-sharing website, Airbnb, was selected as one of the 36 Technology Pioneers of 2014 by the World Economic Forum's[b] (WEF).[3] WEF's Technology Pioneers program recognized companies, usually start-ups, for design, development, and deployment of new technologies, and for offering solutions to longstanding problems, creating a significant impact on society. Recognizing Airbnb's contribution to the sharing economy, the Technology Pioneers 2014 report cited, *"The 'sharing economy' is another potentially revolutionary trend: from broadband connections to do-it-yourself equipment to their own time and skills, many people own*

♦ *This case was Finalist in the Sixth AESE Case Writing Competition (2015), organized by AESE Business School, Portugal*

a Andreessen Horowitz is a venture capital firm headquartered in Menlo Park, California.

b The World Economic Forum is an international institution committed to improving the state of the world through public-private cooperation.

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Chapter 2:

Tujia.com: Leader in China's Home-Sharing Market

Koti Vinod Babu *and* Namratha V Prasad

> *"We are not copying anyone's business model. We know China travelers the best. We follow whatever Chinese travellers want."*[1]
>
> **– Melissa Yang, Co-founder and former Vice Chairman of Tujia.com in 2017.**

In July 2018, Tujia Online Information Technology (Beijing) Co. Ltd., which operated China's leading lodging service sharing and booking platform through its website, Tujia.com (Tujia), announced that it had signed a strategic agreement with SiteMinder[a] to update the management of online reservations for users of 'Tujia WAKA' – the overseas booking platform for Tujia users based outside of China.

With the alliance, Tujia was expected to have the capability to maintain real time inventory of no less than 50,000 rentals each day. Furthermore, the new system was expected to provide a better user experience – allowing users who made reservations online to receive immediate confirmation of their booking. Xunzhang Huang, Head of Tujia's overseas division, said, *"The new system will be sure to integrate the best prices with the most optimized inventory, reducing the chance of refused or disputed orders by at least 90%."*[2]

Analysts (refers to leading market research firms that studied the Chinese vacation-rental market) felt that the partnership was a boost for the company's global expansion plans. They also opined that the

[a] SiteMinder is an Australia-based global cloud platform provider for the hotel industry and hotel booking software provider founded in 2006.

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Chapter 3:

Vélib': Paris's Public Bike Sharing System

Hadiya Faheem *and* Debapratim Purkayastha

> *"Just as Le Corbusier's white cruciform towers once excited visions of the industrial-age city of the future, so Vélib', Paris's bicycle rental system, inspired a new urban ethos for the era of climate change [...] But this latest French utopia has met a prosaic reality: Many of the specially designed bikes, which, when the system's startup and maintenance expenses are included, cost $3,500 each, are showing up on black markets in Eastern Europe and northern Africa. Many others are being spirited away for urban joy rides, then ditched by roadsides, their wheels bent and tires stripped."*[1]
>
> **– New York Times[a], in October 2009.**

Introduction

On July 15, 2009, Vélib', the Paris-based public bike rental system, celebrated its second year of operations. Vélib', started as a public bike sharing program for Paris in July 2007 by the world's leading outdoor advertising agency, The JCDecaux Group[b] (JCDecaux), aimed to improve the transportation system in the city. By July 2009, Vélib' had grown to become the largest bike sharing program in the world with 24,000 bikes and 1,800 stations.[2]

[a] Founded in 1851, the *New York Times* is a daily newspaper published in New York.

[b] The JCDecaux Group was founded by Jean-Claude Decaux (Decaux) in 1964. Decaux formulated the concept of funding public services through advertising revenues. The company's first project was to install bus shelters for the city of Lyon, France. In 2002, it installed its first self-service public bike sharing system for the city of Vienna in Austria followed by Cordoba and Gijon in Spain. For the year 2007, the group's revenues stood at € 2,106.6 million.

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Chapter 4:

Vélib' 2.0: Paris's Bike-Sharing System Hits a Bumpy Road

Hadiya Faheem *and* Debapratim Purkayastha

"It has been a disaster for biking and a disaster for mobility in Paris."[1]

– Simon Labouret of the cycling advocacy group, Paris in the Saddle, commenting on Vélib' 2.0, in February 2019.

"Let's not deny the reality: the transition to the new Vélib' is going badly. Since the start of the year we've been confronted by a series of unacceptable disappointments. Parisians, who are very attached to these self-service bikes, consider that the system they loved has been ruined. We must have a service that works, as fast as possible, to regain users' trust."[2]

– Anne Hidalgo, Mayor of Paris, in June 2018.

In March 2019, Arnaud Marion (Marion), executive chairman of The Smovengo[a] Group (Smovengo), the new operator of the Paris-based public bike rental system, Vélib'[b], announced that for the month of March 2019, Vélib' had 163,000 subscribers with 60,000 daily borrowings. These indicators were far behind the 300,000 subscribers and 100,000 daily borrowings in 2017, when Vélib' was being operated by its previous owner and outdoor advertising agency, JCDecaux Group (JCDecaux).[3] The declining figures were attributed to the quality of the service rendered by Smovengo. Many Vélib' users complained about empty stations and lack of usable bikes due to technical failures, vandalism, and delays in repair and maintenance.

[a] Smovengo, a consortium of the mobility companies Indigo, Moventia, Mobivia, and Smoove, operated a self-serve bike-sharing system that included e-bikes and conventional bikes.

[b] The name Vélib' was derived from *Velo* meaning bike and *liberte* meaning freedom.

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Chapter 5:

Didi Chuxing – Making Headway in the Global Ridesharing Market

Nagendra Kumar M V *and* Indu Perepu

In December 2017, China-based ride hailing service provider Didi Chuxing (Didi), announced that it had secured finance of more than US$ 4 billion. Analysts said that the massive funding round would help Didi further spread into international markets. Apart from international expansion, the new capital would go toward development of Artificial Intelligence technology to build self-driving vehicle systems.

Didi was formed after the merger of two Chinese companies Didi Dache (Dache) and Kuaidi Dache (Kuadi)[a] that offered both mobile taxi-hailing apps and private-car hailing services. Both entities merged in 2015, with the resultant company becoming a leading platform for taxi hailing services in China. Didi acquired US-based Uber Technologies' Chinese operations in 2016, thereby further consolidating its position in the Chinese market.

The most valuable start-up in the world as of December 2017[1], Didi set its sights on expanding beyond the Middle Kingdom, and invested in several companies in its quest for global markets. These included Lyft (USA), Taxify (Europe and Latin America), Careem (the Middle East), Ola (India), 99 (Brazil), and Grab (Southeast Asia). Didi made strategic investments in these companies and provided strategic guidance in the areas of technology, product development, operations, etc. *(Refer to Exhibit I for Snapshot of Global Operations of Didi).*

[a] Both the companies were founded in 2012-13

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Chapter 6:

Forecasting in the Platform Economy: The Uber Way

Sanjay Fuloria *and* Manish Agarwal

> *"Accurate time-series forecasting during high variance segments (e.g. holidays), is critical for anomaly detection, optimal resource allocation, budget planning, and other related tasks. At Uber accurate prediction for completed trips during special events can lead to a more efficient driver allocation resulting in a decreased wait time for the riders."*[1]
>
> **– Time-series Extreme Event Forecasting with Neural Networks at Uber by Nikolay Laptev, Jason Yosinski, Li Erran Li, Slawek Smyl**

Introduction

On a Monday morning in early 2014, the head of the US Operations at Uber Technologies, Inc. (Uber) was sitting in his office cabin looking worried. The Uber trip forecasts in some markets had gone wrong. There was a huge difference between the forecast trip figures and the actual trip figures. He was also not sure why Uber drivers were not available during times of high demand in a particular area and were just sitting around when the demand was low.

Another issue that was bothering him was the impact of an increase in the number of bikers and increased usage of subway trains. In addition to this, he was perturbed by the rising number of customer complaints over delays in booking Uber cabs. To discuss these issues, he called for a meeting with the data analysts' team. He was hopeful that would help fix all the issues.

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Chapter 7:

Greg Moran and Zoomcar – India's Hyper-local Car Sharing Model

K B S Kumar *and* Indu Perepu

> *"We definitely believe that we're operating in a unique white space because our competitors are followers who came on after we launched, but they're not into pure play self-drive car companies."*[1]
>
> **– Greg Moran, Founder, Zoomcar, in 2015**

Introduction

In August 2016, US-based multinational auto maker Ford Motors' subsidiary, Ford Smart Mobility, along with American Venture Capital firm Sequoia Capital, Empire Angel, and Nokia Growth Partners, pumped in $ 24 million into the first self-drive car rental company in India, Zoomcar. This was Zoomcar's series B round of investment. The investment doubled the company's finances and increased its car fleet to more than 2000. Ford's CEO, Mark Fields, expressed his bullish opinion about Zoomcar while taking an equity position, describing it as the largest car-sharing service in its league in India. [2]

Zoomcar, pioneer of the exclusive self-driving car-rental concept, (a car without a driver/ Chauffer that the customers could drive by themselves) in India, had carved a niche for itself. This had subsequently, resulted in more than 20 copy models appearing in the market. Founded in 2012, Zoomcar had rolled out its services across 12 Indian cities by 2016 with a fleet of more than 2000 cars ranging from hatch-back models to luxury sedans.

American entrepreneur Greg Moran (Moran), inspired by the opportunities and gaps in the Indian car rental market, had come down to India to launch Zoomcar. Moran roped in car majors like Tata,

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Chapter 8:

Growth Strategies of Ola: To Diversify or Not

Adapa Srinivasa Rao *and* G V Muralidhara

"We will continue to go deeper in existing cities and expand into new cities. The biggest challenge is the availability of quality supply. We are solving this by creating a conducive ecosystem for drivers through training and skill development, access to easy financing, deep discounts from car manufacturers and more, which will help drivers grow as entrepreneurs."[1]

– Anand Subramanian, Ola's Director for Marketing Communications in March 2015.

"We are already present in some tier-two cities in India, and the adoption [of our service there] is encouraging. The transport and logistics systems in these [and tier-three] towns is even worse than in big cities like Delhi and Mumbai, and we can help make a difference."[2]

– Bhavish Aggarwal, CEO of Ola in 2014.

Introduction

Ola revolutionized the taxi business in India with its online service which aggregated independent cab drivers. When the company started its operations in the year 2010, the taxi sector in India was mostly unorganized, with individual taxi drivers owning and maintaining their cars. Ola pioneered a unique business model in India under which the company did not own its fleet of cars. Instead, it entered into a tie-up with independent taxi drivers and took a commission for every ride booked through the company. The model proved successful in the Indian market as customers could easily book cabs online or through the Ola app. Customers were also happy that there was no need to

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Chapter 9:

Laidian Technology Co., Ltd.: Can the Power Bank Rental Start-up Recharge China's Sharing Economy?

Geeta Singh *and* Syeda Maseeha Qumer

In June 2018, emerging Chinese power-bank rental startup Laidian Technology Co. Ltd. (Laidian), achieved major success when it won a patent infringement lawsuit against its competitor Shenzhen Jiedian Technology Co. (Jiedian). The Beijing Intellectual Property Court ordered Jiedian to stop the selling of products that used the patents held by Laidian and pay a compensation of 2 million yuan to the plaintiff. As a pioneer in the portable power bank rental services in China, Laidian focused on growing and protecting its 78 patents which covered more than 120 items in the domestic as well international markets as of 2018.

According to Yuan Binsong (Yuan), Founder and CEO of Laidian, *"The victory verdict of the case acknowledges and protects Laidian's intellectual property rights and also enhances our brand value as well as our competitive advantage against other industry players. We will continue to increase our investment in intellectual property rights in the future and further expand our service."*[1]

Power bank rentals, an evolving vertical under the sharing economy model, were the latest fad in China. Founded in 2014, Laidian was China's first power bank rental service provider, focused on providing power bank rental and recharging services in commercial places. It offered portable power banks for rent that allowed users to take away and return the rented power banks at designated stations. In a short period of time, Laidian became a leading provider of shared and rented power banks technology, covering 280 cities nationwide and

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Social Media in Business



Edited by

Koti Vinod Babu

Social Media in Business

Editor:
Koti Vinod Babu

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Chapter 1:

Dell Inc.: Leveraging on Social Media Experience

Manish Agarwal and D Satish

"We've made mistakes, learned from our mistakes and come out the other side in that new conversation. The journey has taught us that you don't have to be perfect. People support you and respect you when you make a genuine effort to communicate."[1]

– Richard Binhammer, Strategic Corporate Communications, Social Media and Corporate Reputation Management, Dell, 2008-09.

"At Dell, we have a longer perspective on the social media conundrum than most. We've been an active leader in the space since 2006, with a depth and breadth to our social media presence that has earned top billing among brands using social media to engage stakeholders."[2]

– Manish Mehta, Senior Vice President for Social Media and Community, Dell, in December, 2009.

"Today, we look to social to help us be a better company and deliver better products and solutions. Social media is far more than a tool — it's an extension of our brand, which is all about enabling people everywhere to use technology to grow and thrive."[3]

– Karen H. Quintos, Senior Vice President and Chief Marketing Officer, Dell, in September, 2012.

It was the first week of December 2012 when Dell Inc. (Dell) launched a new line of services – 'Social Media Services' — for all types of organizations across different industries. According to experts, getting into the Social Media Services business made sense for the

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Chapter 2:

McDonald's: Using Social Media to Connect with Customers

Geeta Singh and Indu Perepu

> *"People get excited about McDonald's food so we are always challenging ourselves to figure out how we can connect our yummy food to the social conversations that they drive. Combining offline and online opportunities also allows us to connect national marketing efforts with local promotions. Interesting new functionality from Twitter, Facebook, Instagram and Vine also show fun potential to easily engage with our fans and share their excitement…even if they don't share their fries."*[1]
>
> **– Rick Wion, Director of social media, McDonald's Corp., in 2013.**

Introduction

In October 2013, Atif Rafiq joined the US-based fast food company McDonald's Corporation (McDonald's) as the Chief Digital Officer. This position was created with the view to building up the company's digital strategy to keep the customers engaged with the brand. According to Steve Easterbrook, Chief Brand Officer of McDonald's, "Consumers visit and interact with our brand in multiple ways -- and digital continues to grow increasingly important to them." He added, "Atif will lead a more coordinated and comprehensive digital strategy for our global organization as we deepen our connection with our customers."[2]

McDonald's was incorporated in the 1930s and went on to become one of the largest fast food companies in the world with a presence in 119 countries across the world as of 2014. With the advent of the digital

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Chapter 3:

Minecraft: Using Social Media to Create a Successful Game

Namratha V Prasad and G V Muralidhara

"There is no analogy for 'Minecraft's' success, there are multiple story lines that you can get attached to and think why it's successful. On the one hand, it's the story of a single developer building a game in a community with the community watching him start from the first line of code. It's also the story of a huge community which uses that game and starts to build their own [modifications], their own multiplayer servers."[1]

– Nabeel Hyatt, a Partner with Spark Capital[a], in February 2013.

"I'd rather have us (Mojang AB) be part of an uprising of many companies in the rebellion against Zynga[b] and EA[c]. We can take them on without the money. The way we develop games is very cost-effective.[2]

– **Markus Persson, Developer of *Minecraft*, in June 2012**

Introduction

In February 2013, MojangAB (Mojang), an independent Swedish game development company, released its highly popular game,

[a] Spark Capital, based in the US, was founded in 2007. The company focuses on early stage startups in the areas of cloud & infrastructure, social, mobile, and content. Its portfolio includes Twitter, Tumblr, Foursquare, AdMeld, and OMGPOP.

[b] Zynga, founded in 2007 and based in the US,is the leading game developer for social networking site, Facebook. It's most popular games are FarmVille, Zynga Poker, and ChefVille. In 2011, it made revenues of US$ 1.14 billion and went in for an IPO, which was the largest by an internet company.

[c] Electronic Arts (EA) founded in 1982 in the US, was the third largest gaming company in the world, as of 2013.

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Chapter 4:

Text Mining of Fitbit's Twitter Data – Gaining Business Insights

Koti Vinod Babu and Namratha V Prasad

> *"This (Google's acquisition of Fitbit) is not a hardware play. This will feed into both companies' health-care strategy and fill in data gaps."*[1]
>
> **– Ramon Llamas, an IDC[a] analyst, in November 2019.**

Introduction

Leading global wearable brand US-based Fitbit, Inc. (Fitbit) monitored microblogging[b] and social networking service Twitter[c] to manage brand perception and deliver strong customer service. Fitbit, which was founded in 2007, was in the business of making watch-like wearables that tracked the wearer's physical activity, sleep, exercise, etc.

Fitbit always encouraged its customers to generate a buzz on social media, especially Twitter, by giving their reviews, discussing new product launches, and mentioning how they used Fitbit in their daily

---

[a] International Data Corporation (IDC) is the US-based premier global provider of market intelligence, advisory services, and events for the information technology. It was founded in 1964.

[b] Microblogging is an online broadcast medium that exists as a specific form of blogging. A micro-blog differs from a traditional blog in that its content is typically smaller in both actual and aggregated file size.

[c] Twitter is an American micro blogging and social networking service on which users post and interact with messages known as 'tweets'. It was founded in 2006. The number of characters of the message was limited to 280. There are 330 million monthly active users and 145 million daily active users on Twitter as of 2020.

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Chapter 5:

Starbucks: Brewing Customer Experience through Social Media

Indu Perepu

"It's not an accident that Starbucks is the No. 1 brand on Facebook and Twitter. We've used that to engage with our customers in a much more real, authentic, emotional way. It's lowered the cost of customer acquisition and built customer loyalty."[1]

– Howard Schultz, CEO, Starbucks, in 2011

"If we had approached it not from 'what you know and love about Starbucks' but as a marketing channel, we would have taken this down a path that would have been very different. This was not [built as a] marketing channel, but as a consumer relationship-building environment."[a]

– Chris Bruzzo, VP-brand content and online, Starbucks, in 2010

"I think what they've done is elevate the entire experience away from just a cup of coffee into, really, Starbucks being the corner bar, and they've used social media to leverage that positioning,"[2]

– Reggie Bradford, Founder and CEO of Vitrue[b], in 2010

A Socially Engaged Company

In March 2012, US-based Starbucks Corporation (Starbucks) was adjudged the most socially engaged company in a study conducted by PhaseOne[c], an advertising research firm. The study[d] was conducted to

---

[a] Emily Bryson York, "Starbucks gets its Business Brewing again with Social Media," Advertising Age, March 22, 2010.

[b] Virtue is a Atlanta, based social-media management company,

[c] US-based PhaseOne is an analytical-based research and consultancy firm.

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Chapter 6:

Sanofi Diabetes: Using Digital Technology and Gamification to Improve Patient Experience and Adherence

Koti Vinod Babu and Debapratim Purkayastha

> *"As a company, we have entered the diabetes gaming arena to improve health outcomes for children with Type 1 diabetes. We are committed to making a difference to the lives of children who are struggling with the challenge of managing diabetes, especially in an environment where they can easily be made to feel different. We hope that the teachers, parents, and carers for whom this game [Mission T1D] was developed will make it their mission to make this game a success."*[1]
>
> **– Rebecca Reeve,**
> **Head of Professional Relations at Sanofi Diabetes UK,**
> **in 2014**

> *"Healthcare games add fun to often difficult circumstances and people feel good about them. Will they have a long-term impact on disease awareness, patient adherence, or reputation management? Like anything else in pharma, only if you realise that it's not child's play."*[2]
>
> **– Peter Houston, former Group Content Director for AdvanstarPharma Science, in 2013**

In the latter part of 2014, Sanofi SA (Sanofi), a leading French multinational pharmaceutical company, launched a games app called 'Mission T1D'.Mission T1D, a free games application available on Apple, Android, and PC devices, was intended for children suffering from Type

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Chapter 7:

United Parcel Service (UPS): Recruiting Talent through Social Media

Geeta Singh and Syeda Maseeha Qumer

> *"We have a very aggressive social media hiring strategy in our organization [……].I would tell companies not to be afraid to get out there on social media. Today's applicants are very connected to social media and having visibility in that area brings a lot of credibility to your organization."*[1]
>
> **– Paul Tanguay, Global Director of Recruitment Strategies for UPS in 2017.**

In December 2017, an investigation by ProPublica and The New York Times found that top employers like Goldman Sachs Group, Inc [a], Target Corporation[b], Amazon.com Inc.[c], United Parcel Service (UPS), and State Farm[d] placed recruitment ads "limited to particular age groups," on Facebook. The database of Facebook ads collected revealed how often and precisely employers were recruited by age and how Facebook users who were 40 or older were filtered out when it came to knowing about job openings. US-based United Parcel Service (UPS), the world's largest multinational package delivery company and provider of supply chain management solutions, was accused of discrimination in running an ad aimed at people 18-24 in a search for "part-time package handlers." However, UPS defended its targeting as part of a broader recruitment strategy to reach candidates of all ages. Analysts said though it was difficult for UPS to answer such allegations, its strategy of

[a] The Goldman Sachs Group, Inc. is a leading global investment banking, securities and investment management firm.

[b] Target Corporation is one of the largest discount store retailers in the US.

[c] Based in Seattle, Amazon is the largest e-commerce company in the world.

[d] State Farm is a US based insurance and financial services company.

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Chapter 8:

Beyond Resumes: Marriott Using Gamification to Recruit Top Talent in Hospitality

Koti Vinod Babu and Debapratim Purkayastha

> *"As Marriott expands in growth markets outside the U. S., and as we seek to attract more Millennials – those between the ages 18 and 27 – to our workforce, we must find new ways to interest them in hospitality careers. This game [My Marriott Hotel] allows us to showcase the world of opportunities and the growth potential attainable in hospitality careers, especially in cultures where the service industry might be less established or prestigious."*[1]
>
> **– David Rodriguez, Executive Vice President for Global Human Resources, Marriott International.**
>
> *"Those are great because they brand the hospitality industry and get people thinking about hotels and travel, but I think people are smart enough to know. That's why our game is so appealing. Not only am I having fun but I'm actually getting an understanding of what it takes to run a kitchen."*[2]
>
> **– Susan Strayer, Senior Director, Global Employer Brand and Marketing, Marriott International.**

Marriott International, Inc., the world's largest hotel company, launched a social game on Facebook[a] called 'My Marriott Hotel' on June 6, 2011, to recruit the best candidates in hospitality. Developed in association with Evviva[b], a consulting firm for developing corporate

[a] Facebook is an online social networking service headquartered in Menlo Park, California.

[b] Evviva is a US-based gamification company.

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Chapter 9:

GlobalLogic's Social Media Hiring and Branding Strategy

Jitesh Nair

"Social media hiring is a growing trend in the hiring industry and one has to understand its increasing importance as the entire world continues to go social."[i]

– Yuvraj Bhatnagar, Director of Talent Acquisition, GlobalLogic, in 2013

"Recruiting and hiring the right people is fundamental to our success. We apply technology to enterprises to help them build businesses of the future and without the right talent, our value proposition drops exponentially. Talent Acquisition is at the core of our operations, and hence not a sub-function of HR but a strategic corporate function in its own right!"

– Sumit Sood, Managing Director, GlobalLogic India, in 2017

"We didn't really spend time convincing the management about LinkedIn Talent Insights (LTI). It was reliable, had constantly refreshed data from LinkedIn, global reach and, more importantly, brand trust which made it easily acceptable at GlobalLogic."[ii]

– Nandan Ganeyan, AVP - Talent Acquisition, GlobalLogic, in 2020

Introduction

GlobalLogic, a full-lifecycle digital product engineering company, worked with hundreds of companies worldwide, delivering over 1,500 projects annually. Its clients included many Fortune 500 firms, such as Microsoft, Coca-Cola, Amazon, Verizon, Cisco Systems, and Samsung.

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Chapter 10:

Content Marketing at Sperry: Repositioning an Iconic Brand to Target 'Intrepid' Millennials

Koti Vinod Babu and Debapratim Purkayastha

> *"We set out on an exploration to develop a campaign that encourages a youthful, global, and digitally-connected group to discover and celebrate authentic stories still to be lived. The resulting creative is a huge departure from the brand's previous work and aims to build relevancy with a bold, intrepid consumer around the globe."*[1]
>
> **– Rick Blackshaw, President of Sperry, in 2015.**
>
> *"Millennials in particular can be somewhat fickle, which places pressure on Sperry's digital team to market in a way that doesn't seem to salesy… Millennials' shopping preferences change often, making it much harder for retailers to turn a one-time customer into a repeat buyer. In addition to their reliance on social media, millennials tend to be picky about how they spend their money and are loyal to brands that speak their language and appeal to its values."*[2]
>
> **– Harry Joiner, Recruiter at EcommerceRecruiter.com, in 2014.**

Iconic American shoe brand Sperry, which was in the business of making boat shoes[a], announced a brand-repositioning and multi-staged marketing campaign in February 2015 to coincide with its 80th

[a] Boat shoes (also known as deck shoes) are canvas or leather shoes with non-marking rubber soles designed for use on a boat.

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Chapter 11:

TACO Bell – Using Social Media to Target Millennials

Namratha V Prasad and G V Muralidhara

"The main difference in strategy now vs. before is that what we are doing today in social media is real-time, and we listen and engage all the time."[1]

– Nick Tran, Head Of Social Media at Taco Bell Corp., in November 2014.

"It's not just about likes, clicks, or eyeballs. Do people co-create off of our content? Do they repeat the story? Do you see all the people out there who are driving culture and vocabulary replaying the stories we're telling? That's how I know we're connecting."[2]

– Brian Niccol, CEO of Taco Bell Corp., in May 2014.

Introduction

In October 2014, Taco Bell Corp. (TACO) completely 'blacked out' its website and all of its various social media channels that included Twitter, Facebook, YouTube, Instagram, Google+, and Tumblr (**See Exhibit I for Information on these Social Media Platforms**) and posted a black and white message that read, "Taco Bell isn't on Twitter (or the name of the particular social media website)…It's #OnlyInTheApp." This was the strategy the company used to launch its updated mobile ordering app. The message on the social media sites was accompanied by a link to a page that offered a video of how the app worked and links to download it.

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Chapter 12:

IKEA's Social Media Listening & Monitoring Initiatives

Jayasri Bhimalapuram and Debapratim Purkayastha

> *"Social Media has opened up a unique platform for us to interact directly with our customers. Listening to what they want is what we do best, and the Big Sleepover is just one example of how we're using such instant and open feedback to better inform our marketing activity."*[1]
>
> – **Lois Blenkinsop, PR and Internal Communications Manager, IKEA United Kingdom**

In December 2011, IKEA launched "The Big Sleepover" happy to bed campaign in the UK. According to IKEA, its team had uncovered a group on Facebook called "I want to have a sleepover in IKEA". The group was started by IKEA fans and identification of the fan group was the seed for the campaign. IKEA wanted its customers to look at the company not only as a furniture retailer but also as a brand that guided customers at every step of the redesigning and furnishing process while creating an ideal haven and helping them go "happy to bed". IKEA developed a fully integrated plan for the "Big Sleepover" at the Lakeside IKEA store in the UK for its customers. The campaign was broadcast online, on social media (Facebook, Twitter, Flickr, and YouTube), and across print media and was considered a huge success.

Industry observers felt that by monitoring social media, IKEA had benefited through fact based decision making, sales recovery, waste reduction, and opportunity identification to avoid potential public relation crises. IKEA's stated business concept was "It is all about finding simple solutions and saving on every method, process, or approach adopted – but not on ideas."[2] IKEA stated that it had turned to social media to discover who was talking about it, what was being

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Chapter 13:

Zomato: Redefining Digital Marketing

Barnali Chakraborty and Debapratim Purkayastha

> *Our ideas tend to be relatable because they speak directly to the masses. So if you notice the language we use across our platforms, you'd find it very approachable. Our aim is to not always go viral but to stay relevant. And in most cases, this relatability factor drives the overall engagement."*[1]
>
> **– Gaurav Verma, Chief Marketing Officer, Brand, Zomato, in August 2019**

In April 2020, with the whole world in the grip of the Covid-19 pandemic[a], India imposed a total lockdown that forced businesses to shut down or allow their employees to work from home. While essential services were allowed, online food service aggregators (FSA) like Zomato were also disrupted as the government sometimes allowed them to operate and sometimes put restrictions. A Twitter handle decided to have some fun at Zomato's expense: *"My parents think I am as useless as Zomato in our phones during this lockdown. My parents are wise,"* Though Zomato wasn't even tagged on the tweet, its social media team noticed it and retorted: *"We're actually delivering groceries now, aap*

[a] The Covid-19 pandemic is caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The outbreak was first identified in Wuhan, China, in December 2019. The World Health Organization declared the outbreak a pandemic on March 11. 2020. As of May 7, 2020, more than 3.82 million cases of COVID-19 had been reported across 185 countries and territories and resulted in more than 265,000 deaths. As the virus is primarily spread between people during close contact, authorities across the world have responded by implementing travel restrictions, quarantines, social distancing, lockdowns, curfews and stay-at-home orders, workplace hazard controls, and facility closures, where only essential services will function. The pandemic has caused severe global socioeconomic disruption including the largest global recession since the Great Depression.

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Chapter 14:

The Social Business Journey at IBM

This case won the **IBS-Elite Projects Award** for the Best Case submitted in the **'Social Media & Business'** Track at International Case Study Conference 2012, Hyderabad, December 2012.

Hadiya Faheem and G V Muralidhara

"I see IBM as a social business because of how we've broken down the barriers of reaching out to the people within the organization, but also how we're leveraging these same tools externally facing, to interact with our partners and clients."[1]

– Jeff Schick, Vice President of Social Software, IBM, in June 2012.

"A Social Business is a business that embeds "social" in all of its processes, connecting people to people, people to information, and data to insight. It [IBM] is a company that engages its employees and clients in a two-way dialogue with social tools, is transparent in sharing its expertise beyond its four walls, and is nimble in its use of insight to change on a dime. It is different from Social Media, in that Social Media primarily addresses or focuses on marketing and public relations. (that's where the media comes from.)"[2]

– Sandy Carter, Vice President of Social Business Evangelism, IBM, in February 2012.

"IBM is moving itself and its clients well beyond social media into a new era of collaboration, insight sharing, and lead generation it calls Social Business."[3]

– Drew Neisser of *Fast Company*[a], in September 2011.

[a] Launched in 1995, *Fast Company* is a monthly business magazine on innovation, digital media, technology, change management, leadership, design, and social responsibility.

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Chapter 15:

Greenpeace, Nestlé and the Palm Oil Controversy: Social Media Driving Change?

Amrit Chaudhari and Debapratim Purkayastha

"Two years ago, we asked Nestlé to stop buying palm oil from a company that was consciously destroying Indonesian forests. They never answered us…we thought that with the evolution of social media we could strike harder and in a more organized fashion this time around." [1]

- **Daniela Montalto, Forest Campaign Head at Greenpeace, in 2010**

"The ability to foster change proves that social media has come of age. Social media is a powerful communication and coordination tool …. The world is changing and irresponsible businesses must now acknowledge that the revolutionary power of social media is a serious threat." [2]

- **Richard Matthews of Green Conduct[a], in 2011**

Introduction

One of the world's largest food processing companies, Nestlé SA (Nestlé), found itself mired in a public relations nightmare in 2010 when the environmental protection group Greenpeace International[b]

[a] Green Conduct is a forum for discussing and communicating about sustainability.

[b] Greenpeace, based in Amsterdam, Netherlands, is a non-governmental environmental organization. It has offices in several countries. The stated objective of Greenpeace is

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Strategic Financial Management



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Strategic Financial Management

Editor:
D Satish

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Chapter 1:

Investment Principles, Strategies, and Decisions: An Inquiry into Warren Buffett's Perspective on his Roller Coaster Ride with Select Stocks

K B S Kumar *and* Indu Perepu

In 2019, US-based conglomerate Berkshire Hathaway (Berkshire) was all set to celebrate the 89th birthday of its celebrity Chairman and CEO, Warren Buffett (Buffett), known for his investment philosophy which had made him the third richest person in the world. However, there was an underlying sense of apprehension over the future of Berkshire, the fifth largest company in the S&P Index, with respect to its leadership and performance. The Oracle of Omaha, as Buffett was fondly called, had undoubtedly set the benchmark of performance at a stellar level. The performance of Buffett's investments had convincingly topped that of all the US stocks and mutual funds that had traded in the 40 years since 1979. A study conducted over the four decades from 1976 to 2017 showed that Berkshire's Sharpe ratio[a] was almost double that of the overall market's.

However, after 2015, a comparative analysis of Berkshire and S&P index showed a subpar performance of Berkshire's stock as compared to S&P's (*Refer to Exhibit I for Berkshire Hathaway Vs S&P 500*).

For the fourth quarter of 2018, Berkshire reported a loss of $ 25 billion, attributed to a drop in the value of several stock investments. Some of the stocks on which Buffett had placed his bets –including

[a] Average return of an investment compared to its risk.

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Chapter 2:
Lupin Stock: Risk and Return

Pranati Mohapatra *and* Soham Routh

> *As an investor it is wise to be "Fearful when others are greedy and greedy when others are fearful."*
>
> **– Warren Buffett, world renowned investor** [1]

Introduction

The stock price of Lupin Limited (Lupin) hit a 52-week low of INR (Rs.)[a] 846.20, on November 7, 2017, when the Indian pharma major informed the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE)[b] that it had received a warning letter from the US Food and Drug Administration (USFDA) (WL)[2] *(Refer to Exhibit I for the daily stock price data for the month November 2017 and to Graph I for a graphical depiction of the stock prices around the news date, and to Exhibit II for the monthly stock price data for the year November 2016 to November 2017).*

Following the steep decline in the stock price, the company's market valuation eroded by Rs 78.66 billion.[3] Concerned over Lupin Ltd.'s margins remaining under pressure, most of the brokerage houses cut their target price on the stock[4]. Investors were left wondering whether they should sell the stock, hold it, or buy more.

[a] "1 US Dollar = 65.1619 Indian Rupees on 11/7/2017", https://www.exchange-rates.org/Rate/USD/ INR/11-7-2017

[b] NSE and BSE were two major stock exchanges in India.

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Chapter 3:

Borrowing Cheap with Zero Coupon Bonds: Three Caselets

Manish Agarwal *and* Sanjib Dutta

"I think bringing a zero-coupon is an interesting example of financial engineering to attract investors, albeit risky."[1]

– Mikhail Volodchenko, EM Fixed Income Portfolio Manager, AXA Investment Managers[a], March 2021.

Caselet 1: Ghana Issues Zero Coupon Bond (ZCB) to Fund its Economy

In 2021, Ghana was the second-largest economy and second most populous country in West Africa. The country had a 'B' credit rating from Fitch Ratings Inc.[b], 'B3' fromMoody's Investors Service[c], and a 'B–' from S&P Global Ratings[d].[2] Ghana was facing a tough time in early 2021 due to the Covid-19 pandemic and an interest payment burden which consumed more than 50% revenue of the Government of Ghana (GOG). Experts pointed out that the Ghanaian economywas at a critical stage as the average interest payment burden viz-a-viz government revenue was 11% in the other countries with similar credit ratings *(Refer to Exhibit I for selected Economic indicators of Ghana).*[3] Charles Adu Boahen, Deputy Finance minister in the GoG, said, *"Given our*

[a] AXA Investment Managers is a global investment company from France.

[b] Fitch Ratings Inc. is a global credit rating agency based in New York, United States.

[c] Moody's Investors Service is also a global credit rating agency from America.

[d] S&P Global Ratings is also a global credit rating agency and is part of S&P Global Inc., a global financial research publisher.

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Chapter 4:
Tesla's Convertible Bonds

Manish Agarwal *and* Sanjib Dutta

"When we build a portfolio, Tesla will be a part of it. But what we'll probably be doing is adding more on the convertible side, not on the equity side."[1]

– Ross Gerber, Co-Founder, President, and CEO, Gerber Kawasaki[a], May 2019

Introduction

On March 1, 2021, the stock price of Tesla, Inc. (Tesla), known for its electric cars, closed at US$718.43. The same day, Tesla's convertible bondholders converted the bonds issued to them in March 2014 and earned almost 900% returns. Tesla had generated and collected more than US$7.69 billion between May 2013 and May 2019 through convertible bonds. However, analysts believed the incredible growth in Tesla's stock price would end the era of convertible bonds at the company. They opined that if Tesla was able to improve its credit rating and profitability, it could adopt a less complicated method of financing to raise funds.

A Note on Tesla

Tesla was known for its electric vehicles and solar energy products (solar roof, solar panels). The company was started by engineers EMartin Eberhard and Marc Tarpenning on July 1, 2003, as Tesla Motors. In February 2004, the company went in for 'Series A' funding of US$7.5 million from various investors. Elon Musk (Musk), a serial entrepreneur, led the funding round with a US$6.5 million investment.

[a] A wealth and investment management firm.

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Chapter 5:

Interest Rate Changes and Duration Management

V D M V Lakshmi and D Satish

> *"When interest rates are rising, it is wise to remain invested in short-term products to minimise the rate risk and reinvest at higher levels. When softening of interest rates is imminent or under way, it is better to invest for a longer duration to take advantage of capital gains".*
>
> **– Killol Pandya, Head of Fixed Income, Daiwa Asset Management**[1]

Ankur, a student of MBA from a reputed business school, joined one of the leading wealth management companies, MKR Investments Vista, as a summer trainee. He was assigned the job of assisting Agrawal, a wealth manager of the company who dealt with the wealth of clients by allocating and managing the client portfolio based on the client risk appetite as well as the changing economic and business environment.

Agrawal suggested to Ankur that he identify the dynamic bond fund rated best by Morning Star so that he could consider it for inclusion in the portfolio of his clients. Dynamic bond funds performed better than other types of bond funds irrespective of the interest rate scenario in the economy. This was because the dynamic bond fund manager had rebalanced the bond portfolio by changing its duration in anticipation of changes in interest rates, to maximize fund returns. He further suggested that Ankur study how the fund manager changed the duration of the selected dynamic bond fund from time to time. In this context, it was important for Ankur to understand the dynamics of how the Reserve Bank of India's (RBI's) (India's central bank) decision to change policy rates affected bond prices.

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Chapter 6:

Byju's - Funding an EdTech Startup

Nagendra Kumar M V *and* Indu Perepu

India-based Byju's, the Learning App, a technology-based educational tool, was developed and marketed by educational technology and online tutorial firm Think and Learn Private Limited (TALPL). TALPL was founded by Byju Raveendran (Raveendran), an engineering graduate and a tutor by profession. To pursue his passion for guiding and motivating students preparing for competitive exams, Raveendran quit his job in a shipping company and started tutoring students for competitive entrance exams like the Common Admission Test (CAT)[a], Management Aptitude Test (MAT)[b], etc[1]. Raveendran was skilled at simplifying mathematical concepts, and this helped young graduates crack tough competitive exams. He himself cleared the CAT with a 100 percentile. After he launched his tutoring classes in the year 2006, Raveendran became immensely popular among competitive exam aspirants. To meet the growing demand, he started taking classes in big auditoriums and seminar halls, addressing around 800 students per session.

In the year 2011, he started TALPL with an initial investment of Rs. 0.20 million[c]. Raveendran traveled to different locations across the country to teach students. His interactions with graduate students made him realize that many of the students lacked the foundation and

[a] Common Admission Test (CAT) is an admission test conducted for admission into the top management institutions India, Indian Institute Management (IIM). CAT is considered to be one of the prestigious completive exams by the management program aspirants. In addition to IIMs, other prominent management educational institutions also consider CAT score for admissions.

[b] Management Aptitude Test (MAT) is an admission test for some of the management educational institutions in Indi. Around 600+ management institutions offering MBA and PGDM programs consider MAT score for admission into their institutions.

[c] 1 US$ ≈ Rs. 72.50 as of March 2021.

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Chapter 7:
Vedanta's Open Offer

Manish Agarwal *and* Sanjib Dutta

> *"Even if investors want an exit, they can offload their shares in the open market. Fundamentally, I do not think the open offer will push up the share price in the stock market as the quantum of share the promoter is buying back is much less compared with the floating stock."*[1]
>
> **– Shriram Subramanian, MD, InGovern Research Services, March 2021.**

In October 2020, Vedanta Resources Limited (VRL), a diversified mining company from London, UK, made an unsuccessful attempt to delist its profitable and cash-rich operating Indian subsidiary Vedanta Limited (VL) from the Indian stock market *(Refer to Exhibit I to know more about VRL and VL)*. The attempt failed as VRL received fewer bids (1.25 billion shares) than needed (1.34 billion shares[a]) at its offer price of Rs. 87.50 per share while VL's per share market price was around Rs. 120 and the majority of shareholders were tendering their shares at Rs. 320 per share.

Experts believed that if VL's delisting succeeded, it could improve VRL's liquidity position. Moody's report, published in October 2020, stated that VRL had about US$15.5 billion in debt and half of the debt was due by March 2022. Kaustubh Chaubal, Vice President and Senior Credit Officer with Moody's, said, *"Without [VL] operations of its own, VRL as the holding company needs to refinance debt maturities at a time of tight capital market liquidity, putting undue pressure on key subsidiaries to upstream cash."*[2]

[a] According to the Indian delisting regulation, a delisting offer will be successful only if the minimum number of shares are tendered by the shareholders. As per the law, VRL needed at least 90% of the then outstanding shares of VL, i.e., 1.34 billion shares, to successfully delist VL from the stock exchanges.

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Chapter 8:

India's largest Share Buyback by TCS: To Participate or Not?

Manish Agarwal *and* D Satish

> *"The buy-back of the shares is a good indication of the under-valuation of the stock in the markets. It is good, also given that the cash yields are running low and earning yield in the IT industry has improved on the back of the under-performance of the stock. Also, the buy-back will take part of the cash out of the books; this will enhance the overall RoE, as the proportion of the low yielding asset (i.e., cash) will be reduced in the balance sheet and hence will reward shareholders."*[1]
>
> **– Sarabjit Kour Nangra, VP Research-IT, at Angel Broking, February 2017.**

The announcement by Tata Consultancy Services (TCS) in 2017 of a share buyback came as welcome news to its investors as Indian IT stocks had not done well during FY17 and some stocks had recorded negative returns during the period February 2016 to February 2017. The returns for the three years (FY2014-15 to FY2016-17) offered by the benchmark index (BSE Sensex) were significantly higher than the returns provided by most IT companies. Commenting on the TCS buyback, Sarabjit Kour Nangra, VP, Research IT, Angel Broking, said, *"The buyback of the shares is good given that cash yields are running low and the earnings yield in the IT industry has improved on the back of the underperformance of the stock. Also, the buyback will take a part of the cash out of the books; this will enhance the overall return on equity."*[2]

Market analysts opined that this was a good opportunity for investors to sell some of their TCS shares. Deven Choksey, Managing Director, K R Choksey Investment Managers, said, *"Investors should take the opportunity to sell their shares because the premium is quite good. Later, they can always buy the shares from the market."*[3] However,

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Chapter 9:
Saudi Aramco♦

Alok Kavthankar *and* Indu Perepu

"Aramco is not a company; it is the Saudi Arabian budget to run the country"[1]

– Aswath Damodaran, Professor of Finance at the Stern School of Business, in 2017

In early 2016, it was reported that Saudi Arabian national petroleum and natural gas company Saudi Aramco (Aramco), the world's largest oil exporter with access to the world's second largest proven oil reserves, was seeking proposals to float an IPO.[2] Though Aramco was a state-owned company, the monarchy represented the state, that is, the Kingdom of Saudi Arabia[a], and thus had significant influence over the management of Aramco. Until 2016, Aramco had to pay 85% of its earnings as tax to the government and some undisclosed proportion as royalties to the Saud family, the royal family of Saudi Arabia.

In March 2016, the crown prince of Saudi Arabia, Mohammad bin Salman bin Abdulaziz Al-Saud (Prince Salman), announced that 5% of Aramco would be floated. He claimed it would be valued at $100 billion. The value of Aramco was, therefore, estimated at $2 trillion. Such valuation dwarfed Silicon Valley tech giants such as Apple and Google. Besides, the $100 billion float would be a record IPO and amount to four times the size of the largest IPO ($25 billion Alibaba[b] IPO in 2014)

♦ This case won the Second Prize in the 2018 oikos Case Writing Competition (Sustainable Finance track), organized by oikos International, Switzerland.

[a] In this case, Saudi and the Kingdom will be used interchangeably.

[b] China-based e-commerce company Alibaba Group had the record for the largest US-listed IPO in 2014

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Chapter 10:
The Spotify IPO

Nagendra Kumar M V *and* Indu Perepu

"I think the traditional model of taking a company public isn't a good fit for us." [1]

– Daniel Ek, Co-Founder and CEO of Spotify

Sweden-based Spotify Technology S.A. (Spotify), the world's largest music-streaming company, went in for a listing on the New York Stock Exchange (NYSE) in April 2018. Unlike other companies which went in for listing, Spotify opted for what was popularly known as 'direct listing'. There were several unique aspects to this listing – new shares were not issued and there were no underwriters, no road shows, and no lock-in period for the shares. When the company announced its listing in March, observers said that Spotify was taking a huge risk by opting for direct listing as more than 90% of the outstanding shares would be eligible for trade on the first day itself, and the heavy volume could impact the valuation of the company. Another risk was that without the intervention of underwriters, the stock could experience high volatility. According to Anna Pinedo, partner at global legal services provider Mayer Brown, *"It has the potential, if successful, of being a different route for a certain type of company, to have a listed stock. It is an interesting test case."*[2]

The company was listed on April 03, 2018, and opened at US$ 165.90, above the reference price of US$ 132 provided by investment bank Morgan Stanley based on the trading of shares in the secondary market and other parameters. Thirty million shares were traded in a very narrow range, signifying low volatility, and they closed at US$ 149.01, giving the company a valuation of US$ 26.5 billion.

Analysts said that the price was determined purely by market forces and was not manipulated by the underwriters and banks. By going in for such a listing Spotify was able to avoid the expensive IPO

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Chapter 11:

Financial Statement Analysis & Valuation Dilemma of WeWork (The We Company)

D Satish

> *"We are a community company committed to maximum global impact. Our mission is to elevate the world's consciousness. We have built a worldwide platform that supports growth, shared experiences and true success. We provide our members with flexible access to beautiful spaces, a culture of inclusivity and the energy of an inspired community, all connected by our extensive technology infrastructure. We believe our company has the power to elevate how people work, live and grow"*[1]
>
> **– WeWork S – 1 Document file with SEC on August 14, 2019**
>
> *"The eventual withdrawal of the IPO (WeWork) sends a clear message to entrepreneurs and underwriters that they can no longer ignore shareholders' rights if they want shareholders' money".*[2]
>
> **– Amiyatosh Purnanandam, Senior Contributor CFO Network & Professor of Finance, Michigan Ross**

WeWork, the New York-based start-up that revolutionized commercial real estate by offering flexible shared workspaces, filed the mandatory S-1 paper with the Securities and Exchange Commission (SEC) to go public on August 14, 2019. In less than 10 years of its journey, WeWork had attracted the who's who of the world of private equity players, including SoftBank, Goldman Sachs, and JP Morgan Chase & Company. The IPO document brought out its bigger vision, couched in aspirational language. Its banner page read *"We dedicate this to the energy of we – greater than any one of us, but inside all of us".*

But, the response to the filing did not match the hype the announcement of the IPO had created. Instead, it opened a Pandora's box with analysts, experts, and investors expressing skepticism on

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Chapter 12:

Valuation Challenges of Impossible Foods

D Satish

> *"We are not so brazen as to believe that we can perfectly calibrate valuation; determining risk and return for any investment remains an art not an exact science"*[1]
>
> **– Seth Klarman**

Introduction

In November 2019, Impossible Foods, a plant-based meat burger maker headquartered in Redwood City, California, was in talks with investors to raise funding of between $300 million and $400 million, which it hoped would double its $2 billion valuation reported in May 2019. Its rival, Beyond Meat, saw its valuations triple in the same period after its IPO in May 2019. Beyond Meat was valued at $4.8 billion in November 2019. The global market for meat substitutes generated revenue of $4.2 bn in 2018 and was expected to grow $6.1 bn by 2023 as more customers turned vegan or cut down on their meat consumption.[2]

Though Impossible Foods managed to secure $500 million in a Series F funding in March 2020 from investors, including celebrities, and a further $200 million in a Series G funding from New York-based technology focussed investment fund, Coatue, in August 2020, some experts raised questions on whether the plant-based meat market was overhyped. According to some analysts, these start-ups were using their first mover advantage to try and revolutionize the meat-based products. Analysts felt that due to the tripling of Beyond Meat shares post its IPO, there was a lot of *"dumb money"* that would flow into these start-ups but there would be a correction soon, leading to a fall in valuations which would be problematic to both the start-ups as well as the investors.[3]

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Chapter 13:

Financial Statement Analysis of Open Text Corporation

Nagendra Kumar M V *and* D Satish

> *"OpenText is helping the world's leading brands digitize their business, both on- and off-premise, and our strategy is showing bright-line success supported by our strong fourth quarter performance for the fiscal year 2015."*
>
> **– Mark Barrenechea, Chief Executive Officer, Open Text Corporation**[1]

Open Text Corporation (Open Text), one of the leading providers of Enterprise Information Management (EIM) services, was incorporated in the year 1991. In keeping with the evolving trends, Open Text started offering EIM on cloud in 2012. Over the past three years (2012-2015), the revenues generated from cloud-based services increased to 30% of its total revenues[2]. Open Text acquired various technology firms as a part of its growth strategy. This quick acquisition strategy received a mixed response from market analysts. An analyst, Mark Schappel (Schappel), expressed the view that the strategy would not be beneficial in the long run for the company. *"Open Text is really good at buying companies dirt cheap. The problem is, they're buying them cheap because they're cheap for a reason. They're not growing, they need to execute on what they have,"* he said[3].

On the other hand, another analyst, Carmi Levy (Levy), felt that Open Text was well placed to meet market demand and competition, and said that the strategy of growth through acquisitions would have a strong long-term impact for Open Text to offer cloud-based services *"I think this (stock market position) will normalize over time once the market understands the long-term implications of Open Text's transition, it's way too early to be reaching for the alarm button."* said Levy[4]. However, the

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Chapter 14:

Financial Statement Analysis of Unilever Plc

Nagendra Kumar M V *and* D Satish

"Unilever continued to grow ahead of its markets in 2014 and re-affirmed its reputation for consistent top and bottom line growth, ensuring continued returns for investors"

– Paul Polman (Polman), Chief Executive Officer, Unilever, February 25th, 2015.[1]

On the occasion of announcing annual financial results for the year 2014, Paul Polman (Polman), CEO of Anglo-Dutch FMCG major Unilever plc (Unilever), expressed confidence about the effectiveness of the company's business model. *"The consistency of our delivery, even in these unusually volatile and uncertain conditions, helps. It reassures me that the fundamental pillars of the business are strong and that we have developed the resilience needed to compete even in the most difficult circumstances,"* said Polman[2]. Also the shareholders were rewarded with dividends which had increased by around 8% per annum over the years 2010 to 2014[3].

At Unilever, the management believed in applying all the levers of value creation and efficient functioning of financial management to ensure consistent growth in Earnings Per Share (EPS) and Free Cash Flows (FCF)[4]. The management also attributed its strength to its brands. The top 13 brands contributed to around 53% of its total turnover. Also, 57% of its business came from emerging markets, which provided Unilever a growth opportunity[5].

In the financial year 2014, even though there was weak consumer demand which resulted in the reduction of sales growth, Unilever saw an opportunity to improve its efficiency and this resulted in a healthy

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Chapter 15:

Dividend Policy at Hindustan Petroleum Corporation Limited (HPCL)

Smita Ray, Namratha V Prasad *and* Sanjib Dutta

"Unanticipated changes in dividend should be accompanied by stock price changes in the same direction, which means dividend increases are taken as good news by the market, and decreases as bad news."[1]

– Franklin Allen and Roni Michaely, British economists and academics

"Dividend policy should always be clear, consistent and rational. A capricious policy will confuse owners and drive away would-be investors."[2]

– Warren Buffett, Chairman and CEO, Berkshire Hathaway

Introduction

On February 28, 2018, Hindustan Petroleum Corporation Limited (HPCL), one of the dominant players in the Indian Oil and Gas (O&G) industry, distributed an interim dividend of Rs. 14.50 per equity share with a face value of Rs. 10 each for the Financial Year (FY) 2017-18. Soon after, on March 9, 2018, the share price of HPCL fell below Rs. 360 *(Refer to Figure I for Share Price Movement of HPCL (January – December, 2018)*. Again on June 28, 2018, the company distributed a final dividend of Rs. 2.50 per equity share for the FY 2017-18 and the share price fell below Rs. 260. By July 4, 2018, the share price further came down to Rs. 252 and on October 5, 2018, it was close to Rs. 165, the lowest for the year. Afterward, the share price recovered and moved with small ups and downs to reach nearly Rs. 250 by the end of December 2018.

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Chapter 16:

Financial Risk Management at Infosys Technologies Limited

Manish Agarwal *and* D Satish

Infosys Technologies Limited (Infosys), one of the leading Information Technology (IT) companies in India, had an 'A-'credit rating for both local and foreign currency.[1] This rating was higher than India's sovereign rating ('BBB– 'with a stable outlook) provided by Standard & Poor (S&P), a global credit rating provider.[2] Experts stated that the higher than native country's rating was a clear reflection of the credit worthiness, transparency, standards of corporate governance, and innovations in financial reporting of the company.

Infosys, which started operations in 1981, provided IT services and solutions, consultancy, technology, end-to-end business solutions, and outsourcing services to clients around the world. In the 25 years from 1993 to 2018, its market capitalization had increased from Rs. 318 million to around Rs. 2.57 trillion[a]. At the end of FY18, Infosys was operating in more than 45 countries with more than 204,000 employees. In FY18, Infosys's revenue was Rs. 705.52 billion, a growth of 3% on a Year over Year (YOY) basis.[3] In the same period, its net profit increased by almost 12%, from Rs. 143.53 billion in FY17 to Rs. 160.29 billion in FY18. This was because of lower income tax and lower operating expenses (such as selling and marketing expenses, administrative expenses) *(Refer to Exhibit I for three years consolidated profit and loss account).* The balance sheet size shrank from Rs. 833.55 billion in FY17 to Rs. 789.90 billion in FY18 due to various reasons included Rs. 130 billion worth of share buyback by the company (*Refer to Exhibit II for three years consolidated balance sheet of the company).*

[a] By the end of financial year 2018.

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Chapter 17:

Risk Management and Performance Analysis of HSBC Group

Nagendra Kumar M V *and* D Satish

> *"HSBC's performance in 2014 reflected another year of consolidation in the reshaping and strengthening of the Group against a backdrop of geopolitical and economic headwinds, many of which could not have been foreseen at the outset of the year"*
>
> **– D J Flint, Group Chairman HSBC[1]**
>
> *"2014 was a challenging year in which we continued to work hard to improve business performance while managing the impact of a higher operating cost environment"*
>
> **– S T Gulliver, Group Chief Executive HSBC[2]**

UK-based HSBC Group (HSBC)[a], one of the leading banking and financial services providers in the world, had a market capitalization of US$182 bn as of December, 2014 (The stock of HSBC Group was listed on the London, Hong Kong, New York, Paris, and Bermuda stock exchanges) with 216,000 shareholders and 51 million customers across the world. HSBC offered retail banking, wealth management, commercial banking, and global private banking services[3]. It had an employee base of 266,000 (263,000 in 2013) working in 6,100 offices of HSBC Group across 73 countries[4].

HSBC's core strategic objective was to become one of the leading and respected international banks in the world. With this objective, it focused on the requirements of the customers and society, creating and

[a] HSBC Group's various entities operating under HSBC Holdings plc. They include HSBC United Kingdom (UK), The Hongkong and Shanghai Banking Corporation, HSBC USA, and other entities operating in different countries.

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Chapter 18:

Financial Risk Management at BP

Manish Agarwal *and* D Satish

On July 29, 2014, BP p.l.c.[a] (BP) announced its second quarter results. The company reported a 34% jump in underlying replacement cost profit[b] compared to the same quarter of the previous year *(Refer to Exhibit I for second quarter summary).* This was largely due to improved upstream production in high margin areas – mainly in the Gulf of Mexico[c] – strong oil and gas realizations, and stronger contributions[d] from Rosneft[e]. Bob Dudley, the first American Chief Executive Officer (CEO) of the BP group, said, *"This was another successful quarter, delivering both operational progress and robust cash flow."*[1] However, the company warned the investors about the potential negative impact on business if the European Union and the United States imposed economic sanctions on Russia. According to the company, *"This could (economic sanctions) have a material adverse impact on our relationship with and investment in Rosneft, our business and strategic objectives in Russia, and our financial position and results of operations."*[2]

Industry expert stated that the BP management would find some way to come out from the short term problem of investing in Rosneft.

[a] In 2014, BP p.l.c. was the parent company of the BP Group.

[b] Underlying replacement cost profit is the term used to explain actual profit of the company. It is different from accounting profit which the company reports in mandatory reports and filing.

[c] The Gulf of Mexico is an ocean basin surrounded by Mexico, Cuba, Florida, Alabama, Mississippi, Louisiana, and Texas.

[d] In the second quarter of 2014, BP share in Rosneft's net income was US$1 billion compared to US$220 million in the same period in 2013.

[e] In 2014, Rosneft was the engaged in exploration, production and refining of hydrocarbon, and marketing of crude oil and gas. As of 2014, the Russian government was the largest shareholder of Rosneft with a 69.5% share followed by BP.

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Chapter 19:

Costing and Cost Sheet - Analyzing the Costs at Gopal Catering Services

Nagendra Kumar M V *and* Indu Perepu

Gopal ran a catering services business in Hyderabad city in the southern Indian state of Telangana. In 2018-19, more than 3 years after launching the business, Gopal wanted to start food outlets at different locations in the city. His aim was to cater to the daily food needs of the students, bachelors, families, and office goers in different areas across Hyderabad. Gopal believed the costs of running and maintaining each outlet would be the same, and estimated an average profit of Rs.50,000 (During the fourth quarter of the financial year, for a period of three months) from the food outlet business with an average revenue of Rs.12,000 per day from each outlet.

The costs of managing each outlet included the cost of the food, operating expenses like the electricity and telephone expenses, supporting staff salaries, etc. A total of three outlets were opened during the fourth quarter of the financial year 2018-19. All the operations of Gopal Catering Services (GCS) were run through a single administrative office located at the center of the city. The administrative office was responsible for the maintenance of all the accounting records of GCS. At the end of the financial year, Gopal wanted to know how much profit each food outlet had made and about the various expenses he had incurred in running the business.

Upon his request, the staff in the administrative office provided him with excerpts of various costs and the total revenues drawn from the financial records *(Refer to Exhibit I for the List of Revenues and Expenses of GCS during the year 2018-19).* However, Gopal was unable to understand the different costs incurred while running different stages of the business. Why is the information provided by the

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Chapter 20:

CVP Analysis - Profitability Assessment and Production Planning

Nagendra Kumar M V and Indu Perepu

Anirudh Solar Energy Solutions (ASES) had successfully delivered orders for solar LED lanterns of different types during the financial year 2019-20. During the year, the profit from the retailers' orders was estimated to be Rs.56,000, profit from the wholesalers' orders was estimated at Rs. 67,000, and the profit from an NGO's order for LED lanterns of Category-3 (C3) was estimated to be Rs. 50,000 *(Refer to Exhibit I for the Break-up of orders received by ASES during 2019-20).*

The profit margins on the LED lanterns of each category were arbitrarily fixed based on the market demand or on the production activities that were either recurring in nature or incidental[a] . In addition to these production expenses, Anirudh incurred other expenses on running the business operations i.e., on administration, marketing, sales, and distribution.

After one and half years of operations, in June 2020, Anirudh was still unclear as to the profitability of the LED lanterns of each category. He wanted to find out which category would provide substantial profits for the firm going forward. Based on this, Anirudh wanted to adjust the production operations so as to produce and market lanterns of that particular category.

He was considering fixing the profit margins at Rs. 100, Rs. 120, and Rs. 130 on the LED lanterns of Category-1 (C1), Category-2 (C2), and Category-3 (C3) respectively. Suggest how Anirudh can analyze and understand the profitability of the lanterns of each category, and provide

[a] Incidental activities are those that do not occur frequently

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Chapter 21:

Shutdown or Continue - Evaluating the Manufacturing Efficiency

Nagendra Kumar M V *and* Indu Perepu

Rameshwar Plastics (RP) manufactured three types of a High-Density Polythylene (HDPE) buckets. During 2019-20, RP sold 140,000 units of the Type-1, 5,000 units of the Type-2, and 1000 units of the Type-3 buckets. The overall profit on the sale of buckets was Rs. 52,96,650. An analysis of the total sales, total costs incurred on manufacturing, selling, and other expenses showed that profit on the sales of the Type-1 buckets was Rs. 64,31,000, while the Type-2 and Type-3 buckets made losses of Rs.499,250 and Rs. 635,100 respectively *(Refer to Exhibit I for the Statement of Manufacturing and Selling Expenses of Three types of Buckets).*

Rameshwar, the owner of RP, was unable to figure out the reasons for the loss on two types of buckets, as he had started manufacturing these types only after making a detailed analysis of the market requirements. He wanted to find out whether RP was running efficiently and decide whether to continue with the production of different bucket variants or confine himself to manufacturing and selling only one type of bucket. Rameshwar was in need of expert advice that would help him decide regarding the manufacturing efficiency of RP.

Background

Rameshar started a High-Density Polyethylene (HDPE) molded plastic buckets manufacturing unit in a newly formed industrial area in his town in the month of April 2019 and named it Rameshar Plastics (RP). There was high demand for different types of products made out of HDPE material, and the market analysis showed that the demand for

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Chapter 22:

Cash Flow Classification and Analysis for Decision Making

Nagendra Kumar M V *and* Indu Perepu

Introduction

Amit had successfully run his café business "Amit Traditional Hot Beverages (ATHB)" for three months. It was the start of a new financial year (2019-20) and he was doing short-term planning for another three months. He had a fixed deposit account that he had maintained for ATHB and he withdrew the money from that and placed it in the current account (The total amount withdrawn included interest of Rs.5,000). In addition, he also introduced another Rs. 500,000 into the business and placed that amount in government bonds that were encashable to their full value at any point of time.

Amit was confident about improving sales margins over the next three months and he asked the Supervisor and mentor of the food making and serving section at ATHB, Rama Rao (Rao), to make preparations accordingly. Amit wanted an improvement of 10% in sales margins every month for the next three months.

Besides, he also wanted to gain contracts to supply tea/coffee and snacks to offices located in the areas surrounding the café. He planned to incur an additional expenditure of Rs. 50,000 on advertising and marketing.

But before going ahead with his idea, Amit wanted to know the actual cash balance lying with him and then take a decision on managing the expenses depending on the expected sales margins.

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Chapter 23:

Accounting Scandal at Tesco

Nagendra Kumar M V *and* Indu Perepu

In June 2017, the Financial Reporting Council (FRC), UK's financial watchdog, dropped investigations into internationally reputed auditing firm PricewaterhouseCoopers LLC (PwC)[a] in connection with the accounting scandal at the UK-based retailer Tesco Plc (Tesco), PwC's long-time client. FRC said in a statement that there was no formal evidence against PwC to accuse the firm of ignoring basic auditing practices while auditing Tesco's financial statements. It said, *"The executive counsel to the FRC has concluded that there is not a realistic prospect that a tribunal would make an adverse finding against PwC and certain members in respect of the matters within the scope of the investigation."*[1]

The accounting scandal at Tesco came to light on September 22, 2014. The newly appointed CEO of Tesco Dave Lewis[b] (Lewis), who had taken charge three weeks earlier, formally announced a misrepresentation in the financial statements at Tesco and said that the retailer's profits had been overstated by £ 250 million for the first six months of the financial year 2014[2]. After the news broke out, Tesco shares tumbled to 203.50 pence, a fall of 11.6%.This was the highest fall in the share value of Tesco in 11 years[3], and it wiped £2.2 billion off its value[4] *(Refer to Exhibit I for Tesco's Stock Performance).*

Further investigations revealed that the profits had been overstated by **£**326 million[5] and that the retailer had been indulging in the practice not only for the first six months of the financial year 2014, but since 2012[6]. The overstatement pertained to booking future income from suppliers before it was received, and thus inflating the profits.

[a] PwC is one of the Big Four auditing firms in the world, the other three being Deloitte Touche Tohmatsu Limited, Ernst & Young Global Limited, and KPMG International

[b] Lewis was previously the head of personal care at Anglo-Dutch FMCG conglomerate, Unilever plc. He is the first outsider to lead Tesco.

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Chapter 24:

Toshiba's Accounting Scandal – A Spotlight on Japan Inc's Corporate Governance Systems

Nagendra Kumar M V *and* D Satish

"Toshiba was lauded as a front-runner in governance efforts, but that was a misunderstanding. Its governance structure looked good but the execution was not."

– Kota Ezawa, Analyst, Citi Group[1]

"Japan is changing and I think the Toshiba scandal will accelerate that, because it shows a public desire for better governance. What is important is that Japan needs to develop a system that is best for it, and that requires a good, rigorous public discussion. And these scandals help."

– Bob Eberhart, Stanford Technology Ventures Program Fellow, Stanford University[2]

Introduction

On July 21, 2015, Hisao Tanaka (Tanaka), President and CEO of Toshiba Corporation (Toshiba), resigned from his position for his alleged involvement in encouraging irregular accounting practices at Toshiba. While submitting his resignation, Tanaka apologized to shareholders, but claimed that he had not encouraged such accounting practices.

He said, *"Increasing profits is important, but it must be grounded in a basis of fair accounting."*[3]

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Concepts and Cases-1

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R Prasad

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Chapter 1:
Introduction

R Prasad

> *"As much as boards and regulators may want the world to be knowable and controllable, that is simply not how it works. Until they accept this, they will get planning instead of strategy – and lots of excuses down the line about why the revenue did not show up."*
>
> **– Roger L. Martin: "The Big Lie of Strategic Planning"**

Background

Martin avers that strategy is *"about placing bets and making hard choices".* The idea is to increase the odds of success, not eliminate risk. The past 18 months have seen remarkable change in consumer behavior, a stepped up shift to digital by consumers and organizations, and supply chain challenges straddled by a global pandemic.

The implications are many. Organizations which have dominated markets for decades lose the plot to startups with new business models. Meanwhile, the startups which raised huge funds, find that they have been overtaken by imitators and lose relevance. The VUCA (Volatile, Uncertain, Complex and Ambiguous) world is even more so today. How does one make sense of such turbulence? Established methods abound and they have been written about.

In this book, we emphasize dimensions of strategy which have much relevance today. The idea is to take an integrated view on strategy, borrowing from contemporary literature, both conceptual and practice. It is organized as two sections.

The first section on 'Concepts' presents many of these dimensions. First, creativity and innovation processes are central to make a bet! Second, partnering for competencies and capabilities through mergers,

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Chapter 2:

Strategy Mind-Map: How to Use and Practical Implications

Rohit Kumar♦

There are multiple tools used by executives for formulation and execution of company's business strategy. In this paper, mind-map tool is explained and used to demonstrate how executives can think about their company's strategy. Using strategy as a 'central idea' and through illustration, the paper suggests seven different factors that are critical for strategy formulation. The seven criteria are discussed in detail and practical implication of each is summarized.

Introduction

Communities and organizations need strategies to ensure their members are efficient and effective information users (Corrall, 2008). There are multiple tools that are used by executives to enhance knowledge regarding formulation of company's business strategy. There are many frameworks that have been developed by researchers, but managers in organizations find it difficult to apply them in practice (Earl, 2001).

However, there are studies carried out by researchers that suggest that the results derived through application of a strategic management tool (e.g., SWOT analysis) can be utilized to formulate a knowledge management strategy (Begon and Todorova, 2010). The tools are also at times used for generating new ideas and solutions. One such creative tool for idea generation is the mind-map.

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Chapter 3:

Post-M&A Innovation in Indian Firms: An Empirical Investigation

Sandeep Yadav♦

The purpose of this study is to explore the effect of Mergers and Acquisitions (M&A) on firm innovation. The author examines a sample of 85 domestic M&A deals by Indian firms from 2000 to 2015. The analysis of firm-level data suggests that M&A influences the innovation activities of firms. The results show that the higher relative absorptive capacity of the acquirer increases post-deal innovation. The size of the acquirer firm positively moderates the relationship between relative absorptive capacity and post- deal innovation performance. The deal between firms in the same industry increases post-deal innovation. This study takes Research and Development (R&D) intensity (ratio of R&D expenditure to total sales) as a measure of firm innovation.

Introduction

In Mergers and Acquisitions (M&A hereafter), independent firms with their governance structure combine their operation into a single new entity (de Man and Duysters, 2005), by allowing the acquiring firms to change their resources, routines, and structures (Choi and McNamara, 2018). Traditionally, M&A has motives like market entry, growth of the firm, improved efficiency, and reduction of risk by diversification (Hitt *et al.*, 1991). In today's radically changing economy, M&A have focused on absorbing complementary external technology to compete successfully (de Man and Duysters, 2005). Acquisition of external knowledge as a substitute for internal knowledge development

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Chapter 4:

Strategic Conversations with the CEO: Constructing an Outline Agenda for Action

Michael Walton♦

This paper offers advice for newly appointed executives on what they should focus on as they transition into their new responsibilities. The advice comes from sources experienced in appointing, working with, and advising top executives. Whilst directed at the CEO level, the advice has applicability for all those in positions of executive authority. Whilst setting the 'direction of travel', etc. for an organization remains a primary responsibility for top executives and senior executives, they rely on others to get things done. Consequently, much of an executive's success will depend on the clarity of the 'strategic' business-focused conversations reached with key colleagues. Examples of the topics covered during such conversations are drawn from the advice given to newly appointed CEOs.

The purpose of this paper is to provide practical hints and guidance to readers who have, or who are in the process of transiting to, a new executive position. Whilst the guidance is specifically directed to

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Chapter 5:

Leadership and Digital Transformation: Building Strategic Conversations

Stephanie Jones[♥] *and* Jim van Hulst[♦]

What is the road map for a change leader transforming a business from traditional manufacturing into a digital company? Easier said than done. Here we provide contextual concerns and identify possible steps, using a framework which has proved to be successful in many businesses. It is widely agreed that there is a need to continually transform any business as costs are always under pressure, and one way to minimize these costs is to look for technological answers. There is always risk in the transformation, in making the most appropriate investments in leaders, machines, and tools. Next to the costs of these assets is the need to keep your customers buying from you—whilst their expectations are shifting. They expect substantially more value from what they purchase, and a flawless customer experience. This is the new challenge for strategic leadership, and it is unlikely to stop here.

♥ Stephanie Jones is Associate Professor of Organizational Behavior at Maastricht School of Management, the Netherlands, having graduated with a PhD from University College London, and a Bachelor's degree from the London School of Economics. Jones has authored over 25 full-length internationally-published books on business and management. She teaches MBA students across the world, especially courses on leadership, culture and change management. With a background managing businesses in human resources, recruitment, consulting, and training operations (and lecturing) in the UK, China, India, the Middle East, Australia and New Zealand, Jones gained extensive experience in the corporate sector before returning to academe a decade ago. The author can be reached at jones@msm.nl

♦ Jim van Hulst has worked in leadership roles at Ernst & Young, ING and ABN-AMRO banks, and Johnson Controls Inc. in talent management, professional development, and learning technology. Jim gained his MSc in Learning Technology from the University of Sheffield in UK, a Bachelor of Education from the University of Arnhem / Nijmegen in the Netherlands, and a diploma in Business Management and Leadership from the Rotterdam School of Management. He completed his MBA in 2020 from Maastricht School of Management. He has also authored numerous articles for a Dutch magazine on Development in Organizations. The author can be reached at info@jignite.com

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Chapter 6:

Business Strategy and an Organization's Culture

Michael Walton♦

Using the development of a business plan as an example, this paper reflects on some of the internal dynamics involved in what is generally presented as primarily a logical- rational and emotion-neutral strategic business activity. A simple descriptive framework is introduced, designed to minimize the competitive emotions which can be generated during such discussions. The paper highlights the significant and pervasive impact which an organization's culture exerts on business decision-making.

Introduction

Using the development of a business plan as an example, this paper reflects on some of the internal dynamics involved in executive decision making. Managing the business planning cycle can be fraught with difficulties because of factors such as competing priorities, hidden agendas, inadequate market intelligence, inaccurate profitability data, as well as internal functional rivalry. Attention is drawn in particular to the inherent tension between the need for 'considered strategic thought' and a 'drive for action'; a tension between those responsible for strategy development and those involved in a strategy's practical execution.

♦ Michael Walton is the past Director of 'People in Organisations Ltd', UK and an invited Visiting Professor in the Department of Managerial Psychology and Sociology at the Prague University of Economics and Business, an Honorary Fellow in the Liverpool Business School, and a Visiting Senior Lecturer on the GEMBA program in Global Business Management at the Thammas at Business School, Thammas at University in Bangkok. The author can be reached at michael.walton@btinternet.com

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Chapter 7:

Service-Dominant Orientation in Two-Wheeler Industry in India♥

Agrim Verma◊ *and* Monica Bedi♦

The recent perspective on customer orientation in marketing world focuses on service-dominant orientation. Service-dominant orientation involves an interactional role of the customer by emphasizing on the importance of customer as cocreator of value. The paper aims to study service-dominant orientation in two-wheeler industry in India, and also the perception about service-dominant orientation in two-wheeler industry across gender, educational qualification and monthly income. The study is descriptive in nature. The authors use the service-dominant orientation scale consisting of six distinct dimensions, namely, relational interaction, ethical interaction, individuated interaction, empowered interaction, concerted interaction and developmental interaction. The test used for analysis includes one- way ANOVA. The results indicate that service-dominant orientation plays a critical role in enhancing buyer-seller relationship. The involvement of customers as value cocreators improvises the whole process of transactional exchange. Services play a significant role in two-wheeler industry in India because of high levels of competition and rivalry between players in the industry.

♥ Accepted for presentation at the conference: "Global Issues in Management – 2019" organized by University Business School, Panjab University, Chandigarh (February 26, 2019).

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Chapter 8:

Small Businesses Survival and Success: An Exploration of Socioeconomic Motivators and Restraints

Manoj K Sharma[◊] *and* Poonam Sharma[♦]

The purpose of the study is to understand the segment of businesses which are neither part of the informal sector nor covered under government definitions of SMEs. This segment falls somewhere in between these two. This study examines their socioeconomic motivators which encouraged them to choose and continue in small business activities. Factors restraining further growth have also been explored due to which they fail to rise and come under SMEs definition. Nineteen Likert-style statements were used to determine the start-ups' socioeconomic motivations. This study revealed that socioeconomic factors like the need to provide financial support to family, government policies and perceived alternative employment opportunity significantly affect the decision to undertake small business and later performance of the business. Also, respondents reported many factors which they perceive to have led to the stagnant growth of their businesses. The findings of the present work can be used as a reference to work out policies to encourage self-employment. Small business owners too can benefit by being aware of the problems or barriers which normally come and halt the expansion plans. Also, the study contributes to small business literature in the form of motivators and restraints which affects the seedbed of entrepreneurship directly.

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Chapter 9:

E-Commerce Sector in India: Impact and Challenges amidst Lockdown

Nitu Saxena♦

In the pre-pandemic days, e-commerce was gaining roots in the Indian market. The Covid-19 pandemic impacted many industries adversely, but certain businesses gained momentum after initial hiccups in the unforeseen scenario of the pandemic. E-commerce is one such industry which has expanded in the new environment. Though certain sectors in e-commerce space have had a share of the negative impact, a majority of e-commerce players have flourished. This conceptual paper explains the impact of lockdown on e-commerce in the Indian context. It explores the Indian e-commerce industry pre and post lockdown. The impact of lockdown on various sectors of e-commerce is analyzed using suitable information and the emerging market evidence. This paper is based upon a thorough analysis of various newspaper articles, reports and relevant literature and provides a comprehensive view of the impact of Covid-19 on the e- commerce industry. It shows that the road which looked less traveled has gained all the limelight because there was no other way to move forward, and thereby it has provided fresh momentum to the Indian economy.

Introduction

The Covid-19 impact on businesses had been far worse than anyone could imagine. It brought everything to a standstill; workers lost jobs, companies lost revenues, demand curve took a downward trend, consumer behavior took a shift and the result was devastating to the

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Chapter 10:

Meet Mac's New Microprocessor M1

The Cupertino Company Dumps Intel in Favor of Arm-designed Chips as it Strives to Make Macs Faster

Amit Singh Sisodiya



It is Official Now: Apple, the world's most valuable consumer electronics company by m-cap, is dumping Intel chips in favor of its own microprocessors, based on designs from Britain's Arm Holdings, as it looks to hit markets with its Mac range of laptops and desktops that are much faster than their existing versions as well as rival products. Making this revelation was none but the maverick Tim Cook himself. The Apple CEO, appearing at the much-publicised 'One More Thing' (titled so after Steve Jobs' catchphrase), the firm's last event of 2020, lifted the veil off a new microprocessor, which he proudly said was not from Intel but is made in-house, for the Macs!

The announcement heralds the beginning of a new chapter in the company's nearly five-decade history, besides also signaling the end of a partnership with Intel—a long-standing vendor. It means that for the first time Macs will be powered by Arm chips, which already sit on the motherboards of its smartphones and tablet PCs, and whose phenomenal success helped transform Apple, credited with revolutionizing personal technology with the introduction of the Macintosh in 1984, from being a PC-only maker into a globally loved consumer electronics giant. Often referred to as the 'Big Tech', along with Amazon, Microsoft and Google, Apple's (for their dominance of the global tech industry) portfolio comprises some of the world's most lovable brands from the iconic iPhone and iPad to Apple Watch and now Apple TV among others.

Source: The Global Analyst, P. 16-21, December 2020

Chapter 11:

‘Project Redwood’: Facebook Dials Jio

America’s online social networking juggernaut goes for a kill as it picks up nearly 10% investment in billionaire-baron Mukesh Ambani’s new-age venture, Jio—a play on India’s digital economy—that would help it create an Amazon alternative in India, besides also check the rise of China’s TikTok.

Amit Singh Sisodiya

When crisis descends, timids flee, while the braves do a deal! It may sound a little quirky, but this is how one is most likely to react to the news of a multibillion-dollar deal amidst the century’s worst pandemic. Well, if you are late to log in, here is the breaking news: Facebook has just announced a $5.7 bn (43,574 cr) stake purchase in Jio, the mobile telephony arm, which is also a play on home entertainment and the fast-growing, on-the-go OT T (Over-The-Top) segment of the fuel-to-fashion retailing giant Reliance Industries Ltd.

Facebook has just announced a $5.7 bn stake purchase in Jio, the mobile telephony arm, which is also a play on home entertainment and the fast growing OTT segment of the fuel-to-fashion retailing giant Reliance Industries Limited.

Code-named *“Project Redwood”* (named after the famous tree species found in abundance in the region which houses the headquarters of the global online social media juggernaut), the idea of collaboration began to take root more than a year ago when the top brass of the two firms sat together for a tête-à-tête. A series of meetings involving a core deal team of 30 followed thereafter. And it was all set to be consummated too.

However, just when things began to fall in place, the Covid-19 crisis cast its shadow over the ambitious alliance. Nonetheless, using videoconferencing and e-mails to overcome the travel ban that is in force in most parts of the world, the two giants finally sealed the deal towards late April.

Source: The Global Analyst, P. 47-49, April-May 2020

Chapter 12:

Infosys Acquires GuideVision: In a 'Digital Services' Push

Infosys acquires Prague, Czech Republic-based GuideVision, a leading Service Now consultancy and a major player in digital technologies like cloud and AI in Europe, in a 'Digital Services' push.

Amit Singh Sisodiya

Big is better, if not beautiful, or that is what seems to be the strategy the home-grown software biggies are embracing as they face a major disruption amidst the worst global health crisis. The latest to join the deal-making spree is none but one of India's leading technology firm, Infosys. Less than a fortnight after its acquisition of the US-based Kaleidoscope Innovation, the Bengaluru-headquartered firm on September 14 announced yet another takeover: a Europe-based enterprise service management consultancy firm. The new firm to join the Infosys family is GuideVision.

Co-founded by Pavel Muller and Norbert Nagy, GuideVision is a technology consultancy company focused on ServiceNow consulting, implementations, training and support. In fact, it is one of the largest ServiceNow elite partners in Europe. For the uninitiated, ServiceNow, on offer as both Software-as-a-Service (SaaS) and Platform- as-a-service (PaaS), is a cloud ecosystem for the management of enterprise workflows, projects, and operations. The system can also be used to implement automation for mundane business tasks.

According to analysts, the acquisition of GuideVision will give the Bengaluru-based tech titan's enterprise solutions portfolio a boost, besides providing it access to training facilities and the fast-growing ServiceNow distribution platform in the European region. That apart, it will get access to GuideVision's proprietary platform SnowMirror that enables over 100 clients spread across the globe to simplify their

Source: The Global Analyst, P. 25-28, October 2020

Chapter 13:

Big Blue's Clues: 'Divided We Stand'!

As cloud (computing) looms on the horizon, Big Blue—the acronym that IBM, the US technology giant, acquired during the 80s for the massive influence it then had on the tech industry (and probably also for the deep blue color of its corporate logo)—is breaking itself up into two separate entities: one, which will focus on emerging techs like AI and open hybrid cloud and will retain the IBM name, while the other, yet-to-be named offspring, will focus on the legacy IT infrastructure services business.

Amit Singh Sisodiya

In a surprising development that has taken both the rivals and experts alike by surprise, the 109-year-old IBM, America's leading technology company, has revealed its plan of breaking itself up into two separate firms so as to compete effectively. On October 8, the Armonk, New York-headquartered software major, which for long was widely associated with mainframes—the giant machines that find application in banking (ATMs), retailing, airline ticketing, etc.—said it will hive off its legacy technology services business into a separate firm, to be named later, in order to focus more on emerging, new tech areas such as Artificial Intelligence (AI) and hybrid cloud (a mixed computing, storage and services environment comprising of both a private cloud, also called in-premise infrastructure, as well as a public cloud). Technology industry analysts have hailed the move, suggesting it was necessary against the backdrop of a growing shift towards cloud services and on-demand model, which affords greater cost savings and flexibility to clients as they don't need to invest big dollars on buying expensive software/ hardware and setting up infrastructure facilities.

(Re)Set, Go

Arvind Krishna, a career IBMer (he joined the tech major soon after completing his Ph.D. in electrical engineering from the University of Illinois at Urbana– Champaign in 1990), whose ascension to the top

Source: The Global Analyst, P. 28-32, November 2020

Chapter 14:

Motown: TVS Buys British Norton

TVS makes superbike foray with the purchase of Britain's Norton.

Amit Singh Sisodiya

The British iconic bike maker is known for its classic models and electric range of luxury motorcycles, ranging from authentic retro classic reboots of the famous Commando to their con- temporary 200 bhp, 1200cc V4 superbikes

TVS Motor, one of India's leading two-wheeler manufacturers, has announced its foray into the superbike market with its acquisition of the iconic British brand Norton. The all-cash deal also marks the first-ever entry by an Indian automobile manufacturer into the luxury bike segment. The UK firm traces its roots to 1898, when James Lansdowne Norton (known to all as 'Pa') founded Norton as a manufacturer of *"fittings and parts for the two-wheel trade".* By 1902, the first Norton motorcycles were being produced using French and Swiss engines. In 1907, Rem Fowler won the Isle of Man twin-cylinder class riding a Norton, the beginning of a strong racing tradition. Success in the very first Isle of Man TT race, followed by wins at Brooklands and other European races, helped cement Norton's reputation as a builder of serious road and race bikes. Year 1908 saw the company produce the first Norton engine bike, powered by a single cylinder side valve unit, and by 1909, Norton motorcycles were on sale in Harrods! Norton moved to its current home at Donington Park in 2008, and in 2009, CEO Stuart Garner set the World Speed Record for a Rotary-Powered Motorcycle (recording 173mph for a timed mile). The first Commando 961SE was delivered in 2010, and the success of the Commando 961 saw Norton Motorcycles return to production, according to the firm's official website. This British iconic bike maker is known for its classic models and electric range of luxury motorcycles, ranging from authentic retro classic reboots of the famous Commando to their contemporary 200 bhp, 1200cc V4 superbikes. Its other popular

Source: The Global Analyst, P. 43-44, April-May 2020

Chapter 15:

‘Jawa’ Returns!: ‘Made-in-India’ Iconic Bike Rides Back to Prague

The Czech (the erstwhile Czechoslovakia) gave Jawa to the world, now an Indian auto upstart, a unit of M&M group, is bringing the iconic motorcycle back to the land where it was originally designed and created 90 years ago.

Amit Singh Sisodiya

Life comes full circle for Jawa...

– Anand Mahindra, *Chairman, Mahindra & Mahindra, the company which also owns the upstart Classic Legends, which produces the Jawa iconic motorcycles in India under a licensing agreement with JAWA Moto s.r.o. of the Czech Republic, at the showcase event of Jawa 300 classic motorcycle in Prague.*

Jawa, the iconic Czech brand, which once ruled the European motorcycle market but had almost gone into oblivion amidst rising competition from Japanese and British rivals not to mention the US Harley Davidson, is set for a comeback in a market where it began its journey 90 years ago, courtesy Classic Legends (P) Ltd. (CLPL), an Indian automobile upstart, in which Mahindra & Mahindra Group owns a stake of 60%. CLPL, based in Pune, which bought the license to manufacture and market Jawa brand of motorcycles in certain Asian markets including India only recently, in 2016 to be precise, is riding high on its recent success, having successfully revived the brand within less than a year of launching it in the country—this November it completed first full-year of operation, logging sales of over 50,000 units—an overwhelming number by company’s own admission—is set for a Czech foray soon. Indeed, if everything goes as per the Indian firm’s plan, ‘Made-in-India’ Jawa motorcycles will be riding back to the lanes of Prague by the end of this year itself, which will not only mark the beginning of a new chapter in Indian auto’s overseas exploits but will also be a very proud moment for the Indian upstart that has just begun its journey.

Source: The Global Analyst, P. 44-46, December 2020

Chapter 16:

Toshiba: Of a CEO Exit, Corporate Governance Controversy and a Buyout Bid

The sudden yet unceremonious exit of its long-term CEO bolsters Toshiba Corporation's, one of Japan's leading industrial conglomerates, chances of overhauling its corporate governance practices, which have come under heavy criticism from activist shareholders and markets alike, while threats of a hostile takeover have grown.

Amit Singh Sisodiya

In April 14, in a shocking development, Toshiba Corporation, one of Japan's largest industrial conglomerates, announced that its Chairman and CEO Nobuaki Kurumatani had put in his papers. Speculations grew it was under pressure from a group of activist investors who were reportedly not happy with him over some of his decisions, besides his leadership style.

It was only three years ago that he was hired as the first outside CEO and Chairman—a rarity at a firm where it would take years of slogging before one could be considered for such a key position—in more than 50 years in firm's history.

It was only three years ago that he was hired as the first outside CEO and Chairman—a rarity at a firm where it would take years of slogging before one could be considered for such a key position—in more than 50 years in firm's history. He was mandated with the task to bail the embattled 150-year old juggernaut out of trouble amid the twin blows of 2015 accounting scandal that nearly sabotaged its reputation and the 2017 bankruptcy of its US nuclear power business Westinghouse, which it eventually had withdrawn from, though not before suffering a string of write-downs that forced it to raise emergency funds worth 600 billion yen from as many as 60 foreign investors in

Source: The Global Analyst, P. 37-39, May 2021

Chapter 17:

What's On the Menu?: UberEats for Zomato

Stealing arch rival Swiggy's thunder, Zomato, India's leading restaurant aggregator and food delivery platform, grabs the prized catch UberEats, the Indian food-delivery operation of the namesake global shared mobility major, Uber Technologies. The all-stock deal, the largest in India's Foodtech space, estimated at $8 bn, could prove to be a game-changer for Zomato which has not been able to leverage on its early mover advantage and has so far lagged the market leader Swiggy.

Amit Singh Sisodiya

> It was not about buying a number three player, but buying a number one or number two is some cities where we were lagging behind. Deepinder Goyal Co-founder and CEO Zomato

After months of speculation and hectic parleys, the Foodtech 'deal of the year' is finally here. Yeah, it's official: Zomato pips arch rival Swiggy to the post, gains control of UberEats, the Indian food-delivery operation of the US shared mobility giant, Uber Technologies, which also owns the eponymous cab aggregator business. It is said that the San Francisco-based firm had been in negotiations with both Swiggy and Zomato for selling its India foodtech unit for more than a year, however, after in May last year, Swiggy opted out owing to differences over tax implications and other terms, it re-approached Zomato with whom it had discussed the idea of a sale first, probably as early as late 2018, according to some reports; the deal had fallen apart then on valuation concerns.

Analysts tracking the industry say that Uber was left with no choice but to sell its India foodtech business, which was going nowhere, having access to its parent's strong brand equity and customer base of about 15 million (Monthly Active Users of Uber ride hailing service, December 2019). It was burning cash (UberEats had a higher cashburn

Source: The Global Analyst, P. 42-45, February 2020

Chapter 18:

Jubilant FoodWorks – Popeyes Deal: A Treat for Your Taste Buds!

Jubilant FoodWorks, which operates Domino's Pizza and Dunkin' Donuts restaurant chains in India and some other Asian markets, is all geared up to bring yet another major international QSR chain Popeyes, popular for the iconic Louisiana-style chicken, to the country soon, courtesy its exclusive franchise deal with PLK APAC Pte Ltd., a subsidiary of the Canadian-American multinational fast food holding company Restaurant Brands International Inc. (RBI).

Amit Singh Sisodiya

Jubilant FoodWorks, the franchise behind the popular food chains such as Domino's Pizza and Dunkin' Donuts, seems to have pulled off yet another win for itself as it enters into an exclusive master franchise and development deal with PLK APAC Pte Ltd., a subsidiary of the Canadian-American multinational fast food holding company

Restaurant Brands International Inc. (RBI), to introduce the iconic Louisiana-style chicken to food connoisseurs in India. As a part of the landmark agreement, which was signed on March 24, the Indian foodservice firm will open and operate hundreds of Popeyes® restaurants in India, Bangladesh, Nepal and Bhutan in the coming years. RBI is the fifth- largest fast food restaurant chain in the world behind Subway, McDonald's, Starbucks and Yum! Brands. Based in Toronto, Canada, the RBI came into being after a 2014 merger between American fast food restaurant chain Burger King and Canadian coffee shop and restaurant chain Tim Hortons. It later went onto acquire the American fast food chain Popeyes Louisiana Kitchen in 2017. RBI boasts of about $31 bn in annual system-wide sales and 27,000 restaurants in more than 100 countries and US territories, and aims to grow its number of restaurant chains to 40,000 soon, the group's CEO Jose Cil told investors in August last year. Its subsidiary, the over $5 bn Popeyes (annual sales, 2020), which accounts for nearly 17% of the

Source: The Global Analyst, P. 56-58, April 2021

Chapter 19:

Bose Corporation's Competitive Advantages and its Shift to an Online-Only Model

Debapratim Purkayastha, Anil Anirudhan and Sanjib Dutta

> *"Originally, our retail stores gave people a way to experience, test, and talk to us about multi-component, CD and DVD-based home entertainment systems. At the time, it was a radical idea, but we focused on what our customers needed, and where they needed it – and we're doing the same thing now. It's still difficult, because the decision impacts some of our amazing store teams who make us proud every day."*[1]
>
> **– Colette Burke, Vice President-Global Sales, Bose Corporation, in January 2020**

> *"The brand is very different today from where it started and stores could help tell that story. I think this is a lost opportunity where they have decided it's more cost effective to give up on stores than to try and make them something that elevates the brand."*[2]
>
> **– Ricardo Belmar, Senior Director-Retail Transformation, Infovista, in January 2020**

On January 15, 2020, Bose Corporation (Bose) a leading global manufacturer of high-end audio systems, announced that it planned to close all 119 of its retail stores in North America, Europe, Japan, and Australia. However, its remaining 130 stores – located in Southeast Asia, South Korea, Greater China, United Arab Emirates, and India – would remain operational and would not be affected by this decision.[3]

This strategic move by Bose was in response to the growing trend among customers to shop online for its audio products such as speakers and headphones. Though Bose planned to close down its

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Chapter 20:

Comparing the Business and Pricing Strategies of Two Micro-Stay Companies – MiStay and Brevistay: An Exploratory Study

Nita Choudhary♦

Indian tourism and hospitality industry is one of the largest service industries and has been witnessing a healthy growth accounting for 7.5% of the GDP. Increase in domestic travel, high disposable income, rise in middle class, growth of the aviation industry, and significant growth of social travel websites offering convenience and ease of access, have all contributed to the good growth of Indian tourism and hospitality industry. As the Indian market matured, the need for hotels that allowed hourly stays was realized. To tap the demand, players such as StayUncle, Brevistay, SliceRooms and MiStay entered into the micro-stay segment, where customers are allowed to make hourly check-in/out. Initially, this segment was targeted at couples, but now this niche segment has evolved to attract businessmen, corporate executives, pilgrims, students, travelers and professionals seeking rooms for a short stay or just to freshen up. There are nearly 20 start-ups in this segment trying their luck to sell this concept to Indian travelers.

While MiStay, Brevistay, StayUncle and SliceRooms continue to occupy the top rung, other players are also trying to compete and make a mark in the fast-growing industry. This paper compares the strategies of two major players in the micro-stay segment – MiStay and Brevistay – in terms of SWOT, business, and pricing strategies. The methodology used for the present study includes an exploratory

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Chapter 1:
Introduction

R Prasad

"We cannot choose between growth and sustainability – we must have both."

– Paul Polman, Former CEO Unilever

Background

Paul Paulman was CEO of Unilever, the London based consumer giant from 2009 to 2019. During his tenure, he integrated sustainability and human rights into Unilever's global business strategy. He argued for creating long term growth as opposed to the conventional short term outlooks based on shareholder primacy. So, what did he achieve? During his ten-year tenure, Unilever generated 290% shareholder return and expanded its market share. He successfully prevented a hostile takeover by Kraft- Heinz in 2017, whose leadership held an opposite ideology.

The discussion around *"ESG"* (environmental, social, and governance) is far more common today. Almost all of the world's largest companies set goals and issue a sustainability report. More than 2,000 companies have set a science-based carbon target; and about one-third of Europe's largest public companies have pledged to reach net zero by 2050.

Sustainability is on the cusp of an evolutionary leap. As Andrew Winston, thought leader in sustainable business strategy, put it, *"It is the end of the beginning!"* Companies all over the world are beginning to explore more sustainable ways of doing business. They consider their long-term impact on the local environment, society, and the economy and ask whether their business makes a positive contribution.

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Chapter 2:

The Purpose of Business: Why Values, Meaning and Purpose Really, Really Matter

Bob Murray♦

The objective of this paper is to show why having purpose, meaning and values is as vitally important in business as it is in individual lives. We begin by answering the question: What do we mean by these terms? We look at them in terms of organizations, groups and teams and individuals. We show how meaning, values and purpose became essential to our ability to collaborate and how they fit into what we call "human design specs"—our DNA. We examine how purpose, meaning and values can help businesses to grow, get commitment and engagement from employees, improve productivity and how they often mean the difference between business survival and failure. We show that in terms of what humans seek from their lives, a business is not just about making money, it is about forming a tribe, a community of people who share values, who find a sense of meaning in their work and have a shared sense of social purpose.

From my office, I can look out over a pedestrian precinct in the central business district. Part of it is obscured by trees, but what I can see are people striding earnestly—purposefully—about their business.

It is a strange phrase, isn't it? *"Striding purposefully about their business."* How do you define purpose to include going from the train station to the office or the office to the train station? Human beings

♦ Bob Murray is a principal with Fortinberry, an international consultancy. He is a noted speaker, giving keynotes in the US, the UK, Europe, Australasia and Asia. He is the author of 11 books, most recently *Leading the Future: The Human Science of Law Firm Strategy and Leadership*. The author can be reached at bob.murray@fortinberrymurray.com. Website: www.fortinberrymurray.com

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Chapter 3:

Managing Business, the Sustainable Way

Nitu Saxena♦

Managing businesses in a sustainable way is not only a necessity from the ecological point of view but also from the perspective of a long-term strategic vision for growth and sustenance of business operations. The paper explores various aspects related to sustainable development and examines the initiatives taken by large corporates in the arena of sustainability. Sustainability as a strategy seems to be a panacea for all the troubles of the world, but as we go deeper into the practical issues involved, the story is not a fairy tale. Corporate sustainability has to take care of three pillars of sustainable development: economic, social and environmental. Faltering at any level affects the company's image and equity. This paper also presents case studies of the Tatas and the Mahindra group.

Introduction

Business sustainability covers a broad range of issues and holds the key to a win-win situation for businesses, its customers, stakeholders and the society at large. Business sustainability refers to the adoption of managerial processes and policies which ensure creation of long- term value by responsible, ethical and environment-friendly business operations. This is also referred to as corporate sustainability whose cornerstone is looking beyond the myopic business goals and profit targets and be able to contribute to the societal concerns, while making sound business decisions.

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Chapter 4:

Responsible Business Strategy and Corporate Leadership♥

Colin Coulson-Thomas♦

Mankind might be better placed to address shared and interrelated existential challenges and associated opportunities if more boards ensured corporate purpose and the formulation and execution of strategy were responsible and aligned. Some business leaders find it difficult to effectively respond to rapidly changing situations and circumstances. Doing so responsibly with current governance and organizational arrangements and practices poses questions to

♥ This paper draws upon a paper prepared by the author for the 3 rd Annual Research Conference of the Aston India Centre for Applied Research at Aston University.

♦ Colin Coulson-Thomas, President of the Institute of Management Services and an experienced chairman of award winning companies and vision holder of successful transformation programs, has helped directors in over 40 countries to improve director, board and corporate performance. He leads the International Governance Initiative of the Order of St Lazarus, is Director-General, IOD India, UK and Europe, Chancellor and a Professorial Fellow at the School for the Creative Arts, an Honorary Professor at the Aston India Foundation for Applied Research, a Distinguished Professor and President of the Council of International Advisors at the Sri Sharada Institute of Indian Management-Research, a Visiting Professor of Direction and Leadership at Lincoln International Business School, and a member of the advisory board of the Aravind Foundation and ACCA's Governance, Risk and Performance Global Forum. Colin is the author of over 60 books and reports. He has held public appointments relating to healthcare and the protection of public health at local, regional and national level and professorial appointments in Europe, North and South America, Africa, the Middle East, India and China. He was educated at the London School of Economics, London Business School, UNISA and the Universities of Aston, Chicago and Southern California. He is a fellow of seven chartered institutes, an honorary fellow of professional bodies in both the UK and India and a fellow of the Institute for Responsible Leadership. Colin obtained first prize in the final exams of three professions and his awards include a CSR Lifetime Achievement Award and a Global Excellence Award in Renewable Energy from the Energy and Environment Foundation. The author can be reached at colin@coulson-thomas.com. Details of his most recent books and reports can be found on http://www.policypublications.com/

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Chapter 5:

Future Challenges of Sustainable Leadership and Stakeholder Management in "The Circular Economy" – Examples from the Built Environment in Europe

Stephanie Jones[◊] *and* Rana Samy[♦]

Sustainable leadership is seen as an increasingly popular—and essential— leadership strategy—but how to achieve it? And where to start? One route is through the transition of a business from the linear economy model to that of "the circular economy". This varies by industry, by country and by the leaders involved. In the case of the building construction sector in the Netherlands (and specifically in Amsterdam), this transition is informed and enabled by the practice-based "learning by doing" concept. The leaders involved in this transition—especially those playing the role of stakeholder managers, architects and building material suppliers—have been engaged in innovative projects that are pushing the boundaries of circular construction. The transition to becoming more sustainable is likely to affect all the stakeholders involved. Businesses and employees could witness their roles evolve and shift to include new responsibilities, with the demand for new areas of expertise.

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Chapter 6:

Green Lifestyle Dimensions and Cultural Orientation of the Users of Green Products: A Conceptual Analysis

Sunpreet Kaur Sahni[◊] *and* Maneet Kaur Osahan[♦]

Green products can be defined as recyclable, biodegradable, less energy consuming with no trace of harmful emission, and not polluting the environment. The increase in degradation of the natural environment has led to the evolution of green products. The objective of this paper is to understand the dimensions pertaining to the lifestyle and the cultural orientation of the users of the green products with respect to the Indian consumers. There is a need to suggest a framework that links certain specific cultural dimensions with green purchase behavior along with the cultural orientation of the users of the green products in the Indian context. Therefore, it becomes imperative to comprehend the impact of the green lifestyle and cultural orientation on the purchase intention of green products. To this end, the paper examines the green lifestyle patterns and the cultural orientation of the users of green products. Further, the paper offers implications for the marketers as to how to frame their marketing and promotional strategies so as to stimulate the consumers' willingness to buy green products.

Introduction

"Green products" is a term used to describe environment-friendly and sustainable products that are not only safe for consumption, but even after consumption the remains of which are degradable without

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Chapter 7:

External Factors Determining the CSR Initiatives of Manufacturing Firms in India: A Case Study Analysis

P Kavitha♦

This paper explains the external factors influencing manufacturing firms to engage in Corporate Social Responsibility (CSR) activities by using a case study approach. Both institutional and stakeholder theoretical frameworks were used for analysis. Along with internal factors, external factors also played a very important role in engaging corporates in socially responsible activities. The main external forces are governmental pressure through various policies and regulations, pressure from Non-Governmental Organizations (NGOs), pressure from civil society and others who are suffering from the negative externalities created by the firm. The findings suggest that HLL Lifecare Limited, a public sector enterprise, is an example of engaging in socially-responsible activities because of governmental policies and laws, which act as the main external factors pressurizing the firm. For a private sector company like Kitex Garments Limited, civil society groups, action council, NGOs and the government are the main external factors influencing the firm to participate in CSR activities. Among the factors, civil society plays a very crucial role, and the company realizes that without the support of the civil society they cannot survive in the long run.

Introduction

Corporate Social Responsibility (CSR), which essentially implies companies' voluntary involvement in socially-responsible activities, has a long tradition in many countries (Carroll, 1991). Over the years, an

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Chapter 8:

Coopetition Strategy of Nations

Eduardo Gando Manuel♦

Competition as a driving force for technological innovation and productivity growth in countries, companies and other organizations has stimulated the rise of human desires and enabled higher levels of achievement. Nations compete with each other in the various sectors of economic activity, but they also cooperate with each other to achieve objectives of common interest. This work aims to address the coopetition strategies developed by nations in the different areas of cooperation they establish among themselves. The work is divided into three points: the first point takes a theoretical approach to coopetition between nations; the second point takes a theoretical-practical approach to coopetition between competing nations in the oil industry; and finally, the third point takes a theoretical-practical approach to co-optetition between nations in terms of intellectual property and economic development. I conclude that coopetition between nations will always be variable and will always depend on the common objectives of the nations and organizations in which they are inserted, the results of which will depend on the strategies outlined and the conduct that partner countries have together or individually to safeguard the partnership established between them.

Introduction

Competition as a driving force for technological innovation and productivity growth in countries, companies and other organizations has stimulated the rise of human desires and enabled higher levels of achievement.

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Chapter 9:

Critical Success Factors of Public-Private Partnership for Road Sector Development in India: A Private Sector Perspective

Vimlesh Prabhudesai[◊] *and* Nandkishor G Sarode[♦]

Developing countries and even some developed countries face financial constraints in building the country's infrastructure. Public-Private Partnership (PPP) appears to be an adequate mechanism for empowering both developing and developed countries to bring together the strengths of public and private sectors to build infrastructure projects. Given the state of affairs of India's transportation sector in general and road sector in particular, PPP may be one of the most preferred solutions. After the introduction of PPP, there was an exponential growth of 69.43% in the length of the National Highways in the 9th Five-Year Plan. But thereafter, the growth subsided—14.59% in the 10th Plan (2002-07) and 15.36% in the 11th Plan (2007-12). The number of projects awarded to PPP decreased sharply. This paper aims to investigate the factors critical to the success of PPP in the development of the road sector. The paper analyzes the views of one stakeholder—Private Developer (Concessionaire). The study is motivated by the country's inability to use PPP to the extent required in the development of the road sector. A questionnaire with a list of 26 critical success factors of PPP, identified through literature review and

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Chapter 10:

Corporate India and the new focus on ESG: An Evening with Dr. Mukund Rajan

On Friday, December 10, 2021, we had a fascinating session by Dr Mukund Rajan, Chairman, ECube Investment Advisors, a first of its kind platform created in 2019 to catalyze ESG changes in India. Dr Rajan spoke about the evolving ESG landscape in India.

About Dr Rajan

Dr Rajan holds a BTech from IIT Delhi (1989) and Masters and PhD from Oxford which he completed on a Rhodes Scholarship. He spent 23 years with the Tata group holding various key responsibilities: Brand Custodian, Chief Ethics Officer, Chairman of the Tata Global Sustainability Council, member of the Executive Council of Tata Sons, board member of various Tata companies such as Tata Teleservices, Tata AIG, Tata Communications and Tata SIA Airlines. He is currently Chairperson of the environment committee of FICCI. In 2007, he was nominated as a young global leader by the WEF. Dr Rajan's third book, "Outlast- How ESG can benefit your business" has just been released.

What is ESG?

ESG stands for Environment, Social and Governance.

- **Environment:** Refers to the consumption of natural resources, pollution, carbon footprint, etc.
- **Social:** Refers to the links and ties with the local community, treatment of employees, focus on diversity and inclusion, etc.

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Chapter 11:

General Motors' Vision 2035: Going Green, Going All-Electric

GM sets 2035 as the deadline to usher in an all-electric future!

Amit Singh Sisodiya

America's biggest car company mulls shifting 'lock, stock, and barrel' to an all-electric future in less than 15 years from now! Is it risking too much?

Imagine a future where there are only electric trains to board, there are no gas-guzzling diesel buses or cars and instead only electric buses ply, where private modes of transport mean only the electric cars and electric two- wheelers (add electric bicycles if you want), and where even aircrafts are powered by batteries—lithium ion, solid state or maybe even more advanced electricity storage device type. Sounds too futuristic? However, there is one company which is not only betting big on this supposedly cleanest energy form, but rather also doggedly chasing what it calls an all-electric future. Any guesses? It's none but the US auto juggernaut, General Motors (GM), one of the early pioneers of fossil fuel-based automobiles.

Milestone 2035

In what could be the most ambitious green energy bid ever by a major global automobile firm, GM is planning its biggest transformation ever: an all-electric future by 2035. In a statement, which came a day after President Joe Biden signed a series of executive orders on January 27, which he said would 'supercharge' his administration's plan for dealing with climate change, signaling his country's return to the Paris

Source: The Global Analyst, P.54-57, March 2021

Chapter 12:

Finding Purpose: The Journey from Campus through Career - An Evening with Mr Leo Fernandez

On Friday, November 5, 2021, we had the 29th webinar in the ICFAI Wise Views series. The speaker was Mr. Leo Fernandez, the CEO and founder of Talent Ease. His purpose in life is creating tomorrow's leaders today. The topic of the webinar was: Finding purpose: The journey from campus through career.

About Mr Fernandez

Before setting up Talent Ease, Mr. Fernandez was Managing Director and Partner with Accenture, Singapore, responsible for the company's Outsourcing business in APAC. Mr. Fernandez has also worked with other reputed organizations like Hewitt, HP, India Life and the Tata Group. Over his 20 year corporate career, Mr. Fernandez built a solid reputation for creating and building high performance teams and for turning around business operations.

After spending 8 years in Singapore, Mr. Fernandez decided to return to India and work closely with children and young adults to groom them into better leaders. When Mr. Fernandez looked around, he could sense that most of the problems in Indian society were due to lack of leadership at home, in the classroom, office. (He calls this everyday leadership.) He realized the importance of doing a *"prepare"* job at school rather than a *"repair"* job in the office. He thought of teaching children how to collaborate, develop self-confidence and making them pledge to respect women.

His company, TalentEase has introduced yearlong leadership development programs that are integrated into school/college curriculum. The organization has conducted more than 1,000,000 sessions for 10,000 children.

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Chapter 13:

Leadership for Social Impact: Perspectives from Safai Karmacharis

Introduction

On Friday, October 29th 2021, we had a fascinating session with one of India's most remarkable leaders, Mr Bezwada Wilson. Mr Wilson is the National Convenor of the Safai Karmachari Andolan, a human rights organization that has been campaigning for the eradication of manual scavenging. The organization has reduced the number of manual scavengers from 30 lakhs at one point of time to about 100,000 today. For his work, the Ashoka Foundation has nominated him as a Senior Fellow. In 2016, he was honoured with the Ramon Magsaysay award for his *"moral energy and prodigious skill in leading a grassroots movement to eradicate the degrading servitude of manual scavenging in India, reclaiming the human dignity that is their natural birth right."*

Mr Wilson dropped out of school three times but each time his mother persuaded the school to take him back. Later, he went on to do his graduation in Political Science from the Dr BR Ambedkar Open University. When his mother died, Mr Wilson cried a lot. Since then, he has been *"searching for his mother"* in other households. Mr Wilson has been a strong critic of fascist, casteist and patriarchal forces in Indian society.

Manual Scavenging

Manual scavenging is the practice of cleaning, carrying and disposing of human excreta from dry latrines or sewers. This kind of work is typically done by people at the lowest level of the caste hierarchy.

Mr Wilson's father began working in 1935 as a manual scavenger removing excreta from dry toilets. His attempts to find some other work were unsuccessful. Mr Wilson's eldest brother also worked as a manual

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Chapter 14:

The Responsibility of Leadership: An Evening with Vinita Bali

Introduction

On Friday July 23rd 2021, we had a very insightful session by Ms. Vinita Bali, a senior corporate leader, associated with reputed organizations like Coca Cola, Cadbury and Britannia and worked in different countries across the world including the UK, Nigeria, South Africa, Latin America, the US and of course India. Ms. Bali did her Master's in management from the University of Bombay and subsequently did another Masters from the Michigan State University. Ms. Bali left behind her successful corporate career in April 2014 to pursue wide ranging interests, many of which are directed towards the improvement of society.

Ms. Bali is considered to be a significant contributor to discussions on strategy, innovation, marketing and operations at the board level. Not surprisingly, she is on the boards of various reputed organizations including Cognizant Technology Solutions, SATS limited, CRISIL, Syngene and IIM Bangalore. She was earlier on the board of Titan. She is also on the national nutrition committee of CII. Ms. Bali has been recognised in various national and international forums. She has been named one of 27 global leaders by United Nations and entrusted with the responsibility of maternal and child health.

Ms. Bali started by recalling her fascinating journey over the years. She began her career as a management trainee in Voltas. At that time, she just could not imagine that by the time she finished her career, she should have worked in 6 countries, five continents and visited 75 countries. Looking back, she feels that all this happened not because she planned it that way. But because opportunities came her way, and she tried her best to make full use of these opportunities.

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Chapter 15:

Healthcare Entrepreneurship: Leadership and Social Responsibility- An Evening with Dr Varaprasad Reddy

On December 24th 2021, we had a fascinating session by Dr Varaprasad Reddy, Chairman of Shantha Biotech.

Dr Reddy began his career as a research scientist with DRDO. He then worked with APIDC. After a short entrepreneurial stint with Hyderabad Batteries, he started his own venture, Shantha Biotech in 1992.His vision was to develop affordable vaccines that would meet international standards. In the last 30 years, Dr Reddy has pioneered the development of various vaccines. He was awarded the Padma Bhushan in 2005.He has supplied Rs 18 crores worth of vaccines free and Rs 17 crores worth of subsidized vaccines. Dr Reddy has a keen interest in Telugu literature and Carnatic music.

The Importance of Entrepreneurship

Dr Reddy began by emphasizing the importance of entrepreneurship. After our education is over, most of us want to take care of our family by picking up a job. There is nothing wrong with this thinking. Unfortunately, over time, the number of job seekers in the country has started to greatly exceed the number of jobs available. Leave alone generating jobs, the public sector today has surplus staff. Hardly any new public sector enterprises are being set up. In fact, PSU disinvestment is on the top of the agenda. The government instead of trying to encourage the creation of new businesses and jobs, is keener on giving doles. A lot of free money is being given away in the name of welfare. People are being spoiled. The need of the hour is new thinking. Students should turn into job providers. There is a lot of scope to do this.

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Chapter 16:

Nestlé under Fire over Unhealthy Product Portfolio: Will the Company Emerge Unscathed?

Shwetha Kumari *and* G V Muralidhara

> *"We have made significant improvements to our products… (but) our portfolio still underperforms against external definitions of health in a landscape where regulatory pressure and consumer demands are skyrocketing."*[1]
>
> **– Nestlé, June, 2021**

Introduction

On June 2, 2021, Nestlé, the Swiss food and drink processing conglomerate, came under fire over a leaked internal report that more than 60% of the food items and beverages in its mainstream portfolio did not meet the required health standards. According to the Financial Times, the leaked report was an internal presentation circulated among the company's top executives in early 2021. The document noted that only 37% of Nestlé's food products were able to achieve a rating above 3.5 under Australia's health star rating system. The report further stated that 99% of Nestlé's confectionery and ice cream portfolio did not meet health standards. Besides, 96% of its beverages, excluding pure coffee, failed to meet health criteria. The data, however, did not include pet food, baby food, and the health science division.[2]

Nestlé was formed in 1905 through the merger of the Anglo-Swiss Milk Company, established in 1866 by brothers George and Charles Page, and Farine Lactée Henri Nestlé, founded in 1867 by Henri Nestlé. At the beginning, the company sold only infant cereal but it quickly

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Chapter 17:

Motown: Sell It Like Seltos

Less than six months after it was officially launched, Seltos, the Kia flagship, a premium crossover from the stable of Kia Motors, a Hyundai sibling, has not only emerged as the most sought-after car, but is also India's best- selling Sports Utility Vehicle (SUV), a red-hot category in an otherwise lacklustre market.

Amit Singh Sisodiya

What would you call a car that wins both hearts and market share, trounces the market leader and torpedoes all others, that too amidst a multi-decade slump that marked 2019? Seltos. This Kia flagship has taken the Indian passenger car market by storm, notching up sales of over 26,000 units in less than three months after its much- anticipated launch last year. Seltos sold more than 6,000 units in less than 10 days in the very first month of its launch, another 7,554 units in September, and a massive 12,786 units in October'19 that helped the parent Kia to grab a market share of nearly 5%—which it had aimed to reach in 3-5 years—and pushed it to the perch, a place from it had dethroned none but the mighty Maruti Suzuki-owned Vitara Brezza (which sold some 2,559 fewer vehicles at 10,227 units) which had been there for nearly two years after years of battling it hard to find its place in a category that was created by Tatas (Tata Safari, India's first home-grown SUV, launched in 1998) but had always been led by Mahindras after making their grand entry with the launch of Scorpio in 2002; Maruti Suzuki had only last month reclaimed the top spot from Hyundai Venue.

Kia Seltos's performance is all the more impressive given that it came amid the worst slowdown in the Indian automobile industry's history. To Kia's credit, its sole India offering clocked month-on-month growth in sales even as rival brands experienced stagnating demand

Source: The Global Analyst, P.38-41,February 2020

Chapter 18:

Tesla in India: A New Journey

As Tesla's, the world's most revered electric car maker, much-anticipated India debut nears, expectations rise: Can its entry do to India's EV market what RIL's Jio did to the domestic Internet telephony: galvanize?

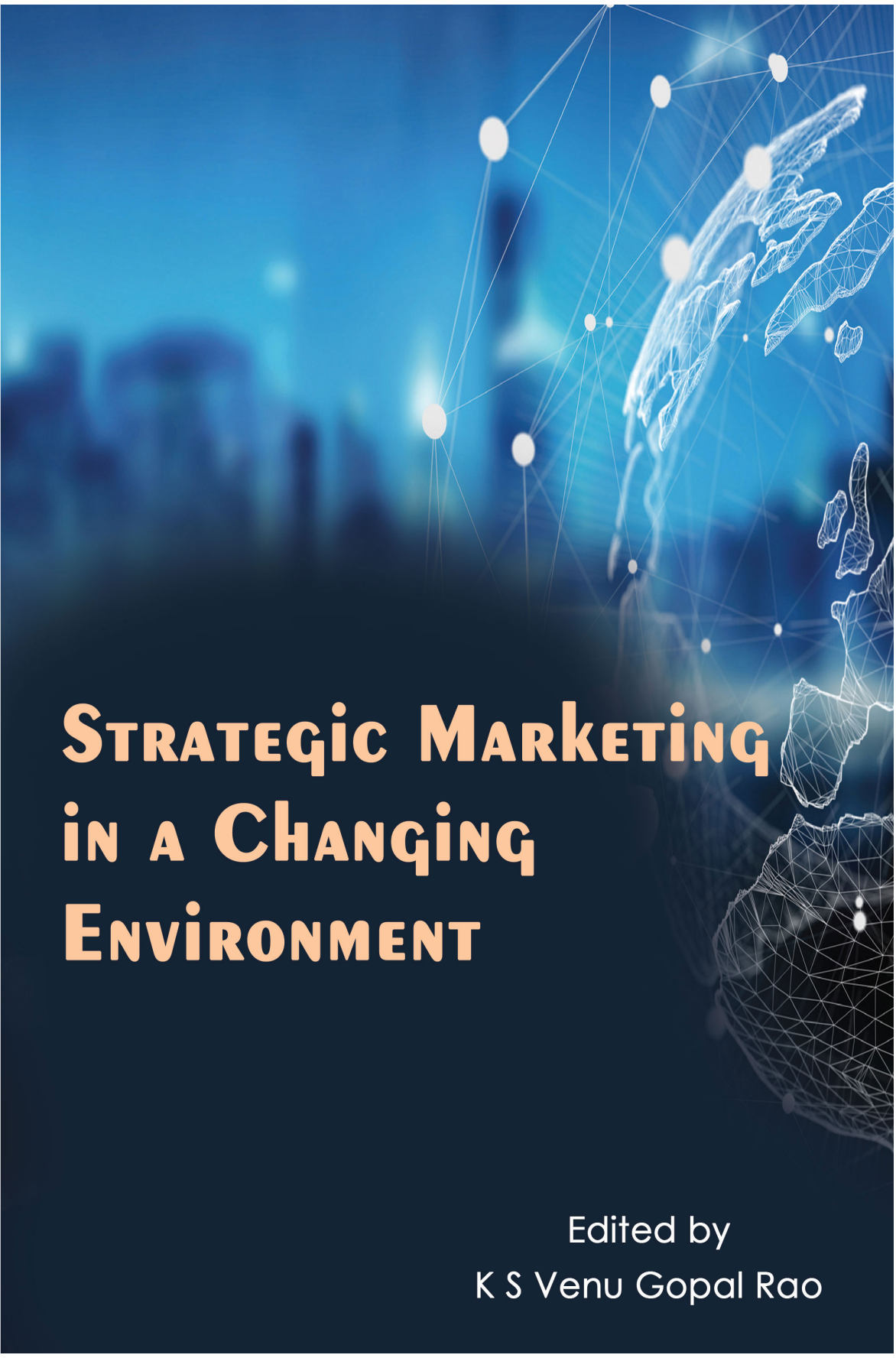
Amit Singh Sisodiya

A few weeks before 2020—a year that not many would like to remember—drew to a close, a tweet from Elon Musk, the boss of Tesla, inarguably the world's most successful Electric Vehicle (EV) company, and now also the planet's richest person, announcing his firm's much-awaited India foray, helped bring smiles on auto aficionados' faces in the country that ranks amongst some of the worst-hit regions of the world by what many term as probably the deadliest virus outbreak of all times.

On December 29, Nitin Gadkari, the Union Minister for Road Transport and Highways and the Minister of Micro, Small and Medium Enterprises, whose government has wasted no time in seizing the opportunity from China, which has been under fire for its role in perpetrating the Covid-19 crisis, with the launch of a series of high-decibel campaigns like Atmanirbhar Bharat and Vocal for Local, confirmed that the American EV maker would indeed be setting up its shop in India, somewhere around mid-2021 or so.

In a January 13 tweet, replying to a blog by the Tesla fan site tesmanian.com, Musk reassured, 'As promised', confirming his firm would indeed be coming to India. It wouldn't take much to understand what Tesla's much-vaunted entry means for India which aspires to replace dragon as the world's new workshop!

The Global Analyst, P. 55-58, February 2021



Strategic Marketing in a Changing Environment

Edited by

K S Venu Gopal Rao

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Editor:
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Chapter 1:

Changing Face of Service Sector

Madhavi Garikaparthi

"Markets always change faster than marketing" - Philip Kotler

The services sector is one of the dominant sectors in India and it contributes more than 50 percent of India's GDP. Due to its continuous growth, it not only attracts significant foreign investment but also contributes substantially to exports. It also remains one of the driving employment generation sectors in the country. The service sector in India includes a wide variety of industries, ranging from telecom and hospitality to healthcare, travel and tourism etc.

In developed economies like the US, the service sector's contribution to GDP and employment is much higher than in India, and is close to 80 percent. Other sectors, such as industry and agriculture, account for close to twenty percent of the US economy.[1] In the UK, the services sector's contribution 80 percent in 2021 and it also accounted for 82 percent of employment.[2]

The main reasons for the continuous growth of the services sector - and for its being the engine for growth - are, developments in information technology, increase in urbanization, education, privatization and the various initiatives taken by the government to drive the growth. According to IMF and World Bank, the services sector in India grew at a CAGR of 11.43% to Rs. 101.47 trillion in financial year 2020 from Rs.68.81 trillion in financial year 2018. Moreover, between 2016-2020. The financial, real estate, and professional services grew by a CAGR of 11.68% and hospitality, trade, transportation, communication and services related to broadcasting grew by a CGAR of 10.98%.

---

1 https://www.statista.com/statistics/270072/distribution-of-the-workforce-across-economic-sectors-in-the-united-states/

2 https://commonslibrary.parliament.uk/research-briefings/sn02786/#:~:text=The%20service%20industries%20include%20the,employment%20in%20April%2DJune%202021.

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Chapter 2:

Strategic Marketing for Competitive Advantage in a Digital Era

Dwarakanath Siriguppi

To become successful, a company must have a strategy to differentiate it from its competitors. Competitive advantage is the best weapon for a firm to rely on to take a lead in the hyper-competitive market environment. It also gives it an edge over its rivals in achieving a sustainable growth. Firms need to be creative in their marketing strategies and rejig their marketing mix elements such as product, price, place, and promotion at regular intervals. They also need to provide better value to their customers than their competitors. The advent of the internet has created a new platform and also changed the landscape of business firms. Digitization is the driving force to generate more revenues. Bharat Bhushan (2018) said that the Information Technology industry has played an instrumental role in transforming organizations. IT has become an integral part of business strategy as firms are investing huge amounts in creating IT infrastructure to serve their customers in a more comprehensive way. Strategic marketing always aims at creating a smart and actionable marketing plan that works for organizations to increase their market share and profitability. This article talks about strategic marketing for competitive advantage in the digital era.

Strategic Marketing in Digital Era

In order to meet the ever-changing customer demands, companies are venturing into the digital path. Innovation and reinvention are the key to a world which is changing rapidly. Companies are using various digital tools to cater to the changing needs, tastes, and preferences of their customers. Digitalization is rewriting the rules of competition (Martin Hirt and Paul Willmott (2014).

Marketing has become one of the most technology dependent functions. Gartner projected that the Chief Marketing Officer (CMO) would be investing more in digital technologies than the Chief Information Officer (CIO) (Jake Sorofman 2016).Lisa Arthur (2012) said that Harnessing and mastering Big Data is now key to achieving a competitive advantage.

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Chapter 3:

Marketing Technology: The Frontrunner in Delivering Business Performance

Rishi Dwesar

Marketing is increasingly becoming a technology-oriented business function and demands a newer kind of marketing skills. These changes in the marketing industry have created a demand for marketers tagged as 'Marketing Technologists,' who are technically skilled persons often responsible for deploying and operating technology solutions to deliver marketing functions. In this chapter we understand what marketing technology is, some of the popular marketing technologies in use today, concepts related to marketing technology, and the manner in which marketing technology is helping marketers today.

Definition of Marketing Technology

Gartner, a popular consulting firm, defines marketing technology as "a set of software solutions used by marketing leaders to support mission-critical business objectives and drive innovation within their organizations."[i] Marketing technology is central to digital marketing, but can also be used to optimize marketing efforts across any marketing channel. Industry surveys reveal that today Chief Marketing Officers (CMOs) spend more on technology in comparison to Chief Intelligence Officers (CIOs). The reason behind this is the increasing role of technology in various marketing functions, specifically in assisting marketers in automation, attribution, and advertising. Nevertheless, with the numerous marketing technology solutions available in the market today, and new tools emerging every now and then, marketers may be overwhelmed by which option to choose. Thus, it is necessary that marketers invest in marketing technology which will facilitate greater growth in their organization in the long run, and not just because it is available or looks promising. The next sections lists some of the prominent marketing technologies.

Emerging Marketing Technology Solutions

The marketing technology a company chooses can often depend on the size of their operations, the marketing channels under use, and who they are marketing to (B2B customers or B2C Customers). However, regardless of this, following are eight marketing technologies which most organizations will find useful.

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Chapter 4:

Data Driven Marketing

Vikas Gautam

In this highly competitive business landscape, an organization must distinguish itself from the rest of the competitors in order to achieve a sustainable competitive advantage. This article focuses on data driven marketing. Moreover, it elucidates the benefits of data driven marketing, the challenges for marketers, conquering these challenges, designing a data driven strategy – a process, and opportunities that data driven marketing offers to businesses. As it is an active process originated by the firm and then customized according to the dynamic business landscape, data driven marketing is the present and future marketing strategy of the firms

Data-Driven Marketing focuses on augmentation of the dynamic marketing mix (product, price, place, promotion) by using consumer behavior data accessed through multiple sources. This approach of marketing is based on consumer behavior data. The data about customers are analyzed with the help of advanced tools and techniques to elicit useful patterns. These patterns are further used to predict target potential customers' current and future needs, wants, and desires. By making use of multiple qualitative and quantitative marketing research techniques, the future expectations and current perceptions of customers are analyzed in order to provide the best customer experience.

This type of in-depth research helps marketers to design customized and personalized strategies that subsequently results in higher customer satisfaction and loyalty. With reference to the service-profit chain, customer loyalty and the organization's growth and profitability are positively correlated. Marketing is the process of creating, communicating, delivering value to the targeted customers with a focus on long-term relationships and mutual benefits. Data driven marketing highlights the importance of data while designing the products, communication strategy, supply chain activities, and pricing strategies. Moreover, this data driven approach helps in hiring the best human resource talent, optimized packaging, and most efficient processes.

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Chapter 5:

SuperApps – Modern day Conglomerates of Platform Business World

Shailendra Singh Bisht

Business strives for an effective business strategy to accomplish the twin objectives of benefits and barriers. Many businesses are trying to create a Superapp framework which aims to provide their customers an integration of multiple transactions which might include payment and ID management, using a single application. Platform businesses can create barriers from Network Effects, Cost, Culture, and Resources.

Network Effects – Platforms create barriers for competitors when they remove barriers to usage for their users. Every time platforms remove barriers for their users on one or more sides of their network, they create an exponentially growing network effect which could visually be seen as a virtuous upward cycle – more suppliers leading to more users, which ultimately attracts even more suppliers. You get the drift! This is at play in Uber, Zomato, Amazon, etc., where reduced barriers to sell their services or products attract scores of producers who otherwise would have stayed away. This creates more choices or even a possibility of finding long tail products, thus creating tremendous value for users. Once this scales, of course fed by unlimited supply of cheap risk taking Venture Capital, it becomes a Winner Takes All (WTA) scenario, leaving no space for any other player. Platforms are able to leverage these network effects to create non-replicable ecosystems of millions of remote participants connected over the internet. This certainly puts the traditional businesses at a serious disadvantage while also preventing me-too platforms from getting any traction in the specific and adjacent product category.

Cost-related Moats – One Jiu Jitsu move that Amazon made was to make Amazon Web Services available for hire for any business to host their websites. This created an extraordinary situation where bringing more servers under Amazon's control led to a decrease in its own computing and storage, and it then created infrastructure where it could

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Chapter 6:

Strategies for Rural Markets

Anitha Acharya

The main purposes of this chapter are to highlight the importance of the rural market and understand its relevance to the marketer. This chapter will help readers understand the need for studying the rural market and appreciate its significance in the current market scenario. Additionally, it provides a detailed outline of the ways and means that companies can use to market their products. In addition, it explores certain best practices in the industry to illustrate how well products can be sold to the consumers in the rural market

Introduction

All business activities which are involved in the flow of goods and services from the manufacturer to rural consumers are termed as rural market. Marketing activities like demand creation, planning the product, distribution of the product in order to ensure that the rural consumers are satisfied, are covered in rural market. The recent increase in rural incomes and the probability that the income will increase in the future also due to better production and higher prices for agricultural products have offered marketers great scope for concentrated marketing efforts in the rural market. Rural marketing is a developing concept and has a lot of untapped potential. Since urban markets are becoming very competitive, manufacturers are shifting toward the rural market to ensure growth.

According to Indian Census 2011, rural market is defined as a geographical location where the population is not more than 5000, population density is not more than 400 per square kilometer, and 75 percent of the male population is working in the agricultural sector. There is no common perception of rural marketing; it is different for different people. Due to the lack of a consensus, understanding the problems of rural marketing is very challenging. Urban and rural marketing are alike as regards the basic marketing structure. Conversely, rural markets have

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Chapter 7:

Entrepreneurial Marketing

Ankur Srivastava

Introduction

In this technologically driven world, the traditional management principles need to be reworked to develop modern managerial thought. The new structural reforms need to be inculcated in the long term. The macro-micro forces often change the competitive landscape through continuous change, complexity, chaos, and contradiction. In a global, knowledge economy, markets are moving, intersecting, disintegrating, and becoming seamless; distribution systems are being reshaped, reconstructed, and bypassed; enterprises engage as competitors, consumers, and partners; and customers are becoming demanding (Day and Montgomery, 1999, Sheth, 2011). Despite these obstacles, marketing theory and practice have been chastised for concentrating on minor concerns, narrowly classifying problems, and prioritizing tactical approaches (Sheth et al., 2000). Marketing is context-dependent, but the context frequently changes (Sheth and Sisodia, 1999). Conceptions and norms are no longer valid based on time, place, industry, or competition. The new era calls for focus on emerging areas such as technology-driven marketing, customization, and innovation through interactive platforms, networking, and new forms of strategic alliances.

This chapter aims to explicate the nature of the entrepreneurial marketing concept for its application in various marketing activities in various situations. This concept combines key features of marketing and entrepreneurship into a holistic conception in which marketing is transformed into a method that businesses may employ to operate entrepreneurially. In a period of environmental turmoil and when enterprises confront particular challenges to enhance resource productivity, this paradigm is a successful marketing method. We first focus on the present status of marketing and entrepreneurship, then try to understand entrepreneurial marketing as a construct. Further, its dimensions are also discussed, along with the factors driving and fencing this construct.

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Chapter 8:

Strategic Marketing of Online Brands

Debajani Sahoo

Introduction

In the minds of consumers, brand reputation prompts a stronger perceptual improvement of the brand. As a result, anchoring on the brand when analyzing the online brand makes it more salient and accessible in memory. Online brands create online identity through the use of a website, Google, Facebook, Instagram, blog posts, and other online marketing platforms. This procedure aids in increasing the visibility of a brand's identity on the internet in order to increase the reach of the brand, its products, or services in front of potential clients. Furthermore, the heightened ambiguity and perceived risk that characterizes online transactions, particularly with new web-vendors, strengthens the role of a brand as a signal that provides clarity in decision-making and ensures performance. When fresh information and associations are presented, consumers' perceptions of a brand might be improved or weakened. Brand extension, for example, has shown that bad brand expansions pose a danger by potentially diluting consumers' perceptions of the brand. When expansions are positively received, however, brand enhancement rather than brand dilution occurs. The impact of online brand credibility on the growth of online transactions is significant. Marketers must target the appropriate audience, use the appropriate marketplaces, and apply the appropriate methods. In a word, strategic marketing is the gathering of data necessary to establish an effective marketing plan and implement successful campaigns.The Steps in the Process of Strategic Marketing Planning include the following;

- *Planning process* – This entails assessing strengths, weaknesses, and technology capabilities in order to submit the marketing concept to management.
- *Goal Setting* – Setting goals can help you sell a product in such a way that it becomes vital to your clients. The four P's – price, place, product, and promotion have an active role to play in goal setting

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Chapter 9:

Marketing Strategies for FMCG Products in India

Mukesh Kumar Mishra

1. Introduction

The fast-moving consumer goods (FMCG) sector is India's fourth-largest sector, with household and personal care accounting for 50% of FMCG sales in India. Growing awareness, easier access, and changing lifestyles have been the key growth drivers for the sector. The urban segment, which accounts for a revenue share of around 55%, is the largest contributor to the overall revenue generated by the FMCG sector in India. However, in the last few years, the FMCG market has grown at a faster pace in rural India than in urban India. Semi-urban and rural segments are growing at a rapid pace and FMCG products account for 50% of the total rural spending.

Exhibit 1:



Source. https:www.business-standard.com

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Chapter 10:

IT Strategy of Businesses: Emerging Perspectives

Surjit Kumar Kar and Debasmita Panigrahi

Introduction

'Technology' is an ever-changing phenomenon in the macro-environment of marketing management. Consumers' preferences and attitude keep changing alongside, in proportion to all such changes. The way businesses function has to evolve to encompass all such changes and address them in the best interests of the enterprise. These fast-paced changes usher in immense challenges to business leaders to create organizational capabilities and stay competitive. Enterprises have to constantly endeavor to remain future-ready by envisioning the way the future would look. Many disruptive technologies across industries have gained quick market acceptance and thereby have destabilized the players that used to follow traditional and conventional technology and practices. Technological revolution in general and Information & Digital Technologies in particular have compelled industry players to reinvent the wheels of business and revenue. Innovation becomes the key for customer-centric enterprises, simultaneously demanding accountability to all other stakeholders. To understand the technology landscape in India, one can refer to the representative trade body of the Indian IT industry, 'NASSCOM', which has classified IT businesses in India into the following types and accordingly offers membership over two categories, e.g. Regular/ Associate and Institutional: IT Services, IT Products, Gaming, Business Process management (BPM), Engineering/R&D Services/Embedded Services, Internet and e-Commerce, and Global In-house Center (GIC). NASSCOM and McKinsey in their report 'Perspective 2025: Shaping The Digital Revolution' have presented a major finding that digital innovators are disrupting traditional business models. Some of their major findings are:

1. *Structural Shifts Underway:*

- Return on Technology becomes the greatest contributor to Return on Invested Capital (RoIC)
- Digital innovators disrupt traditional business models

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Chapter 11:

Strategic Marketing for Rurban Markets

Vijayudu Gnanamkonda

Understanding market segments, analyzing consumer buying behavior, and competing with existing marketers is a regular challenging work for any marketer. At present, marketers are experiencing new markets, new consumers, and new styles of consumer buying patterns. World class marketing research agencies have identified and defined new customers from baby boomers to generation 'Z', and also defined new market segments like 'Rurban'. This chapter introduces 'Rurban' markets, the attributes of Rurban, and the buying patterns of Rurban consumers and differentiates it from rural as well as urban. It also discusses the strategies to attract 'Rurban' consumers and to serve these specific segments profitably.

Introduction to Rurban

In India, rural areas are not stand-alone settlements. By nature, they are clusters. These village clusters are caste based, religion based, and/or schedule based. In a hierarchy, these villages are connected to Panchayats, Panchayats to Mandals, and Mandals to Zilla (District). It is a vastly challenging task for marketers to serve remote locations. These markets are scattered and heterogeneous, with low population density, and low infrastructure development (like roads, railways, storage points, electricity, internet, etc.). Well established Fast Moving Consumer Good (FMCG) companies have developed strong distribution strategies like 'Hub and Spoke' to reach these markets. Apart from FMCG companies, no other marketers are looking for these markets as they do urban markets.

Urban markets are easily reachable for any kind of marketer. The population density is also very high in urban markets. The urban markets (Tier I and II cities and metropolises) are well connected with

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Chapter 12:

Influencer Marketing Strategic Drives, Anticipated and Unanticipated Outcomes

Mithilesh Pandey and Pinnika Syam Yadav

This paper discusses Influencer marketing, the strategies incorporated in it, and the interactive communication approach adopted to take advantage of its uniqueness. It gives a brief explanation on the development of Influencer Marketing among brands and consumers. It discusses why it is turning out to be more powerful than other digital marketing tools and conventional approaches, and creating a special competitive edge in the markets. This review will provide both researchers and practitioners with an updated view on Influencer Marketing and will help to stimulate further interest in the research area.

Introduction

Over the past decade, Influencer marketing has been gaining a lot of attention and recognition on social media platforms(Dwivedi, Kapoor, & Chen, 2015). Influencer marketing has become a buzzword in both B2B and B2C as a popular podcasting medium which allows a lot of people to watch the post at the same time(Leung, Law, Hoof, & Buhalis, 2013). Influencer marketing is a futuristic tool for relationship marketing and acts as a connecting bridge (product/service/business) with the consumers. The present generation of internet users are mostly familiar with two words irrespective of their field of work, culture, race, and religion and those are “Internet” and “social media platforms”, which provide entertainment to every social and economic class of our society (Khan & Jan, 2015). The internet has been more of a social element since the beginning (Akar & Topçu, 2011) as it creates content which has value to some extent and connects to a vast world. It has changed the traditional medium of communication and ultimately evolved to offer the widespread use of social media such as blogs, Twitter, Facebook, and

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Chapter 13:

Strategic Marketing in the Indian Automobile Market -Passenger Cars

Sriram Soundararajan

The Indian roads saw their first car in 1897 and the first Indian to own a car was Jamshedji Tata in 1901. Hindustan Motors made the first car in India in 1942. The Government of India tried to improve the sector by promoting automotive manufacturing. Cars were imported before independence. The 1950s saw efforts to establish an integrated automotive parts industry. The automotive sector officially started in 1952 when the Government appointed its first tax commission with the aim of establishing the industry. The year 1952 marked the introduction of passenger cars in the country. Hindustan Motors, Premier Automobiles, and Standard Motors were very popular. Hindustan Motors and Premier Automobiles Limited jointly acquired a large market share until the 1970s, along with Telco, Ashok Leyland, Mahindra &Mahindra (M&M), and Bajaj Auto. The automotive market was relatively small given the low growth rate in the country during this period, and thus, the industry experienced a very slow growth rate until the 1980s. However, the great demand for passenger cars was coming as national population and per capita income began to grow. The government saw the need to introduce modern, fuel-efficient, and inexpensive vehicles that "ordinary people could afford to buy."

The year was 1981. An Indian company called Maruti Udyog Limited (MUL) emerged as a state-owned company with Suzuki Motor Corporation as a small partner to make the Least expensive car in India. In October 1982, the company signed a license and a partnership agreement with Suzuki, which acquired a 26% stake in the company and made an investment of US $ 260 million. MUL made history by launching its first car in 13 months – the Maruti 800. Introduced in 1984, this was the first locally produced car with absolutely the latest technology. MUL developed strategies to integrate and build the strongest retailer network around it. It gained a fixed capacity of one lakh units and cornered a market share of about 32% over a decade. In 1989, Suzuki increased its

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Chapter 14:

Social Commerce – The Future Challenge for Marketing

Prabhakar Nandamuri and K.S. Venu Gopal Rao

'This $360 Billion E-commerce Trend Is Huge In Asia—And It's Coming To The U.S. Next' – Vinnie Lauria, Silicon Valley entrepreneur and managing partner of Golden Gate Ventures, a Singapore-based VC fund.

The Social Experience

The social aspect of shopping is sustainably vibrant from the time of department stores and shopping malls to the contemporary age of e-commerce. Shopping is, was, and always will be a social experience despite the persistent disruptions that surround the e-commerce ecosystem from time to time. As e-commerce and social media go hand-in-hand, the social aspect of shopping emerges to be more pertinent than ever. Around 93% of present-day customers count on social media, online reviews, and follower feedback for their purchases (Shrestha, 2016). Today's customers are enthusiastically in quest of star ratings and positive social comments before any purchase. Around 82% of consumers accept that convincing reviews by known and trustful people motivated their actual purchase (Podium, 2017). Products and brands that offer 'social customer service' are 71% more likely to attract recommendations (Epstein, 2013). The 2021 Shopper Experience Index reports that 42% of consumers won't go in for purchases in the absence of user-generated content on the product page and 49% look for customer photos on product pages, and 47% search for other websites while 35% browse through search engines for the same (Berthiaume, 2021). According to 2018 Social Commerce Revisited, 58% acknowledged the influence of social media on purchase decisions while 48% were involved in the purchase through social media (Vermes, 2018). The latest surge of social shopping trends in the Indian e-commerce industry,

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Chapter 15:

Distribution Dynamics in FMCG Markets: Power vs. Dependence

K.S. Venu Gopal Rao and Prabhakar Nandamuri

The marketing strategy of every firm depends on the success of its Marketing mix. In ensuring the success of the marketing mix, firms have to take critical decisions in ensuring how the products reach the end user. The link between the firm and the end user comprises the Marketing channel system. More specifically, "a Marketing Channel System is defined as a set of interdependent organizations involved in the process of making a product or service available for use or consumption" (Palmatier et al)[1]. The word interdependent is important in the definition as no single member in the channel has greater importance. They are expected to work in a synchronous manner for the benefit of the end consumer. Given in Figure 1 is an illustration of different channel configurations for a consumer products firm.

Making the channel operational is more of a process than an event. It relies on continuity. Marketing channels can also be regarded as the route taken by manufacturers to reach the end user. A channel member is regarded as a Gatekeeper and manufacturers should be able to manage the actions of the channel members downstream. The channel member is also considered an important asset in the company's strategic marketing and positioning strategy and often helps differentiate the services offered by the manufacturer. The services rendered by the channel members help create positive perceptions in the minds of the end consumers and if delivered well, lead to customer satisfaction. Manufacturers occasionally ignore the importance of channel members and view them as a necessary evil. Of late, though, due to intense competition the importance of marketing channels / intermediaries has been understood and due importance is being accorded to their role in the value chain.

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[1] Robert W Palmatier, Louis Stern, Adel I, el-Ansary, "Marketing Channel Strategy" Global Edition, Pearson, 2015

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Chapter 16:

Strategic Marketing for Influencer Agencies

Amar Raju G

Introduction

Influencers have successfully replaced traditional celebrities and have become the preferred opinion leaders for brands. Now, brands are designing their entire marketing campaigns keeping in mind not only the end user but also the influencer who is most expected to deliver the desired result for the brand. The popularity of influencers and the evolution of digital content has kept marketing firms on their toes and has given rise to Influencer agencies. As the users of social media sites are increasing by the day, the task of using the right influencers for marketing campaigns is becoming complex. Hence, the need for Influencer agency, which manages all tasks related to managing a digital marketing new campaign, is being felt more than ever before, for brands.

As the industry grows, intense competition is expected from other agencies in the industry, which would all be targeting the same influencers on the one side and the same clients (brands) on the other. It is imperative for such Influencer agencies to build a strategic marketing perspective to sustain and develop a competitive advantage.

A strategic marketing plan can help an agency evaluate the business environment, establish clear goals, and devise methods and actions to achieve marketing goals. As many of these agencies are new age firms with not much experience, a strategic marketing plan can provide the much needed focus and direction to the business, especially against traditional advertising agencies which have evolved to provide similar services to clients.

Influencer Marketing

The idea of an influencer or opinion leader is not a new concept. Influencers are defined as “people who built a large network of followers, and are regarded as trusted taskmasters in one or several niches” (De

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Chapter 17:

Massive Open Online Courses (MOOCs): A Service Marketing Mix Perspective

Atifa Tamkeen and Sunny Bose

The Covid-19 pandemic has created a massive disruption in the education system around the world. The education system was transformed from the physical mode to a complete online mode. This new wave stresses upon new ways of learning and demands various skills from the students. This swap in the learning modes has thus increased the demand for massive open online courses (MOOCs) across the globe. A large number of individuals joined online courses to enhance their knowledge and acquire new skills. Consequently, the year 2020 brought huge enrolments and profits to MOOC providers. This new wave of demand for online courses has also created research opportunities to improve the limited literature on MOOCs. The present paper attempts to give an overview about the evolution of MOOCs, its classification, and value to the customers and to understand MOOCs from the perspective of the 7Ps of services.

Introduction

The year 2020 marked the most disruptive year for teachers and students across the world. The pandemic increased the dropout rate of schools, especially for students from low-income families. It also restricted their chances of acquiring higher education. It was estimated that a student would earn $49,000 to $61,000 less in his/her lifetime due to the pandemic effect (McKinsey & Company, 2021). Hence, it became very important to devise measures which would help to overcome the impact of Covid-19 on students' education. Massive Open Online Courses (MOOC) are one such mechanism which would aid in imparting quality education. Reports from various sources suggest that there were an immense number of enrolments in MOOCs during the pandemic. MOOCs were found in the list of "free things to do during the lockdown." Thus, the year 2020 was a successful one for MOOCs after 2012 which was declared as the "Year of MOOCs." The enrolments of a single month

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Chapter 18:

Strategic Marketing in Business to Business Context

Santosh Kumar Alreddy

Marketing the company's products or services to business is a difficult task. Besides, selling to customers and selling to businesses necessitate different approaches. B2B marketing is the approach of one business marketing its products or services to another business. It is apparent that businesses require an output of another business to maintain and enhance its own operations.

It is significant because many businesses rely on the products or services of other companies to maintain their operations. For example, a cellphone brand may procure the components for its devices from third party companies and make payments to shipping companies to distribute the end product. Another reason why companies emphasize B2B selling is the potential for more revenue. In B2C, selling is of a low-cost item and one time purchase. But, if a company sells to businesses, the cost of product or service is substantial and triggers repeat buying.

Before planning the strategies for B2B Marketing, a few steps have to be followed. The following are the important steps.

Determine your brand positioning – A complete understanding of brand positioning is required to create a strategy. Devise a brand positioning statement that your team and prospective customers can believe in, and you will be ready for the next step.

Identify your target audience – Find out who is interested in the company's products and services. This will help the company make buying personas and understand how they arrive at purchase decisions.

Run a competitive analysis – Competitive analysis helps businesses identify what other rivals are offering customers.

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Chapter 19:

Destination Brand Image and Destination Brand Equity: A Wine Destination Perspective

Sudeepta Pradhan, Sunny Bose and Makhmoor Bashir

Introduction

In 2008, Sula Vineyards in Nashik started the first annual two-day 'gourmet world music festival', commonly known as *SulaFest*. Located in the heart of the wine capital of India – Nashik – the festival includes music, drinks, food, and fashion. Additionally, the fest offers grape stomping, wine tasting, master classes by winemakers, and camping as well. The festival provides high voltage performances by acclaimed artists and bands. For the *SulaFest* 2020, Sula Vineyards promised to plant a tree in exchange for every ticket sold, making it India's most sustainable music festival. Wine destinations across the world have begun to realize the benefits of wine tourism and its role in generating tourists and revenues. Wine tourism has been defined as a '*visitation to vineyards, wineries, wine festivals and wine shows for which grape wine tasting and/or experiencing the attributes of a grape wine region are the prime motivating factors for visitors*' (Hall *et al.*, 2000). Wine, food, tourism, and arts collectively form the elements of wine tourism and provide lifestyle packages to wine tourists (Hafermann & Lankford, 2019).

Theoretical Background

Studies by Crompton (1979) and Dann (1981) introduced the push-pull theory used in tourism studies that focus on marketing and decision-making. The theory helps analyze the explanatory factors for consumer (tourists) behavior and their motivations for a trip. Generally, "*push*" factors refer to motivations behind travel, for example, escaping from daily routine, relief from work stress, education, relaxation, and personal or demand-related attributes. Alternatively, "*pull*" factors refer to the characteristics, attributes, and attractions of the destination (landscape, activities, tangible resources, historical, and cultural artifacts). The push-pull theory has been applied in wine tourism to analyze internal

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Chapter 20:

Strategic Management in Retailing Post Covid-19

Vaibhav Shekhar

Introduction

The Covid-19 epidemic continues to strongly influence the socioeconomic situation worldwide. There is uncertainty about how the consequences will play out across industries and organizations. The retail industry has had its share of ups and downs in the past; however, the current pandemic has pushed it to its limits. Retail shoppers have been avoiding human interactions while shifting their shopping habits online. In this new post-Covid-19 era, retailers are conscious of the need to ensure the health safety of both their customers and employees as countries open up their retail stores, restaurants, and other public spaces (Mukherjee, 2021). Consequently, retailing has witnessed a paradigm shift in its standard business practices after being forced to close its stores and accelerate its migration to e-commerce (Bradley et al., 2021). A mere digital presence with comprehensive backend support is no longer a viable option for retailers, who are adopting ways to invest in technology faster and explore integration strategies to enhance value propositions and reduce costs (ET Retail, 2020).

Retailers actively invest in establishing and expanding their technology infrastructure, propelling the transformation forward. Retailers seek permanent technology-based solutions in mobile apps, automatic item replenishment, electronic incentive systems, crowd management measures, contactless shopping, and touchless technologies (ET Retail, 2020). Phygital spaces (the integration of physical and digital channels), together with virtual reality and artificial intelligence, are gaining traction in the retail sector, and the trend is projected to continue (Talwar, 2020). Retailers must embrace the rapid changes in the customers' buying behavior and transform themselves to provide frictionless shopping experience. With the rise of omnichannel commerce, they should incorporate advanced technologies (like artificial intelligence and machine learning) to provide unique shopping experiences to secure customer trust and loyalty in the post-Covid world.

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Chapter 21:
Strategies for Branding

Achyut Telang and Gaurav Bhatt

"A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well."

- Jeff Bezos, Founder and Executive Chairman of Amazon

Introduction

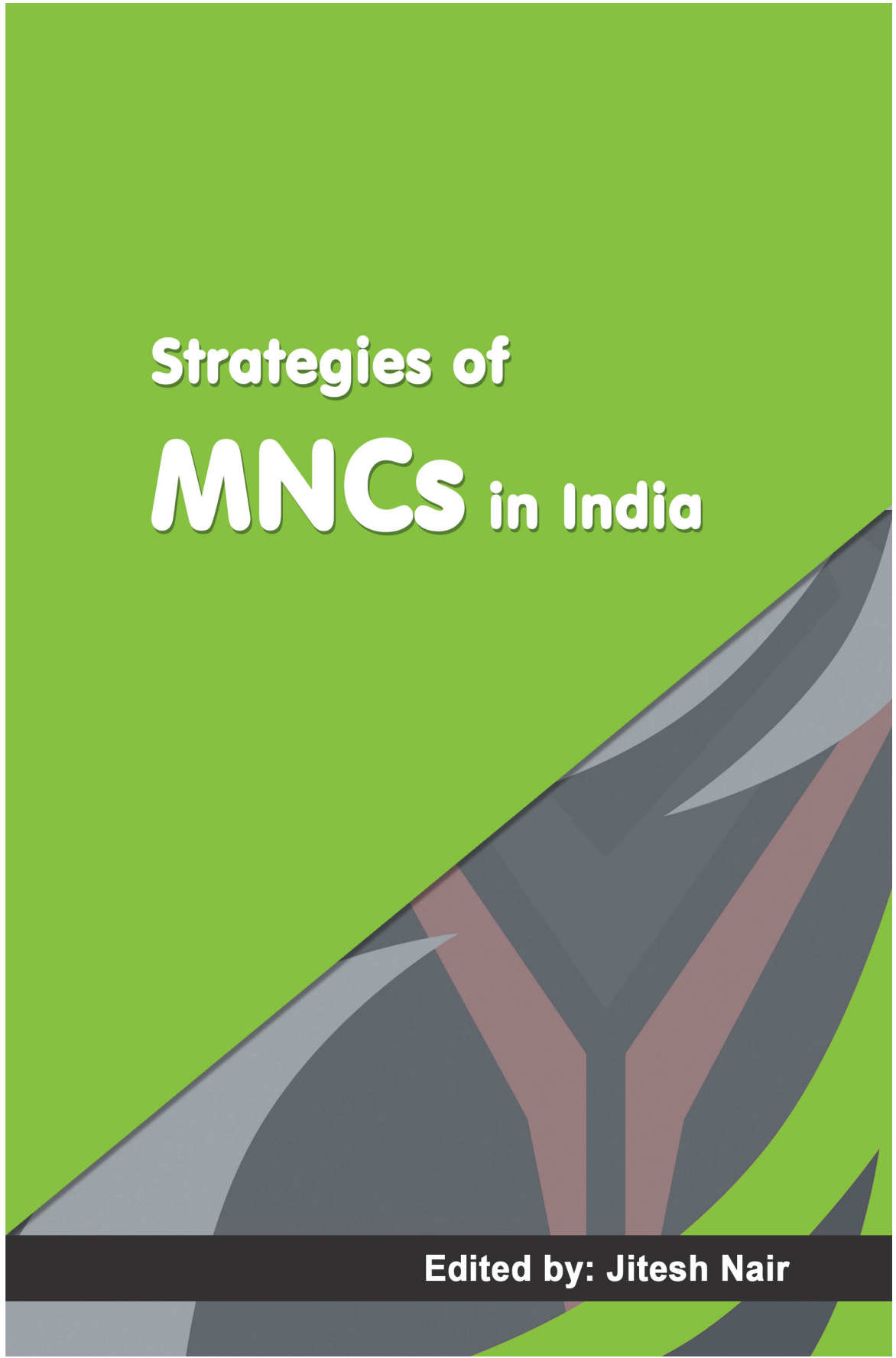
A brand name is arguably the biggest strength of an organization as it is something which its customers are able to recognize, differentiate, and relate to. It would not be wrong to say that the brand name, to a great extent, is responsible for quality assurance and helps to set expectations accordingly. A good brand name can create many definite benefits like signifying product benefits (McCarthy and Perault, 1990), add to brand identity, make shopping easier, and allude to quality (McNeal and Zerren, 1981).

As a business when you are changing a name, it is expected that you will keep in mind the consequences of this action. When Steve Jobs announced that the name of his company would be changed from Apple Computer to Apple, Inc., he said it was done to accommodate the changes which were happening in Apple's product portfolio. As the company was going into handheld device manufacturing, it was felt that the name should reflect these changes.

On October 28, 2021, Facebook announced that it would be changing its name to Meta. Mark Zuckerberg, CEO of Facebook, remarked that after social networking, Metaverse was the next frontier and the company was looking forward to involving augmented and virtual reality as key elements of its future strategy. Several other brands like Grofers, Maybank, Kim Eng Group, SurveyMonkey, and the indomitable Kanye West have come up with new names for themselves. Most of these names are well known and it may be argued that the familiarity of their respective names, to a great extent is one of the prime reasons for their repute. Naturally, the next question which arises is, why are these companies/brands/individuals opting for a name change? And is it a risk, keeping in mind the familiarity of their existing names? In this chapter, we will look at the strategies in branding as well as possible reasons for rebranding.

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Strategies of MNCs in India



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Editor:
Jitesh Nair

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Chapter 1:

General Motors' Exit from India – A Wise Move?

Namratha V Prasad and G V Muralidhara

Learning Objectives:

- Devise the right market entry strategy for an emerging market
- Apply the BCG framework in devising a strategy to manage a business portfolio
- Develop an appropriate market exit strategy

Overview

As of 2017, the ten big emerging markets were Mexico, Brazil, Argentina, South Africa, Poland, Turkey, India, Indonesia, China, and South Korea. According to International Monetary Fund (IMF) figures, as of 2017, emerging markets, which make up roughly 90% of the world's population, have disrupted the world economic order to have more than half of the world GDP (at purchasing power parity)

Since the 2000s, India was widely considered to be one of the most promising emerging nations. As of 2017, the country had experienced almost two decades of high growth driven by its success in the Information Technology (IT) sector that boosted salaries and strong global public relations, which attracted investment. The country's key strength was that 66% of its population, amounting to about 825 million people, was under the age of 35. The country had a healthy savings rate and rising rural incomes and placed heavy emphasis on education.

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Chapter 2:

Vespa's Re-entry Strategies for the Indian Market

N Prakash and R Muthukumar

Learning Objectives

- Explore the market for scooters in India.
- Become aware of the reasons for re-entering a market.
- Understand the market re-entry strategies

Overview

According to the Society of Indian Automobile Manufacturer[1] (SIAM), in 2012, the dominant players in the Indian scooter segment were HMSI, TVS, and Hero MotorCorp. In 2012, HMSI was the market leader in the Indian scooter segment and its sales were 1,224,599 units out of the 2,562,841 units.[2] Two-wheeler sales in India grew from 11,768,910 units in FY2011 to 13,435,769 units in FY 2012. This included scooter sales which went up from 2,057,604 units to 2,562,841 units[3]. Even though motorcycles had a major share in the two wheeler market, the share of scooters had been growing at over 20 % in 2012.

International two wheeler manufacturers such as Suzuki, Yamaha, and Honda created intense competition in India by providing me-too products. However, domestic players like Hero, Mahindra, and TVS competed by launching new products and striving to improve their

---

1 Society of Indian Automobile Manufacturers (SIAM) is the Industry body representing 46 leading vehicle and vehicular engine manufacturers in India.

2 "Automobile Sales To Rise 10-12% In FY 2012-2013: SIAM," www.articles.economictimes.indiatimes.com, April 10, 2012.

3 "Automobile Sales To Rise 10-12% In FY 2012-2013: SIAM," www.articles.economictimes.indiatimes.com, April 10, 2012.

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Chapter 3:

Honda in India: New Challenges

Adapa Srinivasa Rao and Debapratim Purkayastha

Learning Objectives:

- Identify the challenges faced by automobile manufacturers in the highly competitive Indian automobile market.
- Understand the concept of first mover advantage and market leadership
- Become aware of the importance of pricing and its impact on brand leadership

Overview

India was considered an archetype for many emerging markets, especially democratic ones. Ravi Venkatesan (Venkatesan), author of the book "Win in India, Win Everywhere: Conquering the Chaos", considered India to be a lab or Petri dish for developing products, business models, talents, capabilities, and operating models that were expected to help multinational companies succeed in a host of challenging markets. Venkatesan stated that the key reason for the success of MNCs in India was their focus on India's potential, rather than its many problems. He observed that successful MNCs made market shaping investments and sustained their commitment through the tumultuous cycles of the Indian economy, in the process, creating new markets or categories.

For the MNCs that were not successful in India and had exited the market, Venkatesan stated that the Indian operations of those MNCs had contributed just around 1% of their parent's revenues and profits. He added that most such MNCs were trapped in what he called the 'Midway Trap', wherein they rigidly stuck to the same model that had worked for them in the developed world and did not adapt to the local conditions, thereby hitting a growth wall.

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Chapter 4:

Nokia in India: Staging a Comeback

K B S Kumar and Indu Perepu

Learning Objectives

- Understand the main reasons for the fall of mighty corporations and the stages a company goes through before failure
- Analyze how companies can be brought back from failure
- Examine the strategies that MNCs can follow in emerging markets
- Understand the challenges faced by companies reentering a market from which they made an exit.
- Analyze the opportunities a company can have when it reenters a market

Overview

Jim Collins, American business consultant and author of the popular book “How the Mighty Fall: And Why Some Companies Never Give In” attributes the fall of enterprises to three things. He said, “Number one, the seeds of decline are usually in place long before decline becomes visible – like a disease where you look strong on the outside but you're already ill on the inside. Second, we tend to think decline happens because of complacency – people just sitting still, not being aggressive or innovating. But we found there's often tremendous change and innovation leading right up to the point of fall. It's overreaching: undisciplined growth, undisciplined risk-taking. What happened in all the great companies that fell is they made a shift from a humble drive to arrogance, the belief they somehow magically deserved all that success – "We're just really better than everybody else, and we always will be." The great irony is that this leads to the undisciplined pursuit of more, and it’s very hard to preserve your values and your basic model if you grow too fast.”

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Chapter 5:

OnePlus: A Chinese Success Story in India

Syeda Maseeha Qumer and Debapratim Purkayastha

Learning Objectives

- Evaluate globalization strategy and market entry and expansion strategy in emerging markets
- Understand the importance of the Indian market
- Understand the factors that contributed to the success in emerging markets
- Identify the issues and challenges faced in growth market like India

Overview

The Organization of Economic Cooperation and Development (OECD) (1994) defines globalization *"as a developing pattern of international business cooperation, which includes investments, trade and contractory ways of cooperation, and targets the development of products, production, procurement and marketing. Such kind of international performance enables the companies to conquer new markets, use their technological and organisational advantages and to lower the costs and risk."*

There are various reasons why companies want to go global *(See **Table I**)*. The motivations for expanding into foreign markets can be categorized into:

1. **Proactive**: To act in advance, to anticipate something happening, and plan for the situation.
2. **Reactive**: Companies cannot predict every event that may occur in the future. Thus, sometimes when a company decides to expand internationally it is a reactive action to an occurrence.

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Chapter 6:

The Hutchison Essar Acquisition: Vodafone's Foray into an Emerging Market

Adapa Srinivasa Rao and Debapratim Purkayastha

Learning Objectives:

- Understand the importance of international mergers and acquisitions as a growth strategy in the era of globalization.
- Understand the opportunities that emerging markets such as India offer to global business enterprises.
- Understand the issues and challenges faced by global business firms expanding into emerging markets.
- Understand the entry and exit strategies adopted by firms operating in the international markets.
- Understand the importance of the government's policy in influencing the business strategy of the firm.

Overview

Emerging markets refer to countries which are experiencing good growth in business terms with the rapid expansion of the traditional markets. The term emerging economies was coined by the World Bank economist Antonio Van Agtmael. These markets fall somewhere between the developed and the underdeveloped markets of the world. China, India, Russia, Mexico, and South Africa are examples of emerging markets. These countries are expected to have a considerable share in the world economy in future. Some of the important features of emerging markets are their governments' commitment to increasing

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Chapter 7:

Amazon: Betting Big on a Trillion Dollar Indian Market

Medha Chintala and D Satish

Learning Objectives

- Understand the expanse of opportunities or the current market demand existing in online businesses
- Apply the ways in which a company can localize its business operations in India and implement them in various business situations of going global in emerging economies
- Analyze the competitive situation, extent of rivalry and the forces that are acting to drive the competition (using Porter's five force model to map the level of competition)
- Evaluate the market opportunities and assess customer value to build market share
- Apply the competitive strategies used by market leaders

OVERVIEW

Porter's five forces analysis

Porter's five forces model is a simple and powerful tool to study the competitive position in the industry (here market) and develop corporate strategies accordingly. It was given by Michael E. Porter of Harvard University.

An attractive industry is one which offers the potential for profitability. A company can find out its optimal position in the market place given the competitive structure of the market. Whether the company can enter, or not based on the analysis given by Porter. Even after entering the company can assess its position to reach the strategically advantageous position.

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Chapter 8:

Business Model and Competitive Strategy of IKEA in India

Syed Abdul Samad and Debapratim Purkayastha

Learning Objectives

- Assess entry and expansion strategy
- Analyze the marketing strategies adopted in a host country
- Examine the interaction of global and local forces in shaping market dynamics and consumers' preferences

OVERVIEW

International marketing orientation refers to different attitudes toward a company's involvement in the international marketing process. According to Howard Permutter (Columbia Journal of World Business, 1969), companies' philosophies on international involvement can be described based on the EPRG (Ethnocentric, Polycentrism, Regiocentrism, Geocentrism) framework (See **Table I)**. This framework determines the way strategic decisions are made and how the relationship between headquarters and its subsidiaries is shaped. The global marketing concept involves marketing activities across different countries without having focus on national or regional segmentation. A company engaged in global marketing follows a geocentric philosophy to internationalization (Lascu, 2003).

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Chapter 9:

Amway India – From Direct Selling to Omni Channel Business Strategy

Namratha V Prasad and Smita Ray

Learning Objectives:

- Learn the complexities of direct selling combined with a multi-level marketing (MLM) strategy
- Analyze the localization strategy of a global company
- Evaluate the reasons that drive a direct selling company to adopt an omni-channel strategy
- Examine the challenges faced by a company with a unique business model when entering foreign markets

Overview

When a company goes international, it has to choose an entry strategy. The choice of entry mode depends on an analysis of market potential, company capabilities, the degree of marketing involvement, and the commitment management is willing to make *(See **Figure I**)*.

Omnichannel retailing

Omnichannel retailing is an evolved form of multichannel retailing where customers are offered a seamless, unified and connected shopping experience through both offline and online retail platforms[1], unlike in multichannel retailing. Omnichannel retailing enables retailers to interact with customers through a number of channels, including physical stores, websites, direct mail and catalogues, kiosks, call centres, mobile devices, social media, televisions, networked

[1] Rosenblum, P., and Kilcourse, B., "Omni-channel 2013: The long road to adoption," https://www.rsrresearch.com/research/omni-channel-2013-the-long-road-to-adoption, June 11, 2013

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Chapter 10:

Starbucks' Foray into Tea-Drinking India

Syed Abdul Samad and Debapratim Purkayastha

Learning Objectives:

- Analyze the macro-environmental factors influencing company operations in a foreign market
- Understand the challenges that a company faces in a foreign market
- Analyze the marketing strategies adopted in a host country

Overview

There is no formula that fits all marketing strategies when a global brand enters a new market, except for making some suitable adjustments to market changes. It becomes a challenge for the brand to either consider the local approach or comply with the global interest for standardization. A successful marketing campaign takes into consideration the local approach versus the global/regional desire for standardization. Academics argue that one key success factor in international retailing has been the adaptation of marketing strategies in host countries, rather than standardization (Burt, Jhansson & Thelander, 2011)

Michael Porter's 'Generic Model', which highlights cost leadership, differentiation, and focus as the three basic choices for firms, has dominated corporate and business competitive strategy for the last 30 years (Pretorius, 2008) *(See **Figure I** for Michael Porter's Generic Model).*

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Chapter 11:

McDonald's Franchise in Trouble in India

Syeda Maseeha Qumer and Debapratim Purkayastha

Learning Objectives:

- Understand the various modes on entry into an international market and their relative pros and cons.
- Evaluate the franchising business model as an effective strategy for business development in foreign markets.
- Understand the relationship between a franchisor and franchisee

Overview

Franchising, one of the most popular forms of business, is a method of distributing products or services. By opting for a franchise business, the franchisee earns the right to sell an already successful product or service owned by a business and, thus, becomes a part of it. It involves two entities:

- *Franchisor:* The franchisor is the actual owner of the product/service. It also owns the rights and licenses for the product or service. It agrees to grant a franchise to the franchisee in return for an initial startup fee and a subsequent monthly fee.
- *Franchisee:* It is an individual(s) who enters into a contract with the franchisor to use the brand name and trademark to sell the product/service in return for a franchising fee.

There are various types of franchise formats:

1. **Product / Trademark Franchise**

   This is a supplier/customer relationship between a supplier and a dealer in which the dealer acquires some of the corporate identity of the supplier. The franchisor grants the franchisee the

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Chapter 12:

Amazon Prime Video: Positioning Strategy in India

Syeda Tahera Sadia and Indu Perepu

Learning Objectives:

- Analyze a positioning strategy along with the Points-of-parity and Points-of-difference associated with the brand
- Understand the competitive frame of reference of a brand and its importance in developing a positioning strategy to tackle competition
- Analyze the significance attached to a tagline in the positioning of a product/service
- Study the Prominence carried by differentiation in building a strong brand and also in gaining a competitive advantage in the market.

Overview

In a highly competitive business environment, companies usually focus their product development efforts on meeting the customer's needs. So, marketing strategy should be designed to reach those who would benefit the most from the product or service. A marketing strategy that focuses on targeting a set of customers, retaining them by meeting their needs, and using metrics to measure their satisfaction is known as a customer driven marketing strategy. These marketing strategies are well planned, properly managed, and have a direct impact on the company's sales and profits. These marketing strategies are segregated into four different stages i.e. *(See **Figure I** for Stages in Customer Driven Marketing Strategies Development).*

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Chapter 13:

Hotstar: Winning the Indian Streaming War?

Namratha V Prasad and Smita Ray

Learning Objectives:

- Understand the customer driven marketing strategy of a service company
- Identify the strategies used by a service company to achieve a competitive advantage through differentiation
- Analyze its competitive position through Porters Five Forces Analysis

Overview

Over-the-top (OTT) platforms are video and audio streaming and viewing sites that began as content streaming channels but quickly expanded into the creation and distribution of short films, motion pictures, documentaries, and web series itself. These apps have a variety of content and utilise artificial intelligence to recommend content to consumers depending on their earlier browsing history on the app. Most OTT sites have some free content and require a monthly membership fee for paid content that is not available elsewhere.

Many global media companies decided to launch an OTT service in India. Some of the several factors are:

- **Rise of 'mobile' as the second screen:** The average content consumption per day was less in India than in the US. In the US, homes had multiple TVs, while most Indian homes had a single TV. In Indian homes, many people did not watch TV either because they were not interested in a certain program that everyone else was watching or because of a lack of availability of a TV. However, with laptops, tablets, and increasingly smartphones, beginning to emerge as the second screen for Indians (apart from the TV) in the house. Indians were able to watch their favorite programs at any time of the day and at any place which was convenient to them. The network realized that

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Chapter 14:

AirAsia: Asia's Largest Low Cost Airline's Foray into India

Barnali Chakraborty and Debapratim Purkayastha

Learning Objectives:

- Understand the major business models of airline companies
- Gain an understanding of Competitive advantage
- Examine the role of innovation in the airline Industry
- The impacts of leadership styles on the organization

Overview

From the definitions of the business model concept, it can be said that airline business models demonstrate how airlines operate and create value for their stakeholders. Currently (2019), creating value through innovation has become a very distinctive tool for the increasingly deregulated global airline industry. Many different business models can be defined in the airline industry according to each airline's business design. According to Gillen and Gados, airline business models are categorized into:

Low-Cost Carriers

Low-Cost Carriers (LCC) are those airlines which operate with minimum services on board and offer rock bottom fares to customers. They target those who are fine with traveling with fewer services but are looking for low cost. The middle class is mostly the biggest market for the LCCs in India although people from rural areas also fly in case of necessity or if there are poor train or bus connections or if it takes time to reach their destination.

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Sustainable Development Goals - Towards a Viable Future



Edited by
C S Shylajan

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Editor:
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Chapter 1:

SC Johnson and the Global Ocean Plastic Crisis

Syeda Masseha Qumer *and* Debapratim Purkayastha

> *"Human life on this planet depends very heavily on the health of the ocean ecosystem, and the changes that are taking place are scary, whether it's ocean acidification, plastic in the ocean, overfishing – all of those things... Plastic waste is probably the single biggest environmental issue for our company. ... It was only natural for us to get involved with Plastic Bank and their effort to collect ocean-bound plastic. I like it because it not only gives us a source of plastic we can recycle back into our products, but it's got a great environmental benefit and a social benefit as well."*[1]
>
> **– H. Fisk Johnson, CEO, SC Johnson, in March 2020.**

In October 2019, SC Johnson & Son, Inc. (SCJ), US-based global leading manufacturer of household consumer cleaning products, expanded its partnership with social enterprise Plastic Bank[a] to develop recycling infrastructure in developing nations and prevent plastic waste from entering the oceans while providing economic and social benefits to communities. Under the new agreement, it planned to set up a total of 509 plastic collection points across the globe, projected to collect 30,000 metric tons of plastic waste over a period of three years – the equivalent of preventing about 1.5 billion plastic bottles from entering waterways and the ocean. As part of the program, local waste collectors could bring the plastic they had collected to any collection point and exchange it for digital tokens they could use to buy the goods and services they needed.

[a] Plastic Bank, founded in 2013, is a Canada-based social enterprise committed to stopping ocean plastic while reducing poverty.

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Chapter 2:

Can Barry Callebaut Attract Sustainable Investment with its 'Forever Chocolate' Strategy?♦

Debapratim Purkayastha, Trilochan Tripathy *and* Benudhar Sahu

> *"I am pleased to be able to increase and extend our revolving credit facility with our core banks, which is proof of our excellent long-standing relationship. Following the announcement of our ambitious sustainability strategy 'Forever Chocolate' last November, I am proud that we are one of the pioneers in the green loan area. Linking the interest rate to our sustainability performance makes perfect business sense for us and the financial industry."*[1]
>
> **– Victor Balli (Balli), CFO of Barry Callebaut, in 2017**

In June 2017, ING Group[a] (ING) issued a syndicated loan facility to Barry Callebaut (Callebaut) with the interest rate of the facility coupled to its sustainability performance and rating. The move was in line with Callebaut's sustainability strategy 'Forever Chocolate', targeting 100% sustainable chocolate by 2025. Forever Chocolate aimed to address the four biggest sustainability challenges in the chocolate supply chain – child labor, farmer poverty, its carbon and forest footprint, and sustainable sourcing. In its future chocolate plan, the company strove to scale up its own, besides promoting industry efforts to raise industry standards. By committing itself to sustainability ambitions, the company not only ensured availability of financial resources, but successfully linked the tenure of the credit facility and

♦ This case won the First Prize in the 2018 oikos Case Writing Competition (Sustainable Finance track), organized by oikos International, Switzerland.

[a] The ING Group is a global banking and financial services institution of Dutch origin.

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Chapter 3:

Wonderbag: Sarah Collins's Sustainable Innovative Cooking Model for the Poor

Shwetha Kumari *and* G V Muralidhara

> *"I had to empower these women and protect their families. I had a real sense the bag could be a catalyst out of abject poverty."*[1]
>
> **– Sarah Collins, CEO and Founder, Wonderbag, October 14, 2016.**
>
> *"As long as poverty and climate change exist in Africa – and the world – there will always be a need for the Wonderbag."*[2]
>
> **– Sarah Collins, CEO and Founder, Wonderbag, 2019.**

Introduction

On March 08, 2019, Sarah Collins (Collins), a South African social entrepreneur and founder of Natural Balance Global[a] – popularly known as Wonderbag, was recognized as one of Africa's 'New Wealth Creators' by Forbes Africa Woman Magazine during the Leading Women summit held in Durban. Speaking on her recognition, Collins said, *"To be recognized as a 'New Wealth Creator' by Forbes Woman Africa is a huge honor as the summit itself is a source of inspiration and support that connects and empowers women all over the African continent. Every woman in Africa is a potential entrepreneur, but if they spend up to 8 hours collecting firewood and water as well as cooking – how can they ever have time to earn an income or tend to their agricultural land and sell produce in the market? That's why I created the Wonderbag."*[3]

[a] Formed in 2007, Natural Balance Global PTY (Ltd) was a South African social enterprise that owned, manufactured, and distributed Wonderbags

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Chapter 4:

Jaipur Rugs – Empowering Communities at the Bottom of the Pyramid through Social Innovation♦

Syeda Maseeha Qumer *and* Geeta Singh

Introduction

In a small village in the state of Rajasthan in India, a woman artisan, Bimla Devi, was busy weaving her signature into a corner of the rug she had just finished making. In her own words, she felt like a *"film star"* when she wove her signature into the rug. Some years ago, Bimla Devi's life had turned upside down when her husband passed away. A pregnant Bimla Devi was left with the responsibility of sustaining her family. At her wits' end, she finally decided to learn the skills and art of hand weaving. She turned for help to a social enterprise – Jaipur Rugs – which provided her with a better quality of life and education.

Jaipur Rugs was founded in 1978 by Nand Kishore Chaudhary (NKC) to provide a sustainable livelihood to people living at the bottom of the pyramid. Through his social enterprise, NKC revived the dying art of hand-weaving rugs and enabled the socio-economic growth of artisans among local communities in Rajasthan. He adopted the Doorstep Entrepreneurship model by empowering women by giving them access to a sustainable livelihood at their doorstep. He started working directly with the artisans, building a network within the carpet industry free of middlemen while giving the weavers fair wages and socio-economic support. In 2004, NKC founded Jaipur Rugs Foundation which focused on adult education, entrepreneurship

♦ This case won the First Prize in the 2018 oikos Case Writing Competition (Social Entrepreneurship track), organized by oikos International, Switzerland.

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Chapter 5:

Sustainable Development Initiatives at BHP Billiton

Barnali Chakraborty *and* Sachin Govind

"Corporations are increasingly challenged to demonstrate how they can create societal confidence in their conduct. Regulatory compliance alone is ethically and financially problematic and corporations need to make it clear to society that the sole test for their business conduct approach is not a legalistic one, rather, that they are prepared to take responsibility for their actions without the need for highly regulated direction from government."[1]

– Simon Longstaff, Executive Director, St James Ethics Centre, Australia, and a member of the BHP Billiton Ethics Panel

"We're not prepared to let the beautiful Nepean River become another victim of BHP Billiton's destructive practices and the Carr Government's indifference."[2]

– Carline Graham, a Nepean Action Group Campaigner, in 2004

Introduction

On July 30, 2008, BHP Billiton Limited and Plc (BHP Billiton), the world's largest diversified natural resources company, reported the death of an employee at its Klipspruit Coal Mine[a] operation in South Africa.[3] Only the previous day, the company had reported an accident at its Nelson Point operations in Port Hedland[b].[4] Quite expectedly, the

[a] Klipspruit Coal Mine is situated near Ogies in Mpumalanga, a province of South Africa.

[b] Port Hedland is the highest tonnage port in Australia and the largest town in the Pilbara region of Western Australia. (Source: http://en.wikipedia.org)

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Chapter 6:

Eliminating Modern Slavery from Supply Chains: Can Nestlé Lead the Way?♦

Syeda Maseeha Qumer *and* Debapratim Purkayastha

In March 2017, a federal judge in California dismissed a long running (12-year) class action lawsuit against Nestlé SA (Nestlé) and two more companies over claims the global chocolate manufacturer facilitated the use of forced child labor in West Africa. Nestlé, one of the world's largest food processing companies, had been grappling with accusations of aiding and abetting child slavery on cocoa plantations in Ivory Coast[a] for more than a decade.

Earlier in 2015, Nestlé surprised many by admitting that it had found forced labor in its seafood supply chain in Thailand. Magdi Batato (Batato), Executive Vice President and Head of Operations at Nestlé, self-reported that Nestle had uncovered child labor exploitation on fishing boats in Thailand that supplied its factories. He reported details of the investigation and also initiated a detailed action plan on how it intended to tackle the issue. The news generated a mixed response from industry observers. Hailing Nestlé's honesty, Brian Griffin, CEO of digital marketing agency Vero PR, said, *"First of all, what Nestlé did was brave, and from a moral perspective, they did the right thing to let stakeholders know about this issue. They will feel some pain from this initially, particularly from a consumer standpoint, and it's not hard to imagine that sales of*

♦ This case won the First Prize in the 2018 oikos Case Writing Competition (Corporate Sustainability track), organized by oikos International, Switzerland.

[a] Ivory Coast, also known as Cote d'Ivoire, is a tropical country in southern West Africa. It is the world's largest producer of cocoa, the raw ingredient used in making chocolates.

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Chapter 7:

Conflict Minerals Rule in the US: Repeal or Reform?

Syeda Masseha Qumer *and* Debapratim Purkayastha

On February 8, 2017, a leaked US Presidential Memorandum revealed President Donald Trump's intent to repeal Conflict Minerals Rule commonly known as Section 1502 of the Dodd-Frank Wall Street Reform Act due to the negative impacts on communities in the Democratic Republic of the Congo (DRC). The regulation passed by the US Congress in 2010 required publicly traded companies in the US to investigate and publicly disclose whether their products contained conflict minerals[a] sourced from the DRC by carrying out supply chain due diligence and to report this annually to the US Securities and Exchange Commission (SEC). Conflict minerals like tantalum, tungsten, tin, and gold were typically sourced from the DRC, where their mining and sale had funded armed groups associated with murder, rape, and other human rights violations. Human rights advocates, who were among the main actors lobbying for the regulation, criticized the proposed suspension. Carly Oboth, Policy Adviser at Global Witness, a global NGO, said: *"Any executive action suspending the US conflict minerals rule would be a gift to predatory armed groups seeking to profit from Congo's minerals as well as a gift to companies wanting to do business with the criminal and the corrupt."*[1]

The *"conflict minerals"* provision in the Dodd Frank Act had been effective in stemming the flow of funds to armed groups in the DRC and in significantly reducing their influence in the region. Also, by requiring

[a] Conflict minerals refer to mineral resources that are mined in places impacted by conflicts and sold for funding armed groups. These include the metals tantalum, tin, tungsten, and gold and are often referred to as 3TG.

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Chapter 8:

'Enrich Not Exploit': Can New CSR Strategy Help Body Shop Regain Glory?♦

Syeda Maseeha Qumer *and* Debapratim Purkayastha

On February 2, 2016, The Body Shop International Plc. (Body Shop), a UK-based retailer of natural-based and ethically-sourced beauty products, unveiled a new global CSR strategy to reassert its leadership in ethical business. The commitment, entitled 'Enrich Not Exploit', outlined 14 new sustainability targets to be achieved by 2020 that touched all areas of the business. According to Jeremy Schwartz (Schwartz), Chairman and CEO of Body Shop, *"The Body Shop can be both a force for good and a successful, profitable business. 40 years ago [founder] Anita Roddick set out a challenge for The Body Shop to tackle the big issues of her time. We're now tackling the big issues of today, We want our Enrich Not Exploit™ commitment to inspire a new generation of customers, supporters and especially millennials who truly care about how a company operates. Re-establishing The Body Shop as a leader will come from delivering our ambitious aim to be the world's most ethical and truly sustainable global business."*[1]

Founded in 1976 by Dame Anita Roddick (Roddick), Body Shop was regarded as a pioneer of modern CSR. Since its inception, the beauty retailer, which was strongly associated with the social activism of Roddick, had endorsed and championed various social issues that complemented its core values –opposition to animal testing, developing community trade, building self-esteem, campaigning for human rights, and protection of the planet. Through these initiatives, Body Shop had cultivated a loyal customer base. But following its acquisition by beauty

♦ This case was a Runner Up in the 2017 oikos Global Case Writing Competition (Corporate Sustainability track), organized by oikos International, Switzerland.

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Chapter 9:

Embedding Sustainability at Novo Nordisk: The Compassion Vs Competitiveness Dilemma♦

Debapratim Purkayastha *and* Adapa Srinivasa Rao

> *"How to strike the right balance between business and global health? Again, we were challenged by stakeholders… We set out to show that it is possible to be a profitable and a responsible business. We strengthened our approach to sustainability, now revolving around the right to health and the need for improved diabetes care, actions to combat climate change, ethical business behavior, human rights, and how we can connect the dots."*[1]
>
> **– Lise Kingo, Executive vice president and chief of staffs, Novo Nordisk, in 2011**

The Danish pharmaceutical company, Novo Nordisk, was named as the 'most sustainable company in the world' by the business magazine Corporate Knights[a] for the year 2012. Another Novo group company, Novozymes A/S was also ranked fourth in the list of global 100 most sustainable corporations in the world *(See Exhibit I for the top twenty companies in the list).* Novo Nordisk received the recognition for a number of sustainability related initiatives that it had taken over the years since it had first faced a controversy regarding its business practices in the late 1960s. It started two important initiatives, viz. the

♦ This case study was a Runner Up in the 2013 oikos Global Case Writing Competition (Corporate Sustainability track), organized by oikos International, Switzerland.

[a] Corporate Knights is a magazine focused on capitalism. The magazine focuses on how markets and companies can promote social and ecological sustainability. It is published four times a year in both the US and Canada.

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Chapter 10:

Kudumbashree – Eradicating Poverty by Empowering Women

Anil Anirudhan *and* Sanjib Dutta

"The initiative has helped women in realizing that they have a right to talk and voice their opinions. Today they have the courage to go to banks and set up accounts. It is a proud feeling when we see these women even going to other states to teach classes on gender empowerment."[1]

– Santhosh P. Augustine, Assistant District Mission Coordinator, Kudumbashree, India – in March 2014.

"Kudumbashree is a programme that has a uni-directional approach, a single goal in mind. As years passed, the need of the times too changed. When we started off the main aim was to eradicate poverty through savings. Once this was achieved, the next aim was to provide women with skills to run a business of their choice, one which would ensure a steady income of their own."[2]

– Priya Paul, Manager, Kudumbashree, Kerala, India – in October 2016.

Introduction

In February 2019, Amazon India and Kudumbashree entered into an MOU as part of Amazon's program 'Amazon Saheli'.[3] Under the agreement, Amazon agreed to provide for a marketplace for Kudumbashree's products on its website under the categories fashion accessories, personal care, grocery, and homemade products. The products showcased on Amazon's online platform were made by the women entrepreneurs of Kudumbashree and were available to the 150 million registered users of Amazon across India.[4] S. Harikishore (Harikishore), Executive Director at Kudumbashree, said, "*The programme Saheli will widen the impact of work done by Kudumbashree.*

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Chapter 11:

SunCulture: Bringing Smart Technology to Smallholder Farmers

D Satish *and* Manish Agarwal

"We are proud to invest in a technology company that brings to African smallholder farmers genuinely innovative solutions transforming their lives and fostering economic development in African countries," said.[1]

– By Marianne Laigneau, Senior Executive Vice-President in charge of the International Division at EDF Group[a], July 2018

"We're excited to leverage revolutionary technology like the SunCulture Agrosolar Irrigation Kit to bridge the yield gap with solar power and water-saving drip irrigation."[2]

– By Samir Ibrahim, CEO, and Co-founder of SunCulture, May 2014

Introduction

On January 2019, SunCulture, a Kenya-based start-up which develops and commercializes life-changing technology to solve the biggest challenges smallholder farmer's households face on a daily basis, introduced its second generation RainMaker2, a solar-powered irrigation pump with the ClimateSmart feature based on the 'Internet of Things (IoT). RainMaker2 used a revolutionary technology in water pumping which the 570 million smallholder farming families around the world would find affordable, practical, and would enable them to boost

[a] The EDF Group is an energy provider based in France. The group has expertise in power generation, distribution, and trading and 90% of its electricity generation is carbon dioxide free.

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Chapter 12:

charity: water – Bringing Clean Water to the World's Needy

Tangirala Vijay Kumar *and* Debapratim Purkayastha

> *"At charity: water we are aiming to inspire a movement to solve the world water crisis. We do this by inspiring through story telling, maximizing the impact people can make by sending every cent given or raised to fund water projects, and then by helping our supporters see their impact by linking their donation to a specific water project."*[1]
>
> **– Paull Young, charity: water's then Director of Digital, in July 2012**

Prior to getting access to clean water, Tencia, a single mom from a village in Mozambique, spent half a day on a daily basis walking and queuing up to collect water from a river outside her village. However, the water that she carried home was never sufficient for her family and she was left with barely any time to earn a livelihood. But after a hand-pump was installed at the center of her village by a non-profit organization called charity: water (CW), Tencia could bring home as much clean water as her family required. Moreover, she was left with ample time to pursue a bread-making business and work for her family's future.[2]

CW was founded by Scott Harrison (Harrison) in 2006 with the stated mission of bringing *"clean and safe drinking water to people in developing countries"*[3]. Operating in 26 countries, it acted primarily as a fundraising body and outsourced execution of water projects, including the digging and drilling of wells, to local partners. The water projects were implemented in collaboration with local governments, and inputs were garnered from the local community members when selecting the type of intervention. There were three tenets that CW adhered to. The first tenet was public donations were entirely used to finance the water projects – the overheads and salaries were financed by a group of wealthy individuals

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Chapter 13:

Planned Obsolescence: Undermining Apple's Commitment to Sustainability?

Syeda Maseeha Qumer

In October 2018, in an unprecedented ruling on planned obsolescence, the Italian Competition Authority (AGCM) fined tech giant Apple Inc. (Apple) €5 million (US$5.7 million), stating the company had engaged in dishonest practices by failing to provide its customers with an effective way to recover the full functionality of their devices. It stated that Apple had deliberately limited the useful life of its products by prompting users to install software updates that significantly reduced the performance of their phones. As a result many consumers had had to upgrade their handsets. Apple was fined an additional €5 million for allegedly failing to provide adequate information on how to maintain and replace batteries in the company's flagship device, the iPhone.

In December 2017, Apple acknowledged that its iOS software slowed down the performance of older iPhones with aging lithium-ion batteries but this was to prevent these phones from shutting down unexpectedly. The company denied that it had ever done anything to intentionally shorten the life of a product. After facing criticism over its battery policies, Apple apologized formally and cut the price of out-of-warranty iPhone battery replacements from US$79 to US$29, an offer that ended on December 31, 2018.

However, the iPhone throttling controversy fueled conspiracy theories that Apple was engaging in planned obsolescence by deliberately limiting the useful life of its products to compel users to upgrade to its new iPhone models. Based on anecdotal evidence, some critics accused the company of designing its products in a way that made repairs tricky and expensive, thereby shortening the lifespan of these devices. According to them, planned obsolescence would have serious social,

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Chapter 14:

Husk Power Systems: Lighting up the Indian Rural Lives♦

D Satish *and* Manish Agarwal

> *"I can guarantee that the pleasure and happiness you will get when you see a village light up every evening is literally "priceless". No amount of Wall Street bonuses or Hedge Fund's profit sharing can bring you that level of satisfaction, happiness, and of course recognition."*[1]
>
> **– Manoj Sinha, Co-founder, Husk Power Systems, in September 2011.**

In June 2011, Husk Power Systems (HPS), a social enterprise based in Bihar, Eastern India, won the prestigious Ashden Award for Sustainable Energy[a], considered as the 'Green Oscar'. The international award carried prize money of £[b]120,000. On this occasion, Gyanesh Pandey[c] (Pandey), Co-Founder and Chief Executive Officer (CEO) of HPS, said, *"Winning the Ashden awards is a big achievement for Husk Power Systems. Almost a third of India's population has no access to electricity and the role of energy is vital in catalyzing the economic development in India"*[2]. Jacqueline Novogratz, CEO, Acumen Fund[d] said,

♦ This case won the Second prize in the oikos Global Writing Competition 2013 (Social Entrepreneurship track), organized by oikos Foundation for Economy and Ecology, University of St. Gallen, Switzerland.

[a] Started in 2001, Ashden Awards for Sustainable Energy is the internationally recognized annual awards in the field of green energy.

[b] £ = British pounds sterling. As of September 2012, US$1 was approximately equal to £ 0.6279.

[c] Gyanesh Pandey is a native of Bihar. He did his B.Tech in Electrical Engineering from Benaras Hindu University before moving to the US for his Master's degree in Electric Power and Power Electronics Engineering from Rensselaer Polytechnic Institute. He worked in the Power Management Semiconductor industry before HPS.

[d] Acumen Fund is a non-profit global venture fund started in April 1, 2001

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Chapter 15:

SELCO: Providing Sustainable Energy to the Bottom of the Pyramid Consumers

Hadiya Faheem *and* G V Muralidhara

"SELCO's frugal just-in-time energy distribution system — as opposed to the always-on but wasteful electricity grid — brings more value to more Indians at less cost, and it is both environmentally and economically sustainable. SELCO's business model is an outcome of the jugaad mindset."[1]

– Navi Radjou, Jaideep Prabhu, and Simone Ahuja, authors of the book Jugaad[a] Innovation, in 2012.

"You have to look at the bottom of the pyramid more sustainably – by creating asset-based consumer goods."[2]

– Harish Hande, co-founder, Solar Electric Light Company, in 2011.

"A unique social business model. This is a most exciting example of a company that has corporate and social responsibility at the heart of its mission."[3]

– Julian Birkinshaw, Faculty of Strategic and International Management, London Business School, in 2008.

Introduction

In July 2011, Harish Hande (Hande), a social entrepreneur and co-founder of Solar Electric Light Company (SELCO), a Bangalore[b]-based solar electric company, was honored with the Ramon Magsaysay

[a] *Jugaad* referred to a quick, creative idea, and an alternative way of solving problems.

[b] Bangalore is the capital of Karnataka, a southern state in India.

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Sustainable Finance
Edited by:D Satish

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Editor:
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Chapter 1:

Catalyzing a Shared Sustainable Future: Responsible Banking at Yes Bank♦

Debapratim Purkayastha, Benudhar Sahu, *and* Trilochan Tripathy

> *"Sustainable Finance is a key pillar of growth at YES BANK. We believe the Bank's commitment to integrate innovative and sustainable practices along its value chain allows its clients to operate in a low carbon economy. […]."* [1]
>
> **– Namita Vikas, Senior President & Chief Sustainability Officer, YES Bank, in 2015.**
>
> *"Yes Bank clearly stands out from the crowd. It is a role model for integrating all the three dimensions – economic, social, and environmental dimensions of sustainability in its DNA."*[2]
>
> **– Arshad Rab, CEO of the European Organization for Sustainable Development (EOSD[1]), in 2013.**

Since its inception in 2004, YES Bank Limited (Yes Bank) had created a paradigm in the Indian Banking sector through continuous innovation and excellence despite being a late entrant. In early 2010, Rana Kapoor, Managing Director and CEO of Yes Bank, and his team restated the mission and vision of the bank to include a holistic 'Responsible Banking' approach supported by its focus on the 'Triple Bottom Line'. Yes Bank considered sustainable finance as a guiding

♦ This case is a Runner-up in the 2016 oikos Global Case Writing Competition (Sustainable Finance track), organized by oikos International, Switzerland.

1 European Organisation for Sustainable Development (EOSD) is a dedicated international body that works in four thematic areas – Enterprise Development, Finance and Investments, Education and Training, and Technology and Energy which contribute to sustainable development in the world.

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Chapter 2:

Access Bank – Building a Brand by Delivering Sustainable Banking

K B S Kumar *and* Indu Perepu

> *"We want to be the change in our industry and we intend to create a viable future by setting standards that make the difference for a sustainable future."*[1]
>
> **– Omobolanle Victor-Laniyan, Head of Sustainability, Access Bank**
>
> *"At Access Bank, we believe our operations, loan and project finance must have the barest environmental footprint."*[2]
>
> **– Herbert Wigwe, CEO, Access Bank**

In July 2017, the Nigeria-based Access Bank (the Bank) had achieved the rare feat of winning the Karlsruhe Sustainable Finance Awards[a] in the category of 'Outstanding Business Sustainability Achievement'[b] for the second time in a row. The bank had bagged the same award in 2016 in the same category. Apart from the accomplishment, the bank had been regularly honored with several accolades in recognition of its contributions toward sustainability, sustainable and responsible investments (SRI), and environmentally conscious strategies and practices. In 2016, the Bank was adjudged as

[a] *The Karlsruhe Sustainable Finance Awards is given by the European Organization for Sustainable Development, the City of Karlsruhe, Association of Development Financing Institutions in Asia and the Pacific, and the Association of African Development Finance Institutions. The awards recognize sustainable transformation of financial institutions.*

[b] This award recognizes outstanding success in incorporating economic, social, and environmental aspects in the corporate strategy and business processes.

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Chapter 3:

Saudi Aramco♦

Alok Kavthankar *and* Indu Perepu

"Aramco is not a company; it is the Saudi Arabian budget to run the country"[1]

– Aswath Damodaran, Professor of Finance at the Stern School of Business, in 2017

In early 2016, it was reported that Saudi Arabian national petroleum and natural gas company Saudi Aramco (Aramco), the world's largest oil exporter with access to the world's second largest proven oil reserves, was seeking proposals to float an IPO.[2] Though Aramco was a state-owned company, the monarchy represented the state, that is, the Kingdom of Saudi Arabia[a], and thus had significant influence over the management of Aramco. Until 2016, Aramco had to pay 85% of its earnings as tax to the government and some undisclosed proportion as royalties to the Saud family, the royal family of Saudi Arabia.

In March 2016, the crown prince of Saudi Arabia, Mohammad bin Salman bin Abdulaziz Al-Saud (Prince Salman), announced that 5% of Aramco would be floated. He claimed it would be valued at $100 billion. The value of Aramco was, therefore, estimated at $2 trillion. Such valuation dwarfed Silicon Valley tech giants such as Apple and Google. Besides, the $100 billion float would be a record IPO and amount to four times the size of the largest IPO ($25 billion Alibaba[b] IPO in 2014)

♦ This case won the Second Prize in the 2018 oikos Case Writing Competition (Sustainable Finance track), organized by oikos International, Switzerland.

[a] In this case, Saudi and the Kingdom will be used interchangeably.

[b] China-based e-commerce company Alibaba Group had the record for the largest US-listed IPO in 2014

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Chapter 4:

Can Barry Callebaut Attract Sustainable Investment with its 'Forever Chocolate' Strategy?♦

Debapratim Purkayastha, Trilochan Tripathy *and* Benudhar Sahu

> *"I am pleased to be able to increase and extend our revolving credit facility with our core banks, which is proof of our excellent long-standing relationship. Following the announcement of our ambitious sustainability strategy 'Forever Chocolate' last November, I am proud that we are one of the pioneers in the green loan area. Linking the interest rate to our sustainability performance makes perfect business sense for us and the financial industry."*[1]
>
> **– Victor Balli (Balli), CFO of Barry Callebaut, in 2017**

In June 2017, ING Group[1] (ING) issued a syndicated loan facility to Barry Callebaut (Callebaut) with the interest rate of the facility coupled to its sustainability performance and rating. The move was in line with Callebaut's sustainability strategy 'Forever Chocolate', targeting 100% sustainable chocolate by 2025. Forever Chocolate aimed to address the four biggest sustainability challenges in the chocolate supply chain – child labor, farmer poverty, its carbon and forest footprint, and sustainable sourcing. In its future chocolate plan, the company strove to scale up its own, besides promoting industry efforts to raise industry standards. By committing itself to sustainability ambitions, the company not only ensured availability of financial resources, but successfully linked the tenure of the credit facility and

♦ This case won the First Prize in the 2018 oikos Case Writing Competition (Sustainable Finance track), organized by oikos International, Switzerland.

1 The ING Group is a global banking and financial services institution of Dutch origin.

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Chapter 5:

The Fall of SunEdison – A Solar Eclipse?♦

Alok Kavthankar *and* Indu Perepu

Introduction

On April 21, 2016, SunEdison Inc. (SunEdison), a global renewable energy company, filed for Chapter 11 bankruptcy protection. *"Our decision to initiate a court-supervised restructuring was a difficult but important step to address our immediate liquidity issues,"* said Chief Executive of SunEdison, Ahmad Chatila (Ahmad). *"The court process will allow us to right-size our balance sheet and reduce our debt."*[1]

On the same day, the NYSE (New York Stock Exchange) announced suspension of trading in SunEdison shares. SunEdison, which had had a valuation of $10 billion in June 2015, saw its market cap eroding by 100 times in a matter of nine months, making it a penny stock unavailable for trade on the NYSE. *(Refer to Exhibit I for the Stock price chart of SunEdison and the Yieldcos)*

Over the years, SunEdison went on accumulating debt *(Refer to Exhibit II for Financials of SunEdison)*. By 2016, the company had debt to the tune of $16 billion which included debt from its subsidiaries[a], TerraForm Power Inc and TerraForm Global Inc. Its listed assets amounted to $20.7 billion dollars as of September 30, 2015. The sudden fall of SunEdison as a renewable energy major came as a shock

♦ This case won the Second prize in the oikos Global Writing Competition 2017 (Sustainable Finance track), organized by oikos Foundation for Economy and Ecology, University of St. Gallen, Switzerland.

[a] These Subsidiaries were formed to hold energy assets and were technically called as Yeildcos.

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Chapter 6:

Financing Drummond in Colombia: Is HSBC Risking Sustainability Goals?

Benudhar Sahu *and* Debapratim Purkayastha

> *"[I]nternational banks have already moved in the right direction on coal mining, but we're yet to see any progress from HSBC on this front. HSBC must follow the lead of banks like Natixis and ING and stop financing coal projects and companies around the world - particularly when, as with Drummond, they are implicated in such horrific human rights abuses."*[1]
>
> **– Yann Louvel, Climate and Energy Campaign Coordinator at BankTrack[a], 2016.**
>
> *"For as long as HSBC's addiction to coal continues to blind them to the human rights abuses this disastrous industry entails, Stuart Gulliver and other executives at the bank are complicit in Drummond's crimes, and have blood on their hands."*[2]
>
> **– Fionn Travers-Smith, Campaign Manager for Move Your Money[b], 2016.**

In April 2016, campaigners and shareholders in global banking giant HSBC Holdings plc (HSBC) grilled Stuart Gulliver (Gulliver), HSBC Group Chief Executive, at the annual general meeting (AGM) on the bank's £3.7 billion investments in Drummond Limited, a Colombian coal mining company accused of murder and human rights abuses.[3]

[a] BankTrack is a Netherlands-based international tracking organization that focuses on the global finance sector as a whole. It tracks the impact of the financial activities of the private sector commercial banks on people and the planet.

[b] Founded in 2012, Move Your Money is a UK-based not-for-profit organization working to establish an ethical banking sector that helps to build and support a just and sustainable society.

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Chapter 7:

Dr. Jim Yong Kim's Dilemma: International Finance Corporation and the Tata Mundra Power Plant♦

Manish Agarwal *and* Debapratim Purkayastha

> *"The World Bank President Dr. Jim Yong Kim and the bank's International Finance Corporation (IFC) are at a crossroads – they can either choose to be on the right side of human rights and the environment, or they can continue ignoring the facts."*[1]
>
> **– Nicole Ghio, International & Trade Representative, Sierra Club, in 2014**

In April 2014, Dr. Jim Yong Kim (Kim), the twelfth President of the World Bank Group, received a petition signed by about 24,000 people from all over the world urging him to publicly recognize the alleged harm International Finance Corporation (IFC) had already caused to the people and environment of Gujarat, India, by funding the Tata Mundra power project, and to develop a meaningful action plan that addressed the damage.

Just nine months earlier, Kim had received kudos for his leadership as the World Bank had placed severe restrictions on coal finance, but a lot had changed since then. In November 2013, he received scathing open letters, one from more than 100 groups in India, another from 68 groups in 28 countries, and one from Machimar Adhikar Sangharsh Sangathan (MASS)[a].[2] All these letters criticized him

♦ This case is the Winner of the 2015 oikos Global Case Writing Competition (Sustainable Finance track), organized by oikos International, Switzerland.

[a] Machimar Adhikar Sangharsh Sangathan is a group which fights for Fishworkers' rights.

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Chapter 8:

IFC Funding of Dinant Project: Call for Overhaul of Risk Assessment for Sustainable Finance♦

Manish Agarwal *and* D Satish

> *"The philosophy of the World Bank is to 'end poverty', but what has happened in this process has been the opposite...Instead, we've seen greater wealth for corporations and transnational landowners and greater poverty for the poor, who have been driven from their lands. And although the previous CAO report was very critical, the World Bank has continued to finance Dinant through Ficohsa."*[1]
>
> **– La Plataforma Agraria de Honduras, a Honduran Network, in August 2014**

In January 2014, International Finance Corporation (IFC) a unit of the World Bank Group that finances private investments in some of the poor countries, made a U-turn in its dealings with Corporación Dinant S.A. de C.V. (Dinant), a vertically integrated palm oil company in Honduras[a]. Dinant had been accused of killing and forcefully evicting hundreds of peasants from their plantations. After first rejecting the report from its internal watchdog 'Office of the Compliance Advisor/Ombudsman' (CAO), IFC finally accepted that it had failed to implement its own social and environmental policies and procedures while entering into a US$30 million loan agreement with Dinant. It pledged to work with Dinant, asking it for further commitments and assurances before disbursing the next round of financing.

♦ This case won Second Prize in Sustainable Finance Track in the oikos Case Writing Competition, 2016. Organized by oikos International, Switzerland.

[a] Honduras, considered a least developed country, is a republic in Central America. In 2015, Honduras was one of poorest countries in Latin America.

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Chapter 9:

M-KOPA Solar – Technology and Partnership for Sustainable Finance

Nagendra Kumar M V *and* D Satish

> *"This system addresses some fundamental issues at the bottom of the economic pyramid with 70 to 80 percent of the country living without grid electricity."*
>
> **– Bob Collymore, Chief Executive Officer, Safaricom**[1]
>
> *"We are giving people a modern, cleaner, and longer-lasting technology for less than what they would spend on kerosene or another inefficient substitute."*
>
> **– Jesse Moore, Co-Founder and Managing Director of M-KOPA**[2]
>
> *"As a group, we understand the aspirations and realities of African economies and this investment in M-KOPA Solar makes sound business sense for us."*
>
> **– Jeremy Ngunze, Chief Executive Officer (CEO) of CBA**[3]

M-KOPA Solar was selected as the world's top New Energy Pioneer at the Bloomberg New Energy Finance (BNEF) summit[a] held on April 7, 2014, at New York. The award recognized companies that developed innovative technologies and had sustainable business models and the potential for global level operations. Speaking on the achievement, Jesse Moore, Co-founder and Managing Director, M-KOPA, said, "*We're*

[a] It is a summit organized by an IT and analytics firm called Bloomberg New Energy Finance (BNEF). BNEF provides IT and consultancy services to companies and organizations pioneering, developing, and working on energy related projects. The summit organized by BNEF serves as a forum for the stake-holders in the energy sector to discuss contemporary practices and to identify solutions for the existing problems. It is a yearly summit being organized since 2007.

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Chapter 10:

KTDAL – Building Sustainability through Inclusion♦

Nagendra Kumar M V *and* D Satish

> *"To provide effective management services to the tea sector for efficient production, processing, and marketing of high quality tea and investing in related profitable ventures for the benefit of its shareholders and other stakeholders."*
>
> **– KTDA Limited, Mission Statement**[1]

Introduction

During the year 2011-12, the small tea farmers in Kenya were paid an average of KES[a] 50.01 per kg of tea leaves produced on their farms[2]. This was the highest price paid to any small tea farmer in the world. The success of the small tea farmers in Kenya was the direct result of the efficiency and effectiveness of the business model implemented by the Kenya Tea Development Agency Limited (KTDAL). For this effort, KTDAL won the *"Excellence in Inclusive Business"*[b] award in 2013**.** Mr. Lerionka Tiampati, CEO, KTDAL, who received the award, dedicated it to all the farmers who were a part of the KTDAL operations[3]. KTDAL was acknowledged as the best management agency in the world, providing

♦ This case won Third Prize in the Corporate Sustainability Track in the oikos Case Writing Competition, 2016. Organized by oikos International, Switzerland.

a Official Kenya Currency Kenyan Shilling (KES)

b An award given by Financial Times (FT)/International Financial Corporation (IFC) during an annual conference held in June 2013. The awards were given to recognize, encourage, and motivate organizations and firms implementing and following sustainable business practices. FT/IFC organizes annual conferences on specific areas and gives awards to companies and firms excelling in those areas.

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Chapter 11:

From Sweatshops to Sustainability: Wal-Mart's Journey in Bangladesh♦

Surojit Mahato *and* Indu Perepu

US-based retail corporation, Wal-Mart Stores Inc. (Walmart), faced strident criticism from various quarters when it denied having a presence in the Tazreen factory and the Rana Plaza building in Bangladesh, sites of disasters which killed thousands of garment workers in 2012 and 2013 respectively. Walmart, the largest company in the world by revenue, continued to deny that it had anything to do with the Rana Plaza building even after evidence to the contrary was found at the site. A company spokesperson said, *"Our investigation of the Rana Plaza building site after the collapse revealed no evidence of authorized or unauthorized production at the time of the tragedy."*[1] The company officials claimed that Walmart had ceased operating its businesses in Rana Plaza even before the accident due to inadequate safety conditions[2]. Human rights activists, however, said that the incident had once again brought to the fore Walmart's inability to track sustainability in its supply chain.

After the Rana Plaza incident, Walt Disney Company (Disney) announced that it was stopping all its operations in Bangladesh and in some other developing nations due to the inadequate safety levels prevailing in the garment factories[3]. The announcement came as a shock to the millions of Bangladeshi workers who were dependent on the readymade garment industry which had its base in and around Dhaka in Bangladesh. People feared that other global companies might also follow in Disney's footsteps and they would lose their jobs. Analysts

♦ This case was Finalist in the 2015 oikos Global Case Writing Competition (Corporate Sustainability track), organized by oikos International, Switzerland.

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Chapter 12

Creating Resilient Community in Disaster Prone Geographies: Should AAGAAS Turn For-profit or Remain Not-for-profit?

Shailendra Singh Bisht *and* Surajit Ghosh Dastidar

It was a dark and rainy morning on June 16, 2013. Jagadamba Prasad Maithani (Maithani), chairperson and founder of Alaknanda Ghaati Shilpi Federation (AAGAAS), was in his house in Dehradun, reading the newspaper. The weather forecast for the region was heavy to very heavy rainfall over the next 48 hours. The pre-monsoon showers had started on the night of June 10, 2013, and had continued till the morning of June 11, 2013, bringing down temperatures. The rains had brought a welcome respite from the hot and humid weather conditions that had prevailed in the region for several days.

However, now, after two days of incessant rains, Maithani felt restless and uneasy. Just then, his phone rang. It was Jaswant Negi (Negi), his associate, calling from the Pipalkoti office of AAGAAS, located some 250 km away from Dehradun. Negi's voice was thick with fear. And as Negi's words sank in, Maithani too stood horrified, clutching his phone. Negi told him that the torrential rains had caused flooding and widespread devastation in Kedarnath valley. With the tourist season in full swing, the situation had become all the more alarming. The people had been caught unawares in the absence of any strong weather warning by the Indian Meteorological Department (IMD). Maithani immediately switched on the television. One of the local news channels reported,

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Chapter 13:

Jain Irrigation: The New Sustainability Champion

Surojit Mahato *and* Indu Perepu

> *"All these years, we have tried to ensure that our activities revolve around farm and farmer. We are an integrated agriculture solution provider which aims to serve the farming community in the best possible way. While we provide them with our products and solutions, we partner with them throughout their progression journey."*[1]
>
> **– Bhavarlal Hiralal Jain, Founder and Chairman of Jain Irrigation Systems Ltd in June, 2015**

Introduction

In the 1970s, Jalgaon, an arid district in Maharashtra, India, was popular for pulse trading. By 2015, it had become the largest producer of bananas in India, producing 16% of the fruit in the country. A scanty rainfall of 750 mm per year, lack of humidity and the annual precipitation were not suitable for banana cultivation; however, Jalgaon district[a] achieved the unthinkable. If the district was a country, it would be the seventh largest producer of bananas in the world. Jalgaon's feat was possible thanks to innovations like drip irrigation, high-density planting, and tissue culture, introduced in the area by micro irrigation company Jain Irrigation Systems Ltd.[b] (Jain Irrigation).

[a] Jalgaon district in Maharashtra is spread across 11,765 square kilometers. It is divided into 14 Tehsils (Administrative Divisions).

[b] As of 2014, Jain Irrigation was the second largest manufacturer of micro-irrigation systems in the world. Its products included drip irrigation systems, sprinkler irrigation systems, valves, water filters, and greenhouses. It was also involved in food processing.

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Chapter 14:

Coal India's Journey toward Sustainability

Raghavendra S *and* G V Muralidhara

> *"Normally the very name of a coal mine gives an impression that one should stay away from such a place. The picture available shows that it may not be worthwhile visiting a mining area. The Hindi proverb 'koyale mein haath kalein' (hands become black if you put your hand in coal mines) also gives a negative view about this business; However, WCL has turned a coal mine into an attractive tourist spot. Developing an eco-friendly tourist circuit in a coal mine area is indeed a novel idea,".*[1]
>
> **– Narendra Modi, Prime Minister of India, in 2016**

Introduction

In 2016, Coal India developed a 15-acre eco-park at one of its coal mining sites at Saoner and Gondegaon near Nagpur to promote eco-tourism in coal mines. This was a bid by the state-owned undertaking to restore areas that had been degraded by coal mining and turn them into eco-friendly areas. It further planned to convert seven abandoned mines into exotic biodiversity canters. In the same year, it signed an MoU with Solar Energy Corporation of India (SECI) to develop a 1,000 MW solar power project.

In 2012, CIL officially embraced corporate social responsibility and sustainability development as a core value of its business. Under the sustainable initiatives, it initiated activities in the three areas of environment, economic development, and social development. It planted trees over an area of 32,000 hectares[a] in 1985, resulting in reducing the

[a] 2.47 Acres is one hectare.

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Chapter 15:

Testing Times for Vedanta: The Battle with the Dongria Kondh Tribe of Odisha

Hadiya Faheem *and* G V Muralidhara

> *"Our God lives in open space, you keep your God locked up with a key. We won't leave Niyamgiri. If the government and politicians ask for it, we will fight."*[1]
>
> **– Lodu Sikaka, leader, Dongria Kondh community, in 2013.**

Introduction

On July 30, 2014, a public hearing meeting conducted by the Odisha State Pollution Control Board (OSPCB) in Lanjigarh[a], Odisha[b], on expanding the capacity of Sesa Sterlite Limited[c] (Sesa Sterlite), global diversified resources major and associate company of UK-based metals and mining major, Vedanta Resources plc (Vedanta Resources), from 1 mpta[d] to 6 mpta, was disrupted by around 300 tribal people, mainly members of the Dongria Kondh[e] community. It was reported that the locals had barged into the meeting venue as they were denied a say at

[a] Lanjigarh is a town in the Kalahandi district of Odisha state.

[b] Odisha is a state in eastern India.

[c] In September 2013, Sterlite Industries (India) Ltd., a subsidiary of Vedanta Resources, was merged with Vedanta Resources' other divisions such as SESA Goa and Vedanta Aluminium Limited (VAL) to form Sesa Sterlite Limited.

[d] mpta stands for million tons per annum.

[e] The Dongria Kondh are indigenous people inhabiting the plateaus of the Niyamgiri Hills in Odisha. The Government of India had recognized this tribe as a 'Particlularly Vulnerable Tribal Group' and therefore it was given the highest protection under the Constitution of India.

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Chapter 16:

Conflict Palm Oil and PepsiCo's Ethical Dilemma

Syeda Maseeha Qumer *and* Debapratim Purkayastha

In September 2015, US-based consumer food giant, PepsiCo Inc. (PepsiCo), was dropped from the annual Dow Jones Sustainability Indices (DJSI)[a] as, according to some reports, the company's sustainability performance had failed to make the grade. PepsiCo was singled out by a number of environmental groups for its continued use of large quantities of Conflict Palm Oil[b], the production of which was responsible for large-scale destruction of rainforests, human rights violations, and climate pollution in tropical countries like Indonesia where palm oil was produced. The groups criticized PepsiCo for not having a robust sustainable palm oil policy and for not acknowledging the damage its supply chain had caused in countries such as Indonesia and Malaysia. According to an international environmental and human rights organization, the Rainforest Action Network (RAN), *"What Pepsi does has a huge impact on the climate, the rainforests of Southeast Asia, and the people and animals that rely on these forests for their lives and livelihoods. The company is a major Conflict Palm Oil laggard. It is dragging its feet and is refusing to admit it even has a problem. It could rise above its competitors and do the right thing, but, instead, it has relied on half measures and a commitment with gaps big enough to drive a bulldozer through."*[1]

[a] The DJSI is the first global index to track the leading sustainability-driven companies worldwide based on a range of social, environmental, and governance-based criteria, including assessments on corporate governance, crisis management, and environmental policy.

[b] Conflict Palm Oil is produced under conditions associated with destruction of rainforests, drainage of carbon-rich peatlands, and human rights violations, including the use of forced labor and child labor.

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Chapter 17:

Carbon Credits: Promoting Sustainable Development or Trading in Pollution?

Syeda Maseeha Qumer *and* Debapratim Purkayastha

"Carbon markets are better than other instruments in overcoming barriers, diffusing learning, and rewarding those who are bold enough to innovate and provide risk capital for emerging technologies."[1]

– Abyd Karmali, Managing Director and Global Head of carbon markets, Merill Lynch & Co., Inc[a], in 2009.

"Most of the "green" stuff is verging on a gigantic scam. Carbon trading, with its huge government subsidies, is just what finance and industry wanted. It's not going to do a damn thing about climate change, but it'll make a lot of money for a lot of people and postpone the moment of reckoning."[2]

– James Lovelock, an Environmentalist, in New Scientist[b] in 2009.

"I think the carbon economy is proving the opposite to be true, that it is possible to do something for the environment and your bottom line at the same time."[3]

– Greg Spencer, President and Co-founder, Blue Source LLC[c] in 2009.

[a] Merrill Lynch & Co., Inc. is a global financial services firm, owned by Bank of America Corporation. Its operations include wealth management, securities trading and sales, corporate finance, and investment banking services.

[b] New Scientist is a weekly international science and technology news magazine.

[c] Blue Source LLC operates as a climate change offset portfolio in North America. It provides a portfolio of greenhouse gas emission reduction offsets to retail and wholesale buyers, and financial markets. .

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Chapter 18:

Future Proofing Abu Dhabi's Economy: The Masdar Project

Hadiya Faheem *and* G V Muralidhara

"What struck me most about the Masdar Initiative was its strong sense of ambition. It reminds me of the Apollo program in that sense where the goal was not to build the best rocket motor, or to create the best astronaut space suits – the goal was putting all of those many different innovations and breakthroughs together to get a man on the moon. Masdar isn't just about innovating renewable energy ideas, or about greener cities, it's pulling everything together that is needed to see what a truly modern and long-term way of living on this planet may look like."[1]

– Richard Branson, Entrepreneur and Founder of Virgin Group, UK-based venture capital conglomerate, in September 2013.

"[Masdar] It's very ambitious, and a prominent initiative. A traditional hydrocarbon producer that is thinking strategically about climate change and renewable energy as a complementary industry rather than a competitive one. That this is taking place in an emerging market country rather than in the developed world is a powerful message to the international community."[2]

– Caio Koch-Weser, Vice-chairman of Deutsche Bank AG, Germany-based global banking and financial services company, in March 2009.

Introduction

The population growth in the United Arab Emirates (UAE) between 1975 and 2005, unprecedented economic growth, and low energy costs led to a huge increase in local energy consumption compared to other countries in the world, according to a 2012 report by open access

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Chapter 19:

Copenhagen – On Road to a Zero Carbon City

G V Muralidhara

> *"With the Climate Plan, we are investing in growth and quality of life; Copenhagers will have a better daily life. The investments are ensuring jobs now – and the new solutions are providing for a strong green sector."*
>
> **– Lord Mayor of Copenhagen, Frank Jensen, in 2012**

Introduction

In 2012, the Copenhagen City administration released the 2012 CPH2025 Climate Plan, thereby becoming the first capital city in the world to commit itself to achieving carbon dioxide (CO_2) neutrality by 2025. The plan envisaged collaborative efforts by various stakeholders including city authorities, the private sector, utilities, universities, and citizens. The climate plan was an important element of the green growth strategy of the city. The strategy also aimed at making the city an important player in the growing global market for green technology. The deployment of the technology and implementation of measures were expected to generate jobs and income to the city as well.

The climate plan envisaged implementation of initiatives in four important areas viz., energy consumption, energy production, mobility, and city administration.

Earlier, in 2009, the Copenhagen City Council had set itself the target of reducing carbon emissions by 20 per cent by 2015 compared to the levels in 2005 and also announced its vision of achieving carbon neutrality *(Refer to Table I)* by 2025. The target was achieved in 2011 itself, well ahead of schedule.[1]

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The Chinese Corporations -
Going beyond the Great Wall



Edited by
Sanjib Dutta

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Chapter 1:

Lenovo: Challenger to Leader

Hadiya Faheem *and* G V Muralidhara

"We have seen the PC industry rapidly change during the last few years. It seems as smartphones and tablet computers are suddenly growing, the traditional desktop and laptop business is slowing. Lenovo however seems to be bucking that trend and holding their own. People have not stopped buying computers, however they are buying fewer of them right now, and they are being more selective of where they buy. Some companies are winning and some are losing. Lenovo is one of the winners right now."[1]

– Jeff Kagan, Principal Technology Analyst, in April 2013.

"We are proud that Lenovo has become the clear world leader in PCs, and we are grateful to our customers and to our global team for this success. Even in the toughest PC market ever, Lenovo has not only gained share, but we have steadily improved profitability and introduced even more innovative products for every market segment. The battle for PC leadership could certainly still go back and forth. But I am fully confident that there remains substantial room for profitable growth and groundbreaking innovation in the global PC marketplace."[2]

– Yang Yuanqing, Chairman and CEO, Lenovo Group Limited, in March 2013.

Lenovo – the World PC Leader

Beijing-based multinational technology giant, Lenovo Group Limited (Lenovo), recorded a market share of 16.7 percent in the global personal computer (PC) market in the first quarter (Q1) ended June 30, 2013, emerging as the clear leader in the market, according to both International Data Corporation[a] (IDC) and Gartner Inc.[b] (Gartner). While

[a] International Data Corporation is a market research and analysis firm.

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Chapter 2:

Haier: A Reinventing Giant

Surojit Mahato *and* Indu Perepu

> *"Only when you transform from a traditional company to an internet-based platform company and provide opportunities for entrepreneurship, you can fully satisfy the personalized needs of users."*
>
> **– Zhang Ruimin, Chairman and CEO of Haier Group**

Introduction

China-based Haier Group (Haier), the world's largest home appliance brand, recorded revenues of US$ 32.6 billion and profit of US$ 2.40 billion[1] in 2014. Haier, which began as a small refrigerator manufacturer based in Qingdao, Eastern China, had grown into a renowned global brand, thanks to its commitment to high quality and focus on open innovation.

In 2012, the Boston Consulting Group rated Haier as one of the 10 most innovative companies in the world[2]. The company had reinvented itself three times in a period of 30 years under the guidance of Chairman and CEO Zhang Rumin (Zhang). Zhang, then a young employee, was given the task of leading Haier[a] in 1984, when the company was on the brink of extinction. He turned the company around single handed, making it into the largest appliance manufacturer in China and in the world in a few decades.

In the 1980s, Zhang focused on quality. He knew that employees played a major role in improving and maintaining quality, and realized that the first step was to try to solve their problems. He sorted out the

[a] Haier was known as Qingdao General Refrigerator Factory at that time. The name Haier was adopted in 1999.

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Chapter 3:

Baidu's Business Model and its Evolution

Syeda Maseeha Qumer *and* Debapratim Purkayastha

In the second quarter of 2016 ended July, Baidu, Inc. (Baidu), the leading Chinese language Internet search engine, reported a 34% fall in its quarterly net income — its biggest quarterly decline since going public in August 2005. The company's net income fell to RMB 2.41 billion (US$362 million) in the quarter from RMB 3.66 billion a year earlier. The poor performance of the company was attributed to curbs on online advertising in China following the death of a 21-year-old Chinese student in April 2016 who had tried an experimental cancer therapy advertised on Baidu's website. *"The challenges Baidu faced in the second quarter served as a healthy reminder to stay focused on the key drivers of growth, sustainability and leadership: delivering the best user experience and staying at the forefront of technology. The implementation of new regulations and the stricter standards that we proactively imposed to make our platform more robust will likely suppress revenue for the next two to three quarters. This period of uncertainty will pass,"*[1] said Robin Li Yanhong (Li), Chairman and CEO of Baidu.

Co-founded by Li and his friend Eric Xu (Xu) in 2000, Baidu was China's first home grown search engine and was created with the mission of providing the best way for people to find information. The company offered a broad range of products and services including search services, Online-to-Offline[a] (O2O) services, and an online video platform. Baidu's investments in technology along with its focus on local content helped it maintain a dominant position in the rapidly growing search engine market in China. In order to establish a global

[a] O2O is an online platform that drives online shoppers to buy products and services offline.

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Chapter 4:

Ctrip.com's International Expansion Strategies

Munmun Samantarai *and* Indu Perepu

"Our aim has always been to make travel search as simple as possible, providing travelers everything they need in one single place. Adding Trip.com's content to Skyscanner's offering represents the next step towards that goal. Trip.com is inherently social and mobile, and we're hugely excited to learn from, and work alongside, their great team."[1]

– Bryan Dove, Chief Technology Officer, Skyscanner, in 2017.

"Skyscanner share our focus on mobile and our passion for empowering people to have amazing travel experiences. We're excited to work with Skyscanner to offer a single resource to travelers around the world that meets all their travel needs."[2]

- Travis Katz, Co-founder and CEO, Trip.com in 2017.

In November 2017, China's largest online travel agent (OTA), Shanghai-based Ctrip.com International Limited (Ctrip), announced the acquisition of the US-based travel recommendation service, Trip.com (Trip), for an undisclosed sum.[3] This was the latest among several moves by Ctrip that signaled its ambitions to expand beyond Asia. Earlier in 2016, Ctrip bought Skyscanner, a Scotland-based flight Search Company, for about US$1.74 billion, making the travel industry sit up and take notice.[4] The Trip deal was expected to help Skyscanner leverage Trip.com's capabilities on its own platform.[5] Travis Katz, CEO and founder of Trip, said, "*The idea of this deal is for Skyscanner to marry in-destination reviews content in Trip's arsenal to Skyscanner's platform. The aspiration is not to only add static details, such as about the opening times of restaurants or museums, but to also enable Skyscanner users to see and eventually add social reviews within Skyscanner's website and apps*,"[6]

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Chapter 5:

China UnionPay: The World's Largest Payment Card Company

Syeda Maseeha Qumer *and* Debapratim Purkayastha

> *"UnionPay may struggle to maintain its high global share once the international schemes obtain domestic licences to operate in China. It will increasingly look to expand its business abroad to counteract competition in its home market."*[1]
>
> **– Daniel Dawson, an associate at strategic research and consulting firm, RBR, in 2017.**

When former Chinese President Hu Jintao (Jintao) visited the headquarters of China's payment processing giant China UnionPay (CUP) in 2010, a plaque honoring him was installed there. Inscribed on it was a quote from President Jintao advising the company to *"step up the effort to internationalize and strive to build UnionPay into a major global brand for bankcards."*[2] Fast forward to 2017 – CUP had fulfilled President Jintao's dream of global dominance. UnionPay International (UPI), the global subsidiary of CUP, had become the largest payment card network in the world, surpassing its international competitors such as Visa[a], Mastercard[b], and American Express[c] in terms of market

[a] Founded in 1958, Visa Inc. is a US-based global payments Technology Company that enables consumers, businesses, financial institutions, and governments in more than 200 countries to use digital currency. Visa's net operating revenue in the fiscal 2016 was US$15.1 billion.

[b] Based in New York, Mastercard is one of the leading global payments and a technology companies in the world that connects consumers, financial institutions, and merchants, as well as governments and businesses with acceptance in about 210 countries. In 2016, the company's revenues were US$10,776 million. In 1987, in collaboration with the Bank of China, MasterCard launched the first ever RMB payment card, in China.

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Chapter 6:

TECNO Mobile's Growth Strategies in Africa♦

Syeda Maseeha Qumer *and* Geeta Singh

In August 2017, Chinese smartphone maker, TECNO Mobile (TECNO), won the Pan-African Mobile Phone Brand of the Year award, at the 2017 edition of the Titans of Tech Awards.[1] The company reportedly received the award for its commitment to transforming state-of-the-art technologies into localized products in the emerging markets of Africa. Richard Ugochukwu (Ugochukwu), Senior Marketing Executive, Offline Events and Sponsorships, TECNO Nigeria, said, *"This is a result of our commitment to continuously deliver World class, quality devices for every African consumer. This Pan-African award is a testament to this commitment and we are ever grateful to our consumers for taking the brand to unprecedented heights."*[2]

TECNO is the mobile phone brand of Transsion Holdings (Transsion), a global Chinese company established in 2006 to provide mobile communication products for emerging markets. TECNO entered the African market in 2007 and since then grew organically in the continent by offering innovative and high-quality mobile devices specifically geared to the African market at an affordable price. TECNO's offerings, which included smartphones, tablets, and feature phones, enjoyed huge popularity and adoption in Africa. According to some analysts, TECNO emerged as the undisputed leader in Africa's mobile phone sector because of effective localization, appealing product portfolio, and well-established distribution channels. For instance,

♦ Winner of the Nominated Case Award in the 2017 Global Contest of the 'Best China Focused Cases', co-organized by CEIBS, the Shanghai MBA Case Development and Sharing Platform and the Global Platform of China Cases.

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Chapter 7:

Didi Chuxing – Making Headway in the Global Ridesharing Market

Nagendra Kumar M V *and* Indu Perepu

In December 2017, China-based ride hailing service provider Didi Chuxing (Didi), announced that it had secured finance of more than US$ 4 billion. Analysts said that the massive funding round would help Didi further spread into international markets. Apart from international expansion, the new capital would go toward development of Artificial Intelligence technology to build self-driving vehicle systems.

Didi was formed after the merger of two Chinese companies Didi Dache (Dache) and Kuaidi Dache (Kuadi)[a] that offered both mobile taxi-hailing apps and private-car hailing services. Both entities merged in 2015, with the resultant company becoming a leading platform for taxi hailing services in China. Didi acquired US-based Uber Technologies' Chinese operations in 2016, thereby further consolidating its position in the Chinese market.

The most valuable start-up in the world as of December 2017[1], Didi set its sights on expanding beyond the Middle Kingdom, and invested in several companies in its quest for global markets. These included Lyft (USA), Taxify (Europe and Latin America), Careem (the Middle East), Ola (India), 99 (Brazil), and Grab (Southeast Asia). Didi made strategic investments in these companies and provided strategic guidance in the areas of technology, product development, operations, etc. *(Refer to Exhibit I for Snapshot of Global Operations of Didi).*

[a] Both the companies were founded in 2012-13

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Chapter 8:

Baidu's Big Data Strategy – Impacting Chinese and Global AI Landscape

K B S Kumar *and* Indu Perepu

"Today, we look for information, In the future, information will look for us." [1]

– Ya-Qin Zhang, President, Baidu

In 2017, Baidu, China's biggest search engine increased its R&D spending to $464m, 28 per cent more than it had spent a year earlier. Baidu, which covered about 95% of China's population, had been betting big on bringing about a global revolution in Artificial Intelligence (AI) through some of its prestigious projects like Apollo, its autonomous driving program and DuerOS, an open platform to support applications in Artificial Intelligence (AI).

Pinning its hopes on Apollo – in 2017, Baidu floated a $1.52 billion autonomous fund exclusively to speed up the autonomous driving projects compete with its archrivals in the US. This was preceded by a US$2.9 billion spend on research and development in AI in 2016. Baidu roped in about 70 partners, which included big names like Microsoft, Ford, and Daimler, to accelerate the mission.

With over 44.5% of the mobile search market and 80.8%[2] of the internet search market in China, Baidu had access to colossal amounts of demographic data. The company, which had over 70 million daily active mobile search users, 700 million internet users, and 6 billion search queries per day, had gathered massive amounts of data backstage, which it strategically channelized into the big data segment. In 2014, influenced by the rapidly transforming $34 billion global big data market[3], Baidu shifted its strategic gears from 'All Mobile' to 'All AI' and changed its focus from internet and mobile to

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Chapter 9:

Alibaba's 'New Retail': Integrating Online, Offline, Logistics, and Data across a Single Value Chain

Syeda Tahera Sadia *and* Debapratim Purkayastha

> *"Commerce as we know it is changing in front of our eyes. 'E-commerce' is rapidly evolving into 'New Retail.' The boundary between offline and online commerce disappears as we focus on fulfilling the personalized needs of each customer."*[1]
>
> **– Jack Ma Yun, Co-Founder and Executive Chairman of Alibaba Group, in 2018**
>
> *"With New Retail, our goal is to allow businesses to succeed in the digital era. This means helping traditional retailers to restructure and enhance the way they operate, which can touch everything from customer experience, to inventory management, and retail spaces."*[2]
>
> **– John O'Loghlen, Director of Business Development, Australia and New Zealand, for Alibaba Group**

In 2016, Alibaba Group Holding Limited (Alibaba) founder Jack Ma Yun (Jack Ma) unveiled the group's 'New Retail' concept to take the retail experience to a whole new level. Ever since, the company had been pouring billions into implementing this strategy as it believed that the future of retail would not be a question of just online vs. offline. Daniel Zhang (Zhang), CEO of Alibaba, explained how the company adopted its New Retail strategy to integrate online and offline retail, expand into digital content, and support its globalization push, as it sought to expand its retail empire both within and outside China.

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Chapter 10:

JD.com's Challenges in China and Beyond

Hadiya Faheem *and* Debapratim Purkayastha

"Our ambition is to expand our supply chain ability to the whole world—to connect any brand, any goods and any consumer globally."[1]

– Richard Liu, Founder and CEO of JD.com, in November 2018.

"JD must get its act right in China, turn it around and make it profitable before it expands internationally."[2]

– Kok Hoi Wong, the Chief Investment Officer for APS Asset Management Pte[a], in August 2018.

On June 19, 2019, Chinese e commerce giant Jingdong.com Inc. (JD.com) announced that during its '6.18 Anniversary Sale' – that lasted for the first 18 days of June every year – it had recorded a total sales transaction volume of US$29.2 billion. This was an increase of 27% over the same period of 2018.[3] The company attributed the rise in sales to the launch of new high-quality products and increased consumption of products from low-tier cities in China.[4]

Richard Liu (Liu) (also known as Qiangdong Liu), CEO and founder of JD.com, started the company in 1998 in Beijing as a store selling magneto-optical products. Over the years, the company forayed into the e-commerce market in China. For the financial year ended 2018, JD.com recorded revenues of US$67.2 billion.[5]

[a] APS Asset Management Pte is an investment management firm based in Singapore.

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Chapter 11:

StarTimes: The Chinese Media Enterprise's Response to COVID-19 Crisis in Africa

Syeda Maseeha Qumer *and* Debapratim Purkayastha

In the second half of 2020, Pang Xinxing (Pang), founder and chairman of Chinese media company the StarTimes Group (StarTimes) found himself in a curious situation in Africa. While its viewership had grown amidst the COVID-19 pandemic, the company was unsure how to monetize this at a time when the industry was bracing for further challenges posed by the public health crisis.

The Chinese media enterprise was credited with revolutionizing digital television in Africa. It served about 30 million customers in 37 countries across Africa as of April 2020.[1] In line with its vision *"to ensure that every African family can access, afford, watch and share the beauty of digital TV"*, StarTimes had overhauled the continent's broadcast infrastructure and had led its transition from analog to digital services. The company banked on affordability and innovative content in Africa, offering over 600 authorized channels that covered the gamut of news, movies, series, sports, entertainment, and children's programs.[2] It offered extremely affordable cable/satellite TV packages priced as low as US$4 per month.[3]

Since the outbreak of COVID-19 in Africa, StarTimes had taken many initiatives to tackle the associated problems. In February 2020, when the outbreak was first reported on the continent, Pang, announced four key initiatives to fight the pandemic: Healthy Environment, Healthy Mindset, Healthy Behavior, and Healthy Body.[4] However, according to some analysts, despite its many efforts in

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The Evolution of Human Resource Management

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Indu Perepu

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Chapter 1:

Evolution of Human Resource Management

Prerna Chhetri

After going through the chapter, students will be able to:

- Understand the evolution of Human Resource management
- Examine Scientific Management of Human Resources
- Know more about the Classical Management era
- Understand Human Relations Era
- Understand Systems approach

The evolution of Human Resource Management dates back to the Industrial Revolution, with the invention of the steam engine. Handlooms that manufactured textiles were replaced by steam powered looms that had the capacity to produce larger quantities of outputs, thereby increasing productivity. Businesses that were constrained by geography, mainly due to lack of transportation, could now transport raw materials and finished goods from one place to another with the help of the steam powered railways. This led to rapid industrialization with the establishment of large factories and a shift in the economy from agriculture and crafts based one to a manufacturing one. With the railways, it was now easy for people to travel from one place to another to work in factories that sprouted up during the Industrial Revolution. As the products were being manufactured in shorter time periods and were cheaper due to easy access to raw materials and mechanization, the demand for manufactured goods was on the rise. This eventually led to challenges such as keeping up with the demands by increasing productivity. Significant world events such as World Wars 1 and 2 during the period of rapid industrialization led to another challenge, which was shortage of labor. These challenges led to the birth of several eras in the evolution of management.

To address the challenge of increasing productivity, scholars such as Frederick Taylor, Frank and Lillian Gilbreth, and Henry Gantt made significant contributions to management known as the Scientific

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Chapter 2:

Human Resource Management - Infosys Technologies

Indu Perepu and Vivek Gupta

Infosys Technologies Ltd. (Infosys) was incorporated as Infosys Consultants Private Limited[1] on July 02, 1981, by a group of seven professionals[2]. From the beginning, it relied heavily on overseas business. One of the founders, Narayana Murthy (Murthy) stayed in India, while the others went to the US to carry out onsite programming for corporate clients. One of Infosys' first clients was the US-based sports shoe manufacturer Reebok.

Infosys hired its first set of employees in 1982 from the Indian Institute of Technology, Chennai. These employees were provided training and sent abroad for onsite projects. After the revenues started increasing, Infosys started spending more on training and product development. The company's revenues in 1982 were at Rs 1.2 million.

In those days, the Indian economy had not been liberalized and computers were not being manufactured in India. A simple task such as importing a computer would take several months and the company required an import license for it. However, Infosys did not have the required space to install many computers, so the computers it purchased were installed on premises belonging to one of its customers. These computers were used to train new employees and to develop products, like the proprietary banking software, Finacle. At that time, Infosys focused on acquiring domain knowledge in segments like retail, finance, distribution, and telecommunication.

---

[1] In June 1992, the company's name was changed to Infosys Technologies Limited.

[2] The group included Narayana Murthy, Nandan Nilekani, S. Gopalakrishnan, K. Dinesh, SB Shibulal, NS Raghavan, and Ashok Arora. Ashok Arora left Infosys in 1983 to join a US-based software company.

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Chapter 3:

Diversity in the Workplace

Musarrat Shaheen

- Define Diversity at workplace
- Examine how to manage diversity at workplace
- List the reasons for growing diversity at workplaces
- Understand the benefits of having a diverse workforce

Diversity

Milliken and Martins (1996) point out that the word diversity, although often emotionally charged, simply means 'variety', and the degree to which things differ. In the context of the workforce in organizations, a Diverse workforce (diversity) means the co-existence of people from various socio-cultural backgrounds in the company. Diversity incorporates cultural factors like race, gender, age, color, physical ability, ethnicity, et cetera.

As diversity is all prevailing, in terms of geographical regions, people, languages, cultures, habits, and socio-economic backgrounds, defining it is not an easy task. Diversity includes both visible and invisible characteristics. The visible characteristics are physiological appearance, skin color, dress, age, physical ability, etc. Invisible characteristics of diversity cannot be seen – religion, sexual orientation, socio-economic background, marital status, etc. Diversity can be selective in the sense that some characteristics like the accent of a person, skin color, and physical features are stronger indicators of diversity. The indicators of diversity are, however, ambiguous and can be different for each person. In North America, diversity is often related with racial diversity, while in the Asian context, it could mean religious diversity.

McGath, Berdahl, and Arrow (1995) explained workplace diversity by categorizing it into five clusters –(1) demographic characteristics like ethnicity, age, gender, education sexual orientation, and physical status

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Chapter 4:

Diversity – Nordstrom

M. Satya Prakash, Shirisha Regani and S.S. George

John Nordstrom, the founder of Nordstrom Inc. (Nordstrom), a major department store in the US was born in Sweden. In 1887, at the age of sixteen, he immigrated to the US. In 1897, after laboring in mines and logging camps for ten years, John Nordstrom heard of the Klondike Gold Rush[1] and decided to try his luck. By 1899, he had made $13,000[2] from his stake in a goldmine at Klondike and returned to Seattle, Washington.

In 1901, John Nordstrom partnered with Carl Wallin (Wallin), a shoemaker, and opened a shoe store in Seattle called 'Wallin & Nordstrom.' On the first day the store sold shoes worth $12.50. By 1905, the annual sales were $80,000.

Then in 1923 they opened a second store in Seattle. John Nordstrom retired in 1928 and passed on his stake in the company to his sons Everett and Elmer. Wallin, who retired in 1929, also sold his share to John's sons. In 1930 the shoe stores, now solely owned by the Nordstrom family, adopted a new name, 'Nordstrom's.' Despite the Great Depression,[3] the two stores made $250,000 in sales in 1930.

In 1985, Nordstrom's sales crossed the $1 billion mark, with the company selling goods worth $1.3 billion that year. In 1986, for the first time, the company featured on the *Forbes* 500 list of the largest public corporations in the US.[4]

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1 The Klondike Gold Rush occurred in the late 1800s in Northern America (www.wikipedia.org).

2 Dollars ($) refers to US dollars in this case study.

3 The 'Great Depression' was a decade of unemployment, low profits, low prices, great poverty and stagnant trade that affected the entire world in the 1930s (www.wikipedia.org).

4 Kathy Mulady, "Still in Style," www.seattlepi.com, June 25, 2001.

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Chapter 5:

Recruitment

Yamini Meduri

By the end of this chapter students will be able to

- Understand the process of recruitment
- Evaluate the recruitment policy
- List the factors affecting recruitment
- Understand the sources and methods of recruitment
- Examine how a recruitment program is evaluated

Business organizations today are operating in a dynamic and agile environment, requiring the employees to embrace change faster than ever. Having the right capabilities to respond to change quickly and effectively is the most pressing demand for which the organizations are preparing. Recruitment as a process has evolved over the years and strengthened from time to time, ensuring the right competencies at the right place. Of all the functions of HRM, recruitment has been transformed with the advent of technology and has made it compulsory for organizations to adapt.

The time lost in filling up a vacant position may not only have direct consequences on the workflow but also lead to business loss. In addition, a wrong hire multiplies the loss. Hence, recruitment has acquired immense importance in today's organizations. Organizations have realized the value of human capital and its role in their development. For an organization, recruitment is the first step in the process of acquiring and retaining human resources.

Recruitment is a process that enables organizations to achieve the outcome of human resource planning by managing the manpower shortages or surpluses to achieve organizational goals. Human Resource Planning (HRP) enables organizations to plan ahead and employ the right kind of people in the right numbers at the right cost and time. In a way, it is HRP that lays the right formula for the

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Chapter 6:

United Parcel Service – Using Social Media for Recruitment

Geeta Singh and Syeda Maseeha Qumer

The history of US-based United Parcel Service (UPS) can be tracked from 1907 when two teenage entrepreneurs, Claude Ryan and Jim Casey (Casey), started a package delivery service. The duo opened the American Messenger Company in a Seattle basement with a US$100 loan.[1] Initially, the company made home deliveries for drugstore customers, carrying notes on foot or on bicycles. The business of the American Messenger Company soon started facing the heat of competition from numerous players in the marketplace which were specialized in message and parcel delivery. In 1913, with the advances in the telephone sector, the American Messenger Company shifted its focus from grocery and drugstores to delivering packages at customers' homes. In alignment with this shift, it was renamed as Merchants Parcel Delivery. Soon, the company started using Evert's motorcycles and a Ford Model T to ensure quick deliveries.[2] Casey and his colleagues made the company's employees work onsite at the stores to ease distribution efforts. This soon made them experts in fulfilling the needs of the drug and grocery stores.

In 1916, a new associate, Charlie Soderstrom, joined the firm. With his expertise in automobiles, he helped the company grow rapidly in terms of delivery vehicles. In 1919, with the first expansion beyond Seattle to Oakland, California, the company's name was changed to United Parcel Service (UPS). By 1930, UPS saw a period of technological and service innovation; it started offering air service through private airlines. Despite the US stock market crash during the 1930s, UPS continued expanding to cities like San Francisco, San Diego, and Portland, Oregon. After World War II, UPS realized that there were limited opportunities in home delivery services for department stores; therefore, its management pursued new growth opportunities. For example, in 1953, the company started common carrier operations by providing package transportation services to the public in cities where authorization by the state commerce commissioner or the Interstate

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Chapter 7:

Selection

Yamini Meduri

After going through this chapter, students will be able to:

- Understand the concept of selection
- Identify steps in evaluating the candidates
- Understand different selection methods

Once the organization is successful in attracting the interested candidates to apply for the job vacancy, the next task is to select the right candidate suitable for the job. The next step after recruitment is the selection of the "Right Candidate for the Right Job". Selecting the wrong candidate or rejecting the right candidate is perhaps one of the costliest mistakes for an organization.This is the reason why the metric of 'quality of hire' is important to assess the overall performance of the HR department which owns the responsibility of designing and executing the selection policy.

The selection process involves a series of steps which help in evaluating the candidates and has to be in accordance with the organizational requirements. Job analysis and job specifications, along with human resource planning provide the basic requirements, based on which the selection process has to be designed. For example, for a position that requires interpersonal skills to be the main criteria, a candidate with excellent qualifications but who got fired multiple times for poor team management skills will certainly be the wrong choice and may even prove to be counter-productive. Hence, it is important to note the organizational and job requirements clearly before the selection process for a job is designed.

Concept of Selection

The process of choosing the most suitable candidate for a job from among the available applicants is called selection. It is the process of ascertaining the qualifications, experience, skill, knowledge,

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Chapter 8:

Recruitment and Selection - JetBlue Airways

Indu Perepu and Vivek Gupta

The US-based JetBlue Airways (JetBlue) was founded in 1999 by David Neeleman (Neeleman) and started operating in February 2000. Since its inception, the company had been striving to provide superior service at lower fares, and it was this that distinguished it from other airlines in a highly competitive airline industry in the US. JetBlue's business model combined the affordable fares and low cost structure provided by low cost carriers (LCCs) with the high service levels provided by the Full Service Airlines (FSAs). JetBlue was people focused – focusing both on the employees and the customers. The company's philosophy toward customers was reflected in its slogan 'bringing humanity back to air travel.' In the case of employees, the company believed that "you treat your people right; they treat your customers right."

Neeleman was a university dropout who started his career selling condominiums in Hawaii from his base in Utah. He later set up his own travel agency in Utah. Neeleman's reputation as a hard-seller caught the attention of June Morris, owner of one of Utah's biggest travel agencies, who invited him in 1984 to join as a partner in starting an aircraft charter operation called Morris Air.

Morris Air was modeled on Southwest Airlines (Southwest)[1], and the partners made an effort to keep the costs low by reducing the turnaround time[2] and by having reservationists work from home to save on office rentals. In 1992, Morris Air obtained an operating certificate

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[1] Southwest Airlines, set up by Herb Kelleher in 1978, was the pioneer of low cost airlines in the US. The airline was headquartered in Dallas, Texas.

[2] Turnaround time is the time taken by an aircraft that has just landed to be ready for takeoff again. Turning aircraft around as fast as possible minimizes the time it spends on the ground, as ground time is non-revenue producing time for an airline.

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Chapter 9:

Job Design and Job Crafting

A Kranthi Kumar

Learning Objectives:

After going through this chapter, the student will be able to...

- Understand the historical origin and evolution of job design
- Identify the elements of job design
- Outline the objectives of job design
- Appreciate the strategies of job design
- Explain the job design principles
- Elucidate and appraise the concept of job crafting

Job Design: Origin and Early Intellectual Premise

The origin and premise of job design can be traced from the views that emerged during the Industrial Revolution from early 1760 to around the mid-1830s. This revolution paved the way for challenging and altering the work pattern within the defined boundaries of society. During this period, mainstream economic activity started to rise from the manufacture of goods. "Division of labor" advocated by Adam Smith in his treatise "The Wealth of Nations", started to gain traction, building on the very thought that to produce a complex product, the work needed to be broken down into a series of simpler and identified tasks. This led to the origin of job simplification. Though the concept emerged from the US, its psychological consequences came mainly from Britain. It was not universal, since its fundamental premise has been challenged by modern day organizations. However, it is deeply rooted in firms' organizational culture as a reference point.

System of scientific management advocated by Fred W. Taylor advocated that human inputs have an unparalleled role alongside machinery to reach efficiencies of higher order. This led to a focus on

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Chapter 10:

Training and Development

M. Bhaskara Rao

After going through this chapter, students will be able to:

- Define training and understand the purpose of Training
- Understand the concept of Development
- Identify the difference between training and development
- Understand the training process – Need assessment – Organizational, Task and Individual Needs
- Outline Employee training methods
- Identify different Training methods - on job training – off job training – E- Training,

Companies are realizing the importance of training and the role it plays in improving the overall performance of the organization. With the advancements in technology and the spread of business on a global scale, it has become important for organizations to concentrate on training their employees to meet global challenges. Merely selecting employees does not ensure that an organization will be successful. It has to train them to face the continuous challenges of a competitive business environment. Moreover, the ongoing trends of greater work force diversity, flatter organizations, and increased global competition, have increased the significance of training and development in helping the employees take up greater responsibilities.

The chapter discusses the importance of training and management development for an organization. Starting with a discussion on training, the purpose of training and the areas of training, it moves on to discuss the various methods of training. Training and development are two different aspects; while training has a

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Chapter 11:

Training and Development - General Electric Company

N. Ruchi Chaturvedi and Sanjib Dutta

General Electric Company[1] (GE) was one of the world's biggest conglomerates. One of the factors that contributed to the company's success was its ability to train and develop its multinational, diverse workforce in a successful manner. GE was one of the first companies to establish a management development center to train and develop its employees. This center put the company on a growth trajectory that very few corporations could match. It inspired many other renowned companies like Boeing Co., Home Depot and Toyota Motors to model their training centers on the one at GE.

T&D Initiatives

World's First Corporate University

Although on-the-job-training had been used at GE since the 1920s, formal corporate training took shape during Ralph Cordiner[2] (Cordiner)'s tenure as CEO. On taking up this position in 1950, Cordiner started restructuring the company, decentralizing it by breaking it up into various departments. He felt decentralization would make the company more manageable in times of rapid growth. As a result of decentralization, GE had more than 100 divisions where earlier there were just eight major units. A general manager was appointed for each division, to oversee the division's overall working.

As a result of the decentralized structure, the company faced another challenge. The new breed of managers needed to be trained to enable them to handle their divisions successfully. Therefore, establishment of a corporate training center for GE executives became

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1 Headquartered at Fairfield, Connecticut, USA. GE had revenues of $152.4 billion and profits of $16.6 billion for the year 2004.

2 Ralph Cordiner was CEO from 1950 to 1964.

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Chapter 12:

Training and Development - Godrej Industries Ltd.

Ramya Narasimhan and Sanjib Dutta

The Godrej story started in 1897, when Ardeshir Burjorji Godrej (Ardeshir) gave up his legal practice and started manufacturing locks in a small shed at Lalbaug near Mumbai. Thus was GBML born. His brother, Phirozshah Godrej (Phirozshah), carried on the pioneering work and in 1905 GBML built its first safe, thus entering the security equipment business.

Godrej and Boyce Manufacturing Company Ltd (GBML) expanded its range of products by manufacturing office equipment, typewriters, tool-room equipment, etc. In the early 1920s, GBML started making soaps from vegetable oils and incorporated Godrej Soaps Ltd (GSL) in 1928. In 1958, GBML started manufacturing refrigerators, its first home appliance product. GSL ventured into animal feed in 1971 to help dairy and poultry farmers rear healthier livestock. Godrej Pacific commenced operations in 1982 as the Electronic Business Equipment (EBE) Division of GBML.

In 1985, GBML ventured into Computer Aided Designing services as part of its EBE division. In 1990, Godrej Properties & Investments Limited (GPIL) was incorporated to provide meticulously planned townships. In 1991, the Godrej group entered the processed food and edible oil segment by incorporating Godrej Foods Ltd (GFL). The animal feed division was spun off into a distinctly focused animal- feed and agricultural input company in 1991-92 and was named Godrej Agrovet Limited (GAVL). In 1993, GBML entered into a joint venture with General Electric (GE), US and Godrej-GE Appliances was formed. It went on to manufacture washing machines and air conditioners. GE exited from the joint venture in 2001 and the appliances business became a division of GBML.

In 1993, Godrej entered into a manufacturing and marketing alliance with Proctor & Gamble (P&G). A new company P&G-Godrej Ltd, with each company holding 50%, was incorporated. The entire

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Chapter 13:

Performance Appraisal

M. Bhaskara Rao

After going through this chapter, the student will be able to...

- Understand Concept of Performance Appraisal
- List the objectives of Performance Appraisal
- Explain the advantages of Performance Appraisal
- Get insight into the Performance Management Systems

The performance of an organization is managed by monitoring and managing the performance of the individual employees in the organization. The objectives and goals of individual performance are determined based on the objectives and goals of the organization. The successful performance of an organization is a culmination of individual performances and contributions.

The measurement and evaluation of performance has been traditionally done using merit-rating and performance appraisal, which in very recent times has been replaced by performance management. Performance management is a dialogue-based joint process that involves a continuous review. In performance management, the focus is on values and behaviors and it is less likely to be linked to pay. It aims at looking forward at what needs to done to develop people to improve performance.

Performance appraisal has a more historical approach when compared to the broader concept of performance management, Performance appraisal has been conventionally connected to rewards and punishments but, of late, the concept of developing employees based on the appraisal has gained popularity. While a system of performance appraisal may be very carefully designed the problems in appraisal usually arise in its application and implementation. For a performance appraisal system to add value to the organization, it should be both well-designed and well- implemented.

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Chapter 14:

Larsen & Toubro Construction - Performance Appraisal

Sheel Mehta, Manish Gupta and Debapratim Purkayastha

It was the summer of 2019. Sheel Mehta (Sheel) was on her first day of internship at Larsen & Toubro (L&T) Construction. She had just come to know of her assignment and it left her with mixed feelings of joy, curiosity, and anxiety. Even before her communication with her assigned mentor at L&T, Sheel had come prepared, having studied the different job positions that the company offered. In April 2018, the company had put in place a new performance appraisal system and Sheel was given the strategic assignment of proposing improvements in it. She knew she would have to study the existing performance appraisal process and the previous one thoroughly before proposing any suggestions or recommendations. Sheel had butterflies in her stomach, but she soon composed herself to focus on the task at hand. As she began, she was beset with doubts and questions. At one point, she even considered asking her mentor for help, but she soon decided against it as she did not want to lose the chance of impressing her mentor.

About L&T

L&T was one of the largest multinational firms and a leading construction company. The company was founded in 1938 in Mumbai, India, as a representative of Danish manufacturers of dairy equipment. The company grew rapidly over the years and expanded globally into more than 25 countries in Asia, Africa, North America, Oceania, and Europe. In terms of total income, L&T grew from Rs.[1] 1019.75 billion in March 2016 to Rs. 1410.07 billion in March 2019. The net profit nearly doubled from Rs.55.34 billion in March 2016 to Rs. 102.37 billion in March 2019 *(See Exhibit I)*.

[1] Rs. (symbol for Indian rupees or INR) is the currency of India. As of 2019, US$1 was approximately equal to Rs.70.

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Chapter 15:

Employee Compensation and Benefits

Chetna Priyadarshini

Objectives

After going through this chapter, students will be able to

- Describe the meaning and purpose of compensation and benefits
- Describe the issues and challenges in compensation management
- Discuss the difference between wages and salary
- Discuss the difference between salary and commission
- Describe performance bonus

Introduction

Every employee in an organization feels that his/her work is important to the welfare of the company. He or she wants to feel valued and appreciated for their efforts. If a company isn't able to offer satisfying compensation and benefits, it may find itself losing key employees who are seeking more attractive compensation packages.

Employee compensation and benefits in organizations have been one of the most controversial issues during past decades. There is always a huge gap between what should be paid and what can actually be afforded. This leaves the employees with a bitter taste, eventually leading to an exodus of experienced or highly skilled workers. The poor relationship between employers and employees also impacts productivity and performance adversely. Employee compensation should be paid on time. It is very important to pay employees' salaries at their scheduled times without any delay, so that they do not feel concerned and get distracted from work. Timely payment of salaries will have a positive impact on employees' performance as they will be motivated to work hard.Before discussing the compensation and benefits in an organization, it is very important to know what they

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Chapter 16:

Compensation Management - Tata Consultancy Services

Indu Perepu and Vivek Gupta

Tata Consultancy Services (TCS), the largest IT company in India, started operations in 1968, as a division of Tata Sons Limited, which was itself a part of Tata Group, one of Asia's largest business conglomerates, with a wide range of interests in engineering, telecommunications, energy, financial services and chemicals. The initial journey in the IT business was not easy for TCS. During the first two decades of its operations, TCS faced many hurdles due to the rigid government licensing system, which made it difficult to import computers.

F C Kohli (Kohli) was the first CEO of TCS (from 1972 – 1996). In 1969, the company had 10 consultants and 200 operators who carried out IT assignments in Tata group companies. One of the first assignments that TCS undertook was the punch card managements system for Tata Iron and Steel Company (TISCO). One of the first projects done for external clients was the Inter Bank Reconciliation System (IBRS) for Central Bank of India in 1969. TCS worked on similar project for 14 other banks, and also went on to work for municipal authorities and telephone companies.

During the 1970s, TCS aimed at serving foreign clients, mainly to improve its own systems and procedures, as the foreign clients demanded high service quality and capability. One of the first international clients was the US based Institutional Group and Information Company (IGIC), which was a data center for 10 banks.

The first international office of TCS was established in the US in 1979 with S. Ramadorai (Ramadorai)[1], as head. TCS won a contract to develop an accounts receivable system for American Express in 1980. There was no looking back after that, and TCS grabbed several

[1] Ramadorai went on to become the CEO & Managing Director of TCS from 1996 to 2009, and was Vice Chairman of TCS till 2014

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Chapter 17:

Managing Careers

Ashok Kumar Goute and Sonali Narbariya

After going through the chapter, students should be able to:

- Explain the concepts of career, career path, career goal, career planning, career management, and career development.
- Discuss the career anchors as proposed by Edgar Schein.
- Identify the elements of a career planning program.
- State the benefits of career planning to an organization and to an individual.
- Analyze the issues involved in career planning
- Recall the stages in the career development cycle, namely, exploration, establishment, maintenance, and disengagement.
- Define the career objectives and the career path.
- Assess the model for planned self-development.
- Evaluate the elements involved in an effective succession planning.

Introduction

Organizations should give employees an opportunity to identify their competencies and aptitudes, and then provide them with the right opportunities. This will lead to the creation of a motivated and loyal workforce. Organizations should help their employees maximize their career motivation. There are three aspects of career motivation: resilience, insight, and identity. Career resilience is the degree to which employees can cope with the problems affecting their work. Career insight is the extent to which the employees are aware of their interests, skills, strengths, and weaknesses, and how these perceptions relate to their career goals. Career identity is the extent to which employees define their personal values in accordance with their work, and the degree of alignment between the two.

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Chapter 18:

Career Development – Chipotle

Syeda Maseeha Qumer and Debapratim Purkayastha

US-based fast food chain Chipotle Mexican Grill, Inc. (Chipotle) was founded by Steve Ells (Steve) in 1993. After graduating from the Culinary Institute of America in New York City in 1990, Steve started working as a sous chef at the Stars restaurant[a] in San Francisco, USA. There, Steve observed the popularity of food items like tacos and San Francisco burritos. Sensing a huge demand for Mexican food in the US, he opened a taqueriain[b] in 1993 in Denver, Colorado. The initial investment of US$ 85,000 for the first restaurant came in the form of a loan from his father. Steve's aim was to reinvent Mexican food in the US by offering high quality food with more flavors and varieties to choose from. He wanted to be different and provide an exceptional customer experience.

When he opened his first restaurant, Steve's friends discouraged him, telling that Mexican food was cheap and that he could not run a Mexican restaurant chain by charging as much as other popular restaurant chains in USA like McDonald's Corporation [McDonald's] and KFC[c] did. But Steve stood firm and with determination went on to build a profitable Mexican restaurant chain. When the first store opened, Steve calculated that the store needed to sell at least 107 burritos to make a profit. But within a month of its launch, the restaurant was selling 1,000 burritos per day and was making good profits. Steve later started his second and third restaurants with the profits he made from his first restaurant and the money raised through

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[a] Stars restaurant was a landmark restaurant in San Francisco from 1984 to 1997. It was merged into another restaurant called Spago in the year 1997.

[b] Taqueriain is a Spanish word meaning a place that makes tacos.

[c] KFC, headquartered in Louisville, Kentucky, US, is a leading fast food restaurant chain in the world and specializes in fried chicken.

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Chapter 19:

Organizational Structure

Ashok Kumar Goute and Sonali Narbariya

After going through the chapter, the students will be able to:

- Define Organizational Structure
- Explain the key elements in designing an organizational structure
- Describe the types of organizational design
- Explain the relationship between organizational design and employee behavior

Organizational structures lay the foundation for the accomplishment of organizational goals and objectives. The structure of organizations defines the framework within which employees are required to function. It also establishes the authority and responsibilities of all the individuals working in an organization. This, in turn, facilitates coordination among various activities and ensures the smooth functioning of the organization. Therefore, organizational structures have a tremendous impact on the success or failure of organizations.

This unit will explain the key elements in designing an organizational structure and the types of organizational design and will discuss the relationship between organizational design and employee behavior.

Definition of Organizational Structure

According to Stephen P. Robbins, "An organizational structure defines how job tasks are formally divided, grouped, and coordinated." Organizational structure, according to Fred Luthans, represents the skeletal framework for organizational behavior.

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Chapter 20:

Matrix Structure - ASEA Brown Boveri Limited

K. Prashanth and Vivek Gupta

Asea Brown Boveri Limited (ABB) was formed on January 5, 1988, as a result of the merger between Sweden-based engineering group, Asea AB, and Switzerland-based Brown Boveri Limited. Both the companies had a history of around 100 years and were major competitors in the electrical equipment market in Europe. Barnevik took over as the CEO of ABB, headquartered at Zurich (Switzerland).

Intending to create a company which is global and local, big and small, and decentralized but with central control, Barnevik CEO of the company from 1988-96 created a matrix structure.

Matrix Structure

The matrix structure consisted of four management levels, with clearly defined responsibilities at each level (Refer Exhibit I). The first or top level of the matrix structure consisted of the Group Executive Management (Refer Exhibit II), whose members included the President & CEO – Barnevik, Deputy CEO and eleven ABB Executive Vice Presidents (EVPs). The primary task of the Group Executive Management (GEM) was to devise global strategies and periodically review the performance of ABB's eight business segments spread over 28 business regions. The members belonged to different nationalities and met once every three weeks to discuss business developments.

A few members of the GEM were assisted by the corporate staff in certain specified fields, which included audit, corporate control, corporate development, corporate finance, information, insurance and risk management, investor relations, legal affairs, management resources, marketing, public finance, purchasing and export control, real estate, corporate research, taxes and customs and technology. The allotment of corporate staff to the EVP'S was based upon the requirements of the business segment headed by them. For example, Lars Thunell, who headed the financial services business segment, was assisted by corporate staff in the fields of corporate finance, insurance and risk management, investor relations, and project finance.

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Chapter 21:

Evolution of Industrial relations and Code on Wages, 2019

A Kranthi Kumar

Learning Objectives

After reading this chapter you will be able to:

- Understand the concept of industrial relations from evolutionary stand point.
- The role of industrial relations post independence
- Know the major actors in industrial relations
- Appreciate the connection between Human Resource Management and Industrial Relations
- Gain new idea about consolidation of prevailing codes under - Code on wages, 2019
- Understand Implications of Code on wages, 2019

Industrial Relations –Evolutionary Premise

Over the series of decades India has witnessed rapid industrialization which as a result has seen massive increase in work force especially in organized sector. This on one hand has contributed to improve countries economy on other hand it also has raised several host of concerns which has led to periodic improvisations and discussions. The Industrial relations had suffered in getting its recognition and were often undermanaged. The response coming from the managerial interference was quite noted as ad hoc without much emphasis on the symptoms and possible subsequent solution as part of long-term and short-term strategies.

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Chapter 22:

Industrial Relations Issues at Honda Motorcycle and Scooter India

Indu Perepu and Debapratim Purkayastha

It was November 5, 2019, and the day started out like any other day for the workers of Honda Motorcycle and Scooter India (HMSI) plant at Manesar in Gurugram district of the north Indian state of Haryana. But as the workers headed toward the plant to report for duty, some of them were stopped at the gates. The management prevented 200 contract workers from entering the plant, and asked them to go on leave for three months. The workers started protesting and, soon, others joined them. A total of 2,000 contract workers went on a tools-down strike.

The Indian automobile market had been facing tough times and both the car and two-wheeler markets had been adversely impacted by sluggish growth in the economy. The two-wheeler market had witnessed a decline for seven continuous months and, in the first nine months of 2019, it fell by 10 per cent. HMSI, the second largest player in the market, saw sales of its scooters fall by 21 per cent and that of motorcycles by 13 per cent. In October 2019, HMSI's sales dropped to 517,808 units from 521,170 units in October 2018.

The slowdown prompted the company to cut down production at its Manesar plant, which manufactured 3,000 vehicles a day. The management announced, *"Based on demand fluctuations and production adjustment, 200 contractual members whose term had been completed are relieved from their work. Necessary recruitment will be considered on the basis of future market requirements."*

By November 7, the permanent workers also joined the demonstration against the management, and 1,800 workers remained inside the plant, holding demonstrations.

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Chapter 23:

Occupational Safety and Health

Raghavendra Sode

After going through this Chapter, Students will be able to

- Describe the Occupational Safety and Health
- Explain the sources of workplace accidents
- Discuss provisions to prevent workplace accidents
- Describe stress, identify the causes and symptoms of stress
- Define burnout and explain causes, impact and strategies to reduce burnout.
- Discuss safety and health programs to promote employee's wellbeing
- Discuss major provisions of Occupational Safety, Health and working conditions Code 2020
- Understand the challenges in implementing safety and health programs.

Introduction

Employees' well-being should be prioritized in the workplace. Organizations should make every effort to provide hazard-free and accident-free working conditions that benefit employees' physical and mental health, but accidents do happen on a regular basis. According to International Labor Organization (ILO) estimates, over 2.3 million workers die as a result of work-related accidents or diseases each year, amounting to over 6000 deaths per day. Every year, approximately 340 million employees are injured or become ill as a result of work-related accidents, and more than 160 million are sickened as a result of work-related illnesses. Other ILO estimates show that hazardous substances kill over 651, 279 people each year, the construction industry has a high rate of accidents, and the young and older workers are particularly

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Chapter 24:

Amazon.com, Inc. and the Human Cost of Fast Shipping

Tangirala Vijay Kumar and Debapratim Purkayastha

"You spend 10 hours on foot, there's no windows in the place, and you're not allowed to talk to people – there's no interactions allowed. I got a sense in no time at all that they work people to death, or until they get too tired to keep working. After two months, I felt I couldn't work there and maintain a healthy state of mind,"[1] said a former worker who worked for just two months at the warehouse of the online retail giant Amazon.com, Inc. (Amazon) in Chesterfield, Virginia. Amazon was well known for offering its customers fast, convenient, and cost-effective shipping options. However, there were an increasing number of reports emerging of the grueling working conditions at the company's fulfillment centers[a]. Reports surfaced that workers were not allowed to sit when working – even pregnant workers were not given a concession – that they were scrutinized even for the toilet breaks that they took, and that the distance to the toilets was so long and the breaks so short that some of the workers urinated in bottles and trashcans. Several workers did not drink water when at work as they were apprehensive that going to the toilet would prevent them from meeting their punishing targets.

There were also reports of the stringent productivity targets that Amazon set for its warehouse workers – a worker who picked products to be shipped to customers was required to pick at least 250 products per hour and a worker who packed the products was given a target of packing at least 200 items per hour. Workers who failed to meet the targets were often fired. Eyebrows were also raised when reports started

[a] An Amazon fulfillment center is a huge warehouse where products ordered by the company's online customers are delivered by producers and wholesalers to be shelved, packaged, and shipped to the Amazon customer. Each of the fulfillment centers generally measures 800,000 square feet at the minimum – equivalent to 11 football pitches put together.

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Chapter 25:

HR Analytics–A Theoretical Perspective

Namrata Chatterjee

After going through the chapter, students will be able to:

- Understand what HR Analytics is
- Identify different types of HR Analytics
- Outline the advantages of HR Analytics

Technological advancements, increasing social networks engagements, and data generated from personal electronic devices produce incredible amounts of data for businesses. Organizations seek to use these data to improve operational efficiency and increase the profitability of their business, better understand their customers, price their products more effectively, and gain a competitive advantage. This paradigm shift in the business environment has also led to the transition of HR roles and responsibilities from conventional to transformational approaches. One of the biggest challenges that HR professionals have been facing is to produce accurate information onpeople-related issues and make fact-based strategic HRM decisions rather than going by mere judgments and intuition. In recent years, a growing belief hasarisen that HR analytics could be the answer to these challenges and could improve the data-driven HRMin a way that could help HR achieve its strategic position.

Concept of HR Analytics

Most of the theoretical contributions in the domain of HR analytics have addressed a number of crucial points and perspectives on how people or HR analytics can be defined. HR analytics has been commonly defined by a number of researchers as a fact-based approach to drive people-related decision-making and actions (Davenport & Harris, 2007; Margherita, 2021). In line with the evolution of business analytics as a core organizational capability, the management of human resources has also gradually increased the adoption of advanced data analysis and visualization models and techniques to enhance strategic decisions,

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Chapter 26:

Experian - Predictive Workforce Analytics for Employee Retention and Human Resource Planning

Munmun Samantarai and Debapratim Purkayastha

"We have a well-established methodology to building analytical insight models in other industries which could equally apply to the HR sector. We were confident that with our expertise and data assets we could create a solution to move the needle on employee retention, create a more fulfilling working culture and save a great deal of money."[1]

– Olly Britnell, Global Head of Workforce Analytics and HR strategy, Experian

"*The Workforce Analytics solution has saved us millions, but most importantly it's become the backbone of how we make the best decisions for our people. We're now better able to anticipate and predict what our employees value and that's helped us to retain talent that keeps Experian innovating. Our own success has been the catalyst to make this solution available to other businesses and I'm confident they'll start to reap the same rewards.*"[2]

– Mark Wells, HR Director, Experian

In 2019, Dublin-based Experian plc, a multinational consumer credit reporting company, launched a new analytical tool known as predictive workforce analytics.[3] According to the company, this analytical method had emerged as a game changing solution to Experian's workforce attrition problem. ThoughExperian was known for its employee oriented policies, it had been struggling with a high attrition rate since 2016. Employee attrition had resulted in the company losing key talent across the organization and also increased recruitment costs. With every 1 percent turnover increase, the company was losing nearly US$3 million in terms of profit.[4] HR specialists at Experian couldn't figure why people were leaving the organization

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Chapter 27:

Technology in Human Resource Management

Namrata Chatterjee and Musarrat Shaheen

After going through this chapter, the student will be able to...

- Understand the technological interfaces in HR
- Identify the Application of technology in HRM

Introduction

To meet the complex demands of competitive markets, organizations are reinventing their HR practices through technological interfaces and web-based applications. But the biggest challenge is making the existing HR processes automated and data-driven and yet meet the organizational objectives.HR tech (Human Resources technology) is a broad term that refers to the software and hardware technology used to automate a variety of essential HR functions. Assuming the complex role of HR, HR tech uses digitization and automation to do it efficiently. Human resource (HR) technological transformation is the process of fundamentally rethinking and rechartering the HR function/department in the organization.Technological transformation in HRM has optimized the HR processes in a wayin which social, mobile, analytics and cloud (SMAC) technologies are leveraged to make HR more efficient, effective, and connected.HR automation doesn't just improve productivity, it also improves teams. Increased productivity and employee engagement are two of the main improvements that have been witnessed company-wide with an HR tech system in place, as it allows organizations to align company goals and create consistent operations across different locations.Digital tools and techniques are employed to resolve the challenge. Digital transformation has the ability to simplify, accelerate, and economize the HR activities in organizations.Big data helps these industries in many ways to take some strategic business decisions.

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Chapter 28:

Wipro- Using Software Robots

Pratyush Banerjee and Debapratim Purkayastha

Wipro (Western India Products) Ltd. is an Indian multinational IT consulting and system integration services company headquartered in Bengaluru, India. Wipro was incorporated as "Western India Vegetable Products Ltd" in 1945 by Mohamed Premji. Initially, it was involved in the manufacture of vegetable and refined oil.[1] In the 1980s, Wipro ventured into IT services under the leadership of the iconic Azim Premji. The IT business wing of Wipro was christened as Wipro Ltd[2]. Wipro demerged its non-IT based business into separate entities — Wipro Consumer Care and Lighting, Wipro Infrastructure and Engineering, and Wipro GE Medical Systems Ltd. Wipro Ltd., the IT service segment, accounted for approximately 90% of the group's revenue[3]. The US$108 billion Indian IT industry had helped create huge employment opportunities for software engineers in India since the mid 1990s. Wipro Ltd. had also been instrumental in generating steady employment for budding engineers in India since the days of its inception. Wipro had consistently ranked as one of the best employers of choice for engineers in India as per the annual "Best Company to Work for" Surveys conducted by *Economic Times* in conjunction with Great Place to Work Institute.[4]

However, since 2012, the rate of hiring new engineers had been on the *decline[4] (Refer to Table I for net addition of employees at TCS, Wipro, and Infosys).* "The model of mass hiring from campuses is dying… We are already seeing many engineering colleges shutting down, and unless there is a change within these colleges, companies will stop going to campuses altogether,"[2] said Swami Manohar, founder of Limberlink

---

1 Company History of Wipro. Money Control. Retrieved 15 March, 2015

2 Company profile for Wipro. Reuters.

3 Wipro to demerge non-IT businesses. *Business Standard*. 1 November 2012. Retrieved 15 March, 2015

4 Wipro Annual Report 2013-14, Available at www.wipro.com

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Chapter 29:

International Human Resource Management

Sireesha Mamidenna

Learning objectives:

After going through the chapter, students will be able to

- Define key terms in International Human Resource Management (IHRM)
- Describe the process of internationalization of businesses
- Explain various HR functionalities in the context of IHRM
- Examine the importance of culture and intercultural issues

Introduction

The field of international human resources management is poised at an interesting point because of the changes seen in work practices and the influence of unforeseen forces such as a pandemic. The globalization that has been happening for the past two decades has led to several studies which tried to capture the complexities involved in the context of international business. The rapid pace of technological changes and the consequent practices such as geographically dispersed teams, offshoring, and increased cross border mergers and acquisitions also had a great impact The context of globalization and the concomitant issues makes global human resources management an important field of study.

The newly evolving work patterns such as employees working from home and working in a virtual mode has thrown up interesting combinations. We find instances these days where employees located in one country are employed with the operations in a second country of a company that is headquartered in yet another country. These porous geographical borders with teams spread across different nations and companies with operations in multiple countries have created a new and interesting workplace dynamic which enriches the field of global human resources management. Multinational companies use international teams as

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Chapter 30:

Trends in Human Resource Management

Indu Perepu

After going through the chapter, students will be able to:

- Understand the use of Big Data in HR
- Outline the concept of 'The Great Resignation'
- Learn about Virtual Teams

Big Data in HR

According to Gartner, "Big Data is high-volume, high-velocity and high-variety information assets that demand cost-effective, innovative forms of information processing for enhanced insight and decision making". Apart from volume, velocity, and variety, other dimensions like veracity, variability, and complexity have been introduced over the years. Veracity refers to the reliability of the data, variability means inconsistency of the data flow, and complexity points to the fact that data is generated from many sources. So for data to be useful, it needs to be captured from different sources, connected, and cleaned. Big data as such does not have much value compared to its volume. When the data is analyzed, it generates value. In combination with analytics, Big Data provides insights and analyses.

The HR field is now particularly known to be a creator of enough data sets to use in analytics. Though HR data might not have enough volume, it has enough variety and value, "to generate valuable insights into the workforce."

In the realm of HR, big data is being used for several functions like tracking the efficiency of recruitment, getting the right candidates, identifying trends and patterns in attrition, finding out training needs, measuring the effectiveness of training programs, retaining top talent, and monitoring attrition rates, to name a few.

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The Evolution of the Multilatinas



Edited by
V. Namratha Prasad



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Editor:
V. Namratha Prasad

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Chapter 1:

Peru's Aje Group: Successfully Competing with the Global Cola Giants?

V. Namratha Prasad

"We learnt out of necessity early on how to make decisions fast and how to build a business without much money."[1]

– Angel Añaños, Chairman of Aje Group, in October 2019.

"AJE Group is a second generation family business and an amazing business story of entrepreneurship in the highly competitive drinks industry. Now a global player, AJE Group is a market leader in Latam and several emerging markets, fighting and winning against global giants such as Pepsi and Coca Cola as well as local players. What the Añaños Family have achieved from the early days of their start-up in their farm in Ayacucho (Peru) in 1988 is an incredible success story."[2]

– Nicolas De Santis, CEO of Corporate Vision[3], in April 2018.

Introduction

In May 2019, Peru-based multinational beverage company AJE Group (Aje) launched 100% natural drinks – with no preservatives or sugar – made with Amazonian fruits, under its brand *BIO*. The fruits

[1] "Aje Group – The Sweet Taste of Success," https://customcontentonline.com, October 21, 2019.

[2] "Big Cola," https://corporatevision.io, April 10, 2018.

[3] Corporate Vision is a consulting company in Peru.

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Chapter 2:

Chile's Concha y Toro: Successfully Selling 'New World' Wine Globally

V. Namratha Prasad and G V Muralidhara

"We are proud of the reputation that Concha y Toro has achieved in our key markets, as well as the fact that our investments on quality have paid off, with many of our brands acting as an example for others."[1]

– Eduardo Guilisasti, CEO of Vina Concha y Toro, in 2012.

"Wine makers in Chile produce a wine with a very different mindset, because they're not selling to the local shop, the neighbors, or the supermarkets around the corner. From the beginning, they have the intention of selling the wine to Asia, for example. In this context, Concha y Toro has excelled."[2]

– Juan Park, Senior Research Manager of Wine Intelligence[3], in 2011.

Introduction

In 2013, for the third year in succession, Chile-based Vina Concha y Toro (Concha) was awarded the first place in 'The World's Most Admired Wines' survey[4] conducted by Drinks International.[5] The

1 "Concha y Toro: A Global Competitor in the Wine Industry," www.conchaytoro.com, 2012.

2 "Battle of the Brands: The Triumph of Chile's Concha y Toro?" http://knowledge.wharton.upenn.edu, November 30, 2011.

3 Wine Intelligence is a London-based consultancy that provides insight, information, wine branding development, and strategic advice to wine businesses.

4 The criteria for judging the wine included the quality of the wine, ability to reflect their region or country of origin, and capability to respond to the needs and tastes of their target audience. The jury included Masters of Wines, advisers, winemakers, wine writers, buyers, educators, and wine industry analysts.

5 Drinks International is a UK-based publication established in 1969. The magazine is dedicated exclusively to the international markets for wine, liquors, and beer. It provides information on the news and recent developments of projects and trends of the global drinks industry, editorial subjects, market reports, columns of analysis, and opinion.

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Chapter 3:

LATAM: A Latin American Airline's Emergence as a Global Player

Syeda Maseeha Qumer and Debapratim Purkayastha

In 2016, the LATAM Airlines Group S.A (LATAM), a leading airline group in Latin America, was named the "Best Airline in South America" in the Skytrax World Airline Awards[a] for the fourth consecutive year ***(See Exhibit I)***. LATAM was created in 2012 through a cross-border merger between LAN Airlines of Chile (LAN) and Brazil's TAM airlines (TAM).The merger created one of the largest airline groups in the world in terms of network connections, providing passenger transport services to about 135 destinations in 24 countries and cargo services to about 144 destinations in 26 countries. The airline served 68 million passengers annually as of May 2016. On receiving the award, José Maluf, Vice President of Fleet, LATAM, said, "*It is a great honour to be recognised once again as the 'Best Airline in South America'. The World Airline Awards are based on the opinions of passengers from across the globe and are an important way of gauging the products and services that our customers value the most. As LATAM Airlines, we aim to emulate the success of both LAN and TAM in recent years, by continuing to simplify and improve the passenger experience through digital innovation and showcasing Latin American culture."*[1]

Post-merger, LAN and TAM continued to operate independently with their original brands and identities. Headquartered in Santiago, LATAM had operations in six Latin American markets – Argentina, Brazil, Chile, Colombia, Ecuador, and Peru – which together accounted for about 90% of the regional traffic in South America as of May 2016. However, LATAM's fortunes took a sharp downturn after the merger due

[a] The Skytrax World Airline Awards recognize excellence in the global airline industry. In 2016, the World Airline Awards evaluated 280 airlines after surveying over 19 million passengers, representing 104 different nationalities.

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Chapter 4:

Chile's Falabella – Succeeding through an Integrated Retail Strategy

V. Namratha Prasad and G V Muralidhara

"Falabella is probably the most successful Chilean business case. It has demonstrated how to transform itself from a traditional chain of department stores to a monster on the Latin American retail scene, understanding and often adapting to the reality of each market."[1]

– **Alejandro Gravier, a Businessman from Argentina, in 2012.**

"Falabella has been able to grow so much because every day it reinvents itself. Today it is very difficult to differentiate department stores, because they all copy each other, and they are all very similar. At Falabella we renovate continuously across all of our markets, to differentiate ourselves."[2]

– A Planning and Development Manager at S.A.C.I. Falabella, in 2009.

Introduction

In January 2016, Chile-based S.A.C.I.[3] Falabella (Falabella) – one of Latin America's leading retailers – announced that it would invest US$ 4 billion in the region during the period 2016-2019 to open 131 new stores and 10 shopping malls *(See Exhibit I for Information about Latin America's Leading Retailers).* In 2016, the company planned to invest US$ 885 million in the markets of Peru, Colombia, Chile, and Argentina.

---

1 Jude Webber, "Chile: Retailers Extend Grip across the Continent," www.ft.com, June 20, 2012.

2 C. Bianchi, "Retail Internationalization of Emerging Markets: Case Study Evidence of a Chilean Retailer," www.anzmac.org, 2009.

3 Sociedad Anónima Comercial Industrial.

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Chapter 5:

Brazil's Magazine Luiza SA: Changing the Face of Retail in Tune with the Times

V. Namratha Prasad

"There are two things common to businesses that work: care and innovation. You need to have a first-rate customer service. And also be attentive to what's new in the market, not to be left behind."[1]

– Luiza Helena Trajano, President of Magazine Luiza SA, in September 2017.

"We are transforming from a traditional retailer with a strong digital area to a digital retailer with physical points of sale with human touch."[2]

– Marcelo José Ferreira e Silva, CEO of Magazine Luiza SA, in July 2015.

Introduction

In January 2018, one of Brazil's leading retailers for household and electrical goods, Magazine Luiza S.A. (Magalu), announced that it would invest R$[3] 250 million over the year on technology, expanding storage space at ports (logistics), and inaugurating new stores. This was a 40% increase in investment when compared to the previous year's R$ 180 million. Federico Trajano (Federico), Chief Executive Officer (CEO) of Magalu, said, "It is a substantially higher value considering the

1 "Luiza Helena Trajano: Know the Story of the Entrepreneur," https://saiadolugar.com.br, September 29, 2017.

2 Mark Brohan, "A Brazilian Consumer Electronics Retailer Gets a Spark from Web Sales," www.digitalcommerce360.com, July 28, 2015.

3 As of October 2018, 1R$ = US$ 0.26.

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Chapter 6:

Fabio Rosa – Bridging the Electricity Divide in Brazil

A. Harish and Vivek Gupta

> *"Fabio Rosa is one such entrepreneur, and while his name may not be as well known as many of today's brightest minds, he is the man who brought light to rural Brazil. This may seem an overstatement, but for the farmers living without the benefit of electricity – up to 70% of the rural population – this is no small thing. In fact, it has made a world of difference."*[1]
>
> - **Niel Peterson, Head of Edge Foundation[2], in June 2009.**

Providing Electricity to Rural Masses

In February 2008, Fabio Rosa (Rosa), a social entrepreneur based in Brazil, was awarded The Leapfrog Fund Award[5] sponsored by The Schwab Foundation for Social Entrepreneurship[6] and the Lemelson Foundation[7]. This was the second time that Rosa was receiving the

---

[1] Niel Peterson, "The Case of Fabio Rosa: How Social Entrepreneurs Take on the World," www.nielpeterson.com, June 27, 2009.

[2] Edge Foundation is a charitable organization that provides personal coaches for children with Attention-Deficit/Hyperactivity Disorder. It was founded in 2006 in the US.

[5] The Leapfrog Fund Award was presented by the Schwab Foundation for Social Entrepreneurship and the Lemelson Foundation. The Leapfrog fund supports the transfer and adaptation of technological innovations developed by social entrepreneurs. Winners were awarded grants worth US$ 75,000 over a 36-month period to facilitate technology transfer.

[6] The Schwab Foundation for Social Entrepreneurship was established in 1998 in Geneva, Switzerland. Its purpose was to advance social entrepreneurship and to foster social entrepreneurs as an important catalyst for societal innovation and progress.

[7] Established in 1993 in the US, the Lemelson Foundation supports projects in the US and developing nations that nurture innovators and unleash inventions to advance economic, social, and environmentally sustainable development.

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Chapter 7:

Eike Batista: Can the Brazilian Tycoon Revive his Crumbling Empire?

Indu Perepu

> "*Eike Batista is a phenomenal example of someone who has a vision and who can execute. He personifies a direction that is making this country grow and develop.*"[1]
>
> **– Arminio Fraga[2], Brazilian Economist, in 2010.**
>
> "*He (Eike Batista) bundled wind and sold it. The euphoria fooled a lot of people.*"[3]
>
> **– Miriam Leitao, an economic historian, in 2013**

How the Mighty have Fallen!

As of March 2012, Eike Batista (Batista), Chairman of the Brazil-based business conglomerate EBX Group (EBX)[4], was one of the richest persons in the world with a fortune of US$ 34.5 billion[5]. The flagship company of EBX was oil and gas company OGX Petroleo e Gas SA (OGX), which accounted for more than half of Batista's wealth. There were five other listed companies in the group dealing with natural resources, commodities, energy, and logistics. Between 2006 and 2010, Batista raised billions of dollars through equity and debt to fund his companies in capital intensive industries.

---

1 Keren Blankfeld, "Big Man in Brazil," Forbes Asia, 2010 Special Issue.

2 Arminio Fraga runs a US$ 5.8 billion fund Gávea Investimentos in Brazil.

3 "Billionaire Batista's Cautionary Tale in Brazil," UPI Business, June 24, 2013.

4 The EBX Group consisted of several companies in the fields of mining, construction, energy, entertainment, and oil & gas among others.

5 Batista featured at the seventh position in the Forbes List of billionaires.

Chapter 8:

Petrobras: Drilling in Troubled Waters?

Surojit Mahato and Indu Perepu

> *"No one and nothing will destroy Petrobras. Petrobras is bigger than all of us. Petrobras is as big as Brazil"*[1].
>
> – **Dilma Rouseff, President, Brazil, March 11, 2014**.
>
> *"The decline of Petrobras has been stunning, swift, and painful. This is an energy company that served as the model for others in developing countries. Now it is example of what not to do"*[2].
>
> – **Fabio Fuzetti, Partner at Antares Capital Management, April 14, 2014**.

Fall from Grace

In October 2013, American credit rating agency Moody's downgraded the long-term debt rating of Brazil-based multinational energy corporation Petróleo Brasileiro S.A. (Petrobras) to Baa1, the third lowest investment grade rating offered by the rating agency[3]. The rating signified that Petrobras would have large negative cash flow over the next few years. Thomas Coleman, Senior Vice President, Moody's, said, "We see Petrobras's leverage to be nearing peak levels in 2013 and 2014, significantly higher than those of its industry peers and only likely to decline in 2015 and beyond. Successful execution on its ambitious capital program and delivery on aggressive production targets will be the key to reducing leverage in the next few years and to stabilizing the rating outlook."[4]

---

1 Kenneth Rapoza, "Nothing will Destroy Petrobras", www.forbes.com, March 11, 2014

2 Brazil's former star Petrobras hit by Scandal and Stagnation, www.irishtimes.com, April 21, 2014.

3 Simeon Romero and Landon Thomas, "Brazil's Star, Petrobras is Hobbled by Scandal and Stagnation", www.nytimes.com, April 16, 2014.

4 "Rating Action: Moody's Downgrades Petrobras Long-Term Debt Ratings to Baa1," www.moodys.com, October 03, 2013.

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Chapter 9:

International Expansion of Grupo Bimbo – Challenges and Opportunities

Nagendra Kumar M V and D Satish

"In globalization, you can't be a spectator. You either participate or you become a victim."

– Daniel Servitje, CEO of Grupo Bimbo[1]

Grupo Bimbo (Bimbo), one of the leading baking companies in the world and a market leader in Mexico, operated in 22 countries across North America (US & Canada), Latin America (Mexico, South and Central America), Europe, and Asia *(Refer to Exhibit-I for Market Position of Bimbo in Different Regions as on December 31, 2015).* The company offered over 10,000 food products under different brand names and had a strong brand portfolio of over 100 brands *(Refer to Exhibit-II for Region-Wise Prominent Brands of Bimbo)*[2]. According to the Brand footprint study conducted by Kantar World Panel[3] in the year 2014, Bimbo was the seventh strongest food brand in the world and number one in Latin America[4] [5].

Bimbo was the first Latin American baking company to expand into the global markets. Bimbo had an expertise in producing, distributing, and delivering baked and confectionery food products. As on December 31, 2015, Bimbo had 163 production units at different locations across the world, and had a direct distribution network covering 52,000 routes around the world, reaching 1,700 sales centers and about 2.6 million points of sale[6]. Despite this presence, Bimbo had

---

1 IESE Insight, The Unstoppable Mexican Wave, www.grupobimbo.com, accessed on April 20, 2016

2 Bimbo celebrates 70 years, the iconic Osito Bimbo is celebrating, www.cnnmexico.com, December 11, 2015

3 A global marketing research and consultancy firm founded in the year 1997, its head quarters were located in Barcelona, Spain.

4 Bimbo® Bread Launches Worldwide Race to Encourage Healthy and Active Lifestyles, www.businesswire.com, Semtemper 1, 2015

5 Achievements in Mexico, www.grupobimbo.com,accessed on March 20, 2016

6 Investor Presentation Quarter 4 Results, 2015, www.grupobimbo.com, accessed on April 20, 2016

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Chapter 10:

Mexico's Softtek: Success through Nearshoring

Syed Abdul Samad and Debapratim Purkayastha

"Offshoring looks at a balance of low cost and low risk. When enterprises try to drive down costs, the risks tend to go up. This is the reason why more percentage of work is going nearshore than offshore"[i]

– **Ian Marriott, Research Vice President, Gartner Research[1], in 2011**

"It's not just about convenience for clients; it's about using that proximity to work much more productively for them… It's true that we are continuously approached by different companies (for acquisition). We're a very attractive target firstly for our nearshore ability, and secondly for our dominance in the Latin American market."[ii]

– **Blanca Treviño, President and CEO of Softtek, in 2010**

Mexican IT nearshore services provider Softtek had been growing at a compound rate of around 30% for many years[iii], but its growth slowed down in 2009 due to the global economic crisis. However, it was back on track and posted a double-digit revenue growth in 2010.[iv] The company's Spanish South America commercial director, Javier Porretti, said, "Due to the conservative year that large corporations had in 2009, this year (2010) turned out to be one of the best in recent memory."[v]

Softtek was a global provider of process-driven IT solutions. It also banked on support and maintenance contracts of its clients' in-house software, as well as solutions provided by manufacturers such as SAP

[1] Gartner, Inc. is an information technology research and advisory firm headquartered in Stamford, Connecticut, US.

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Chapter 11:

Iluméxico: Fighting Energy Poverty in Mexico

Koti Vinod Babu and V. Namratha Prasad

"Our goal is to have no house without electricity in Mexico by 2024."[1]

– Manuel Wiechers Banuet, Co-founder and CEO, Iluméxico, in 2018.

"After spending my whole life without electricity, this is going to be a great improvement. We have always had to wake up very early to grind our corn manually. We will now be able to rest longer and have more time."[2]

– Francisco Florentino Santos, a customer of Iluméxico in 2015.

Introduction

Iluméxico, a Mexico-based B Corp[a] company and a social enterprise whose mission was to catalyze development through solar energy in the most remote communities of Mexico, had joined Business Call to Action[b] (BCtA) in 2018 with a commitment to bring its solar home systems to 50,000 off-grid rural homes with approximately 300,000 people by 2020. This commitment included the creation of 180 new jobs, of which 90 would be designated for women and 70 would be based in rural communities.[3] Manuel Wiechers Banuet (Banuet),

[a] B Corporation certification (also known as B Lab certification or B Corp certification) is a private certification issued to for-profit companies by B Lab, a global non-profit organization.

[b] Business Call to Action (BCtA) was launched at the United Nations in 2008. It aims to accelerate progress toward the sustainable development goals.

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Chapter 12:

Mexico's Vinte – Affordable and Sustainable Housing for BOP Customers

V. Namratha Prasad and G V Muralidhara

"What VINTE does is different. What VINTE does is: I stay with you. I sell you a home. I organize you socially. I sell you the furniture for your home. I sell you the technology for your home. I take care of the maintenance. And then I buy back your home to sell you a bigger one [as your family grows]. Thus our business model is a long-term chain. VINTE innovated on this theme, and surely the sector will move in that direction no."[1]

– Sergio Leal, Chief Executive Officer of VINTE Viviendas Integrales, S.A. de C.V., in 2012.

"In VINTE, we have found a company striving to generate value for Mexican families by building environmentally-friendly housing using best practices."[2]

– Rodrigo Navas, Senior Investment Officer at Inter-American Investment Corporation (IIC)[3], in 2012.

---

1 "Being the Change," www.ifc.org, 2012.

2 "IIC Approves Five-Year Revolving Credit Line of up to MX$50 Million for Vinte Viviendas Integrales S.A.P.I. de C.V. in Mexico," www.iic.org, January 11, 2012.

3 The Inter-American Investment Corporation (IIC), founded in 1984, is a member of the Inter-American Development Bank (IDB) Group. IIC seeks to promote economic development in its 26 regional developing member countries by encouraging private enterprises, with the focus on SMEs. IIC has approved almost 800 direct loans worth US$ 4.8 billion to entities in Latin America and the Caribbean.

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Chapter 13:

Sistema Biobolsa: Addressing Challenges of Climate Change, Sustainable Agriculture and Waste Management in Mexico

Indu Perepu

> *"Sistema Biobolsa is a project with many benefits. Using organic waste that, through the fermentation process, produces biogas, and using this biogas in cooking stoves generates savings for families and helps us all protect the environment. So it is good for health, good for the economy and good to fight against poverty."*[1]
>
> **– Felipe Calderón Hinojosa, Former President of Mexico**
>
> "*The bio-digester is not an end in itself, but rather the means to change rural farmers' energy use and their perception of their own conditions."*[2]
>
> **– Alex Eaton, Co-founder of Sistema Biobolsa**

Small farmers contributed to 70% of the global food production[a]. The challenges they faced were innumerable – ranging from limited access to energy, increased use of chemical fertilizers, low yielding land, decreased farm output, increased input costs, etc. These were the issues that bothered Alex Eaton (Eaton), who worked with companies involved in providing alternative energy to the poor. In this endeavor, he partnered with Camilo Pages (Pages), who was involved in marketing eco-friendly technologies.

[a] Asof 2012 according to www.fao.org

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The IKEA Story

Edited by
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The IKEA Story

Editor:
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Chapter 1:
IKEA's Global Marketing Strategy

Vivek Gupta *and* Komal Chary

"It's the most Everyman store in retail. It crosses income, age, gender, nationality. It is truly a wonder."[1]

– Candace Corlett, Principal, WSL Strategic Retail[a] on IKEA.

"Our IKEA vision is something that we've found is universally understood, from Moscow to the United States and especially in Atlanta. This vision includes IKEA's catchphrase of 'You do a little. We do a little. And together we save a lot'."[2]

– Linda Mee, Store Manager of IKEA Atlanta, US.

Introduction

The Sweden-based Inter IKEA Systems BV (IKEA) was ranked 42 by BusinessWeek magazine in its list of Top 100 global brands[b] for the year 2005. In January 2005, IKEA was placed third in BrandChannel's[c] fourth annual Reader's Choice Awards for the global brand with the most impact in 2004. According to the BrandChannel rankings, IKEA was the #1 brand in Europe and Africa.

[a] Headquartered in New York, WSL Strategic Retail is a consulting company that offers retailers and manufacturers strategic solutions to marketing problems.

[b] Since 2000, BusinessWeek magazine has teamed up with Interbrand, a leading brand consultancy firm to publish a ranking of the 100 Top Global Brands by dollar value. The brands are selected according to two criteria. They have to be global in nature, deriving 20% or more of sales from outside their home country. There also has to be publicly available marketing and financial data on which to base the valuation.

[c] Brandchannel.com was launched on February 05, 2001 by Interbrand. It provides a global perspective on brands. For increasing brand awareness, it offers tools and information including global listings for conferences, courses and careers, as well as links to other valuable industry resources.

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Chapter 2:

IKEA's International Marketing Strategy in China

Benudhar Sahu *and* Debapratim Purkayastha

> *"IKEA entered the Chinese market by learning from their mistakes and continuously adapt themselves to the changing environment. Not many companies have the ability to go through trial and errors because it is very costly when mistakes are made."*[1]
>
> **– Daxue Consulting[a], in 2016**

In August 2017, Angela Zhu (Angela), country retail manager of IKEA China, said the IKEA Group planned to open three new stores in China in the financial year 2018-19, enhancing its distribution networks and e-commerce presence in the mainland. IKEA's store expansion plans followed announcements of its strong financial results in China. For the period September 1, 2016, to August 10, 2017, IKEA China's sales revenue increased by 14% on a year-on-year basis, amounting to ¥[b]13.2 billion (US$1.98 billion).[2] Despite this, IKEA continued to grapple with a number of challenges while doing business in the country. For instance, in October 2017, it was forced to pull a television ad from the airwaves in China and issue an apology after it attracted accusations of insensitivity toward single women. The episode left industry observers wondering whether the company had been able to understand the Chinese culture at all.[3]

IKEA, globally known for its low prices and innovatively designed furniture, was successful in projecting itself as an aspirational Western brand in China. After learning from its initial failure in the country, IKEA adopted some new strategies that helped it build its business in

[a] Daxue Consulting is a market research and management consulting firm focusing on the Chinese market.

[b] US$1 was approximately equal to 6.62 Chinese Yuan Renminbi (¥) in 2017.

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Chapter 3

IKEA: The Japanese Misadventure and Successful Re-entry

Indu Perepu *and* Debapratim Purkayastha

"The Japanese market and consumers were not ready for IKEA, and IKEA was definitely not ready for Japan at the time [in the 1970s and 1980s]… Now we have done the major markets in the world why shouldn't we be in the second-biggest retail market in the world?"[1]

– Tommy Kullberg, CEO, IKEA, Japan, in 2006.

"Multinational companies entering Japan often don't spend enough time to understand the nature of the competition here, which is usually fairly fierce, and the so-called unique needs of Japanese consumers. The key challenge for IKEA will be to translate their very globally successful concept, the type of design they offer and their retail format, into an acceptable Japanese way." [2]

– David Marra, Principal, AT Kearney[a] in Tokyo, in 2006.

"You would think that Japan would be the absolutely perfect market for IKEA. If they can crack the whole service concept ... so that there is less work for Japanese shoppers, then I think they have a better chance to succeed this time."[3]

– Elen Lewis[b], Business Journalist, in 2006.

IKEA Gives Japan another Try

During the second week of April 2008, the monorail commuters on the Kobe Portliner Monorail, Japan were in for a surprise. When the monorail chugged in that morning, instead of the usual grey and steel

[a] A T Kearney Inc. is a US-based management consulting firm.

[b] Elen Lewis is the author of the book *Great IKEA! A Brand for All the People*.

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Chapter 4:

Business Model and Competitive Strategy of IKEA in India

Syed Abdul Samad *and* Debapratim Purkayastha

> *"We are very determined but very patient at the same time. We started this journey six years ago. Things are finally moving and we are satisfied with the progress so far…*
>
> *"I truly believe that the IKEA format is going to work. What is an IKEA store? An IKEA store has more than 9000 different articles for the entire family. We offer an experience for the whole family. Also remember, at IKEA we don't sell products, we sell inspiration."*[1]
>
> **– Juvencio Maeztu, IKEA's Country Manager for India, in 2013**

After a year of lobbying and negotiating with and convincing the Indian politicos and bureaucrats, IKEA's €1.5 billion investment proposal to set up its stores in India was finally accepted by the local government on May 2, 2013. However, as of July 2013, Juvencio Maeztu (Maeztu), IKEA's Country Manager for India, found he still had a colossal task ahead of him.

IKEA, the Netherlands-based Swedish company, was the largest furniture retailer in the world with a presence in 44 countries around the globe – in countries like the US, the UK, Russia, the EU region, Japan, China, Australia, etc. However, it did not enter into the Indian market till 2013, though the company had had a presence in the country since the 1980s as a sourcing destination for its global stores. It had even opened its regional procurement office in Gurgaon, India, in 2007. In 2009, IKEA tried to enter the country to establish its stores, but its attempts were thwarted by India's stringent Foreign Direct Investment (FDI) regulations. It again applied for permission for entry in June 2012, after India had made some changes in its FDI rules.

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Chapter 5:
IKEA's Challenges in Russia

Hadiya Faheem *and* Debapratim Purkayastha

> *"[…] not all companies succumb to corruption. The Swedish furniture retailer IKEA has steadfastly refused to bribe Russian officials."*[1]
>
> **– Alexander Hill, President Emeritus of InterVarsity Christian Fellowship[a] US, in 2017**

> *"Ikea is clearly quite successful in Russia but in the early days when they entered the market they took the expression 'do as the Romans do' too literally... Ikea today is a much different company… The current management have the highest standards and follow the rules but that wasn't the case when they arrived, when they were too focused purely on trying to capture market share."*[2]
>
> **– Alexei Slesar, head of capital markets, Cushman & Wakefield[b], in 2016**

In October 2018, Swedish furniture retailer and designer of home accessories and kitchen appliances the IKEA Group (IKEA) announced its plans to enter into partnerships with Russian companies in a bid to boost its local online business, according to Pontus Erntell, IKEA's Russia country manager. The retailer planned to open 100 pick-up points in a bid to boost its online business in Russia in the financial year September 2018-August 2019. The company announced ambitious plans to expand its stores in the Russian market after it witnessed an increase in sales by 2% in the fiscal year 2017-18, with a 12% increase in visits to its eCommerce site.[3]

[a] Founded in 1941, InterVarsity Christian Fellowship is an evangelical Christian campus ministry that works with students and faculty on US college and university campuses.

[b] Founded in 1917 in Chicago, Cushman & Wakefield is a commercial real estate services company.

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Chapter 6:
IKEA in Russia – Ethical Dilemmas

Namratha V Prasad *and* G V Muralidhara

"IKEA consistently combats corruption. All of our divisions operate completely transparently. The company has adopted a strict code of conduct and its provisions are binding not only for rank-and-file employees and executives, but also for business partners. These regulations are uniform throughout the world and Russia is no exclusion."[1]

– IKEA's Press Release following investigation of bribery cases against former employees of IKEA Russia, in July 2012.

"People in the West know astonishingly little about Russia. Those who call themselves Russia experts usually don't understand the first thing about it. People who say they don't know much about Russia come much closer to understanding it."[2]

– Lennart Dahlgren, Former Russia Country Manager for IKEA, in February 2011.

Introduction

In July 2012, a Turkish national, Okan Yunalan (Yunalan), who acted as an intermediary for Carl Ola Ingvaldsson (Ingvaldsson), former Head of the Leasing Department in IKEA's Russian subsidiary (IKEA MOS), to extract a bribe, was sentenced to five years in a high-security prison. Yunalan was found guilty of large-scale extortion after he demanded 6.5 million ruble (US$ 225,000) from a company that sought to lease two premises at IKEA's Mega shopping complex in Tyoply Stan, a suburb in Moscow. Ingvaldsson and another accomplice managed to leave the country and Russia was seeking their extradition.

IKEA stated that it welcomed the investigation by Russian authorities into the incident and would co-operate fully with them. This was not the first instance of corruption seeping into its Russian

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Chapter 7:

IKEA's Social Media Listening & Monitoring Initiatives

Jayasri Bhimalapuram *and* Debapratim Purkayastha

> *"Social Media has opened up a unique platform for us to interact directly with our customers. Listening to what they want is what we do best, and the Big Sleepover is just one example of how we're using such instant and open feedback to better inform our marketing activity."*[1]
>
> **– Lois Blenkinsop, PR and Internal Communications Manager, IKEA United Kingdom**

In December 2011, IKEA launched *"The Big Sleepover"* happy to bed campaign in the UK. According to IKEA, its team had uncovered a group on Facebook called *"I want to have a sleepover in IKEA"*. The group was started by IKEA fans and identification of the fan group was the seed for the campaign. IKEA wanted its customers to look at the company not only as a furniture retailer but also as a brand that guided customers at every step of the redesigning and furnishing process while creating an ideal haven and helping them go *"happy to bed"*. IKEA developed a fully integrated plan for the *"Big Sleepover"* at the Lakeside IKEA store in the UK for its customers. The campaign was broadcast online, on social media (Facebook, Twitter, Flickr, and YouTube), and across print media and was considered a huge success.

Industry observers felt that by monitoring social media, IKEA had benefited through fact based decision making, sales recovery, waste reduction, and opportunity identification to avoid potential public relation crises. IKEA's stated business concept was *"It is all about finding simple solutions and saving on every method, process, or approach adopted – but not on ideas."*[2] IKEA stated that it had turned to social media to discover who was talking about it, what was being talked about, and which

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Chapter 8:

IKEA: Radical Product Designs for Futuristic Customers

Medha Chintala *and* D Satish

"I want to bring the surprise back to Ikea... We are putting a bigger emphasis on design."

– Marcus Engman, Head of Design, Ikea, February 2015

Introduction

On November 18, 2015, Ikea, the world's largest furniture retailer, opened 'Space10' lab, to bring out sustainable product designs for urban customers. Space10 lab, a state-of-the-art external innovation lab-cum-exhibition venue in Copenhagen, Sweden, was to play a crucial role in designing products for the urban dwellers of the future. The lab was an innovation hub where Ikea's product development, design, and marketing teams worked on a single platform to develop prototypes and exhibit them as well.

With Space10, the product design and development became faster and more transparent, and it was expected to inspire employees to bring out better product designs and discover new talents in Ikea. It remained to be seen whether the strategic efforts taken to overhaul Ikea's designs will reap the anticipated growth in sales.

IKEA's Design Culture

Ikea was founded by Ingvar Kamprad (Kamprad) in 1943 in Sweden. Kamprad began in a humble way by selling a variety of household goods right from furniture to pencils and matches. In early

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Chapter 9:

IKEA: Taking the Customization Route?

Ajith Sankar R N *and* Sanjib Dutta

IKEA, a Swedish company founded in 1943, was known for selling inexpensive, well-designed, self-assembled furniture to the masses. The company was also known for following Scandinavian culture and business practices wherever it expanded. As the company sold furniture of similar sizes and shapes around the globe, it had a maximum two percent variation in the range it stocked in its stores. Brand experts were of the view that following the practice of selling furniture of similar sizes and shapes without customizing them to suit the local needs would prove to be counter-productive for the company.

The company made inroads into markets around the globe. Every new IKEA store opened with a Swedish breakfast and a traditional log sawing ceremony. But IKEA found the US market to be different. IKEA entered the US in 1985 and even after two years of trading, the company found that business was not doing well and marketing programs were not having the desired effect. It was then that the company started thinking about customizing its products for the local market. Customizing its offerings to suit local needs helped the company reap rich dividends.

IKEA sold its beds in centimeter sizes whereas Americans were used to king-size beds and queen-size beds. Americans who were looking for entertainment shelving systems found that the Scandinavian styled bookshelves[a] that IKEA sold were not big enough to hold a television. Customers found that the dining tables that IKEA sold weren't big enough to hold a turkey in the center on Thanksgiving. US customers also found the European style sofas too hard. Initially, IKEA refused to bring about changes in its consumer offerings to suit the American tastes and interests.

[a] In many American homes bookshelves were big enough to hold television.

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Chapter 10:
IKEA'S Ethical Procurement Practices

Geeta Singh *and* Indu Perepu

> *"Sustainability is a fantastic business survival strategy…. Good quality doesn't mean high prices. And today we have choices. We can make beautiful, functional, affordable sustainable products."*
>
> **– Steve Howard, Chief Sustainability Officer, IKEA, 2013.**[1]

Introduction

In February 2014, the Forest Stewardship Council[a] (FSC) withdrew certification to Swedwood Forestry, a subsidiary of Swedish furniture retailer IKEA[b]. FSC alleged that in Russia's Karelia forests, IKEA was harvesting old growth trees in regions that were protected. According to the FSC representative, "IKEA's departure from this part of Karelia, with its high concentration of old natural forest, clearly shows that it is not ecologically, socially, or economically sustainable to harvest old-growth forest, which are a non-renewable resource."[2]

IKEA, the world's largest furniture retailer, specialized in stylish but inexpensive furniture in Scandinavian designs. The majority of IKEA furniture was made from wood, which the company sourced from different countries. IKEA's business had earlier involved the large-scale cutting of trees. There was also a widespread use of chemicals in the manufacture of its furniture.

[a] FSC is an international non-profit organization that promotes responsible management of the world's forests. FSC provided certification for verifying forestry management practices.

[b] IKEA is registered in the Netherlands

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Chapter 11:

IKEA's Cost Efficient Supply Chain

Vivek Gupta *and* A Harish

> *"Assembled furniture is expensive to transport and store because you end up paying for a lot of air. By flat packing unassembled furniture and getting customers to pick their own products in store, Ikea dramatically reduced its transportation and warehousing costs and passed the savings to their customers"*[1]
>
> **– Carter McNabb, Partner, GRA[a], November 2008.**

Introduction

On January 01, 2009, *Modern Material Handling* announced that IKEA Group[b] (IKEA), world's largest furniture retailer[c], had won the Modern's Productivity Achievement Award[d] for the Warehousing/ Distribution segment for the year 2008-09.

Founded in 1943, in Sweden, IKEA focused on offering a wide range of good quality, stylish, well-designed, and functional furniture at a low cost so that more people could afford it. IKEA kept cost reduction

[a] GRA is an Australia based supply chain consulting company founded in 1997.

[b] Inter IKEA Systems BV located in the Netherlands is the owner and franchisor of IKEA concept. The IKEA concept focuses on the company's commitment to product design, customer values and solutions. According to the company, "IKEA concept: At the IKEA store you pick up what you want, take it home and put it together yourself. You do a little work so you don't have to pay someone else to do it for you. And we design our products so they can be made at a low price and then constantly work to push this price even lower."

[c] Based on the revenues.

[d] *Modern Material Handling* (MMH) honors companies with Modern's Productivity Achievement Awards every year for making outstanding strides in material handling and related information systems. For the year 2008-09, awards were presented for Manufacturing, Warehousing/ Distribution, and Modern Thinker segments.

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Chapter 12:
IKEA and Environmental Ethics

Geeta Singh *and* Debapratim Purkayastha

> *"IKEA's promotion of a sound ethical environment shines within its industry and shows a clear understanding that operating under the highest standards for business behavior goes beyond goodwill…"*[1]
>
> **– Alex Brigham, Executive Director, Ethisphere Institute[a], 2010.**

In 2013, the Tempe outlet of IKEA won the Sustainability Leadership Award for its energy and water efficiency.[2] The building featured a huge one-megaliter tank – installed for the purpose of irrigation, cooling, and toilet flushing – along with other energy efficient procedures such as sensor lighting, skylights, CFL and LED lights, and solar hot water. Analysts felt that the global furniture retail chain had made a lot of progress on the environmental sustainability front. As of February 2014, IKEA had renewable energy sources equivalent to any energy company. It owned 157 wind turbines and 550,000 installed solar panels, which could generate energy of 345megawatts and 90 megawatts respectively.[3]

The iconic IKEA, founded by Ingvar Kamprad in 1943, had grown to become the world's largest furniture retailer. The Sweden-based company's business concept in all its markets was to offer furniture of simple designs at affordable prices. Though the company designed its own furniture and other items, it manufactured only a minimal portion; most of the supplies were made through a global network of contract manufacturers. IKEA did not have its own manufacturing facilities. Instead, it used subcontracted manufacturers in different parts of the

[a] The research-based Ethisphere Institute based in New York is concerned with the creation, advancement, and sharing of best practices in business ethics, corporate social responsibility, anti-corruption, and sustainability.

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Chapter 13:

IKEA's Social and Environmental Responsibility Initiatives

Komal Chary *and* Vivek Gupta

> *"IKEA is a leader in setting high environmental standards for its product. That means employing strict manufacturing methods and supply processes so that materials, technologies and transportation have the least damaging effects on the environment."*[1]
>
> **- Rene Hausler, Partner, IKEA-San Diego Franchisee.**
>
> *"We consider IKEA to be setting an excellent example for other corporations to follow. IKEA is prepared to go further than just saying 'no' to a supplier who exploits children. The company is showing a genuine interest in bringing about improvement for children by assuming a responsibility for child labour issues."*[2]
>
> **- Ingvar Hjartso, UNICEF Representative.**

A Socially Responsible Company

In April 2005, Sweden based Inter IKEA Systems BV (IKEA), the global furniture retail giant, received the Outstanding Sustainable Style Achievement (OSSA)[a] Award for eliminating the usage of Polybrominated Diphenyl Ether (PBDE)[b], a toxic fire suppressor used in manufacturing

[a] The Outstanding Sustainable Style Achievement (OSSA) Awards recognizes the outstanding social and environmental efforts across diverse style and design industries. The OSSA is awarded by the Sustainable Style Foundation (SSF), an international, non-profit organization that provides information, resources and innovative programs that promote sustainable living and sustainable design.

[b] Brominated fire retardants (BFRs) are widely used in a number of consumer products to prevent fire-related injury and property damage. Polybrominated diphenyl ethers (PBDEs), a type of BFR, are persistent in the environment and are capable of accumulating in the tissues of animals, fish and human beings. They also cause neurological damage and learning disabilities in children and can cause cancer in adults.

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Chapter 14:

Better Cotton Initiative at IKEA: Bringing Sustainability into the Textile Supply Chain

Barnali Chakroborty *and* Debapratim Purkayastha

"Some people suggested IKEA should abandon cotton altogether and some said we should move our sourcing to 'safe' countries like the US. But IKEA is big enough to change things, so instead we decided to work with WWF and do something about the problem,"[1]

– Guido Verijke, Chairman of the IKEA Better Cotton Project, in 2013.

"Many big companies give money to a cause and that's it. IKEA sets a good example by being directly involved in the field and learning about every step in the supply chain. Few companies bother to do that, but IKEA was willing to dig deep into the complex details of cotton production, which helped them to bring sustainability into their textile supply chain."[2]

– Hammad Naqi Khan, WWF's Global Cotton Leader, Market Transformation Initiative, in 2013.

Sweden-based furniture retail giant IKEA Systems BV (IKEA), had a long history of addressing environmental and social issues at the root level. Over the years, the company developed some internal procedures to enable this, including the Natural Step (TNS) Framework (the basic structure for its environmental policy), the IKEA Sustainability Product Scorecard (to evaluate the sustainability impact of its products), and IWAY (a code of conduct to deal with social responsibility among suppliers).

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Chapter 15:

IKEA's Talent Management and Corporate Culture

Hadiya Faheem *and* Debapratim Purkayastha

> *"When recruiting for IKEA, it is attractive to recognize that the applicant has read up about the company and managed to describe the connection i.e., what are the values they have as a person which makes them the perfect fit for working with the organization."*[1]
>
> **– Anna-Carin Månsson, Country HR Manager for India, in 2018**
>
> *"Maintaining a strong IKEA culture is one of the most crucial factors behind the continued success of the IKEA Concept."*[2]
>
> **– Ingvar Kamprad, founder of IKEA, in 2004**

In February 2019, Swedish furniture retailer IKEA Group (IKEA) launched an interesting recruitment campaign for the job interview process. The campaign showed potential candidates entering a room for giving the interview only to be confronted with a board inside the room that read that they had to assemble the chair kept in the room before proceeding for the interview process! The campaign comprising a short video recognized the fact that interviews should be the right mix of credentials, attitude, and character. According to IKEA, a candidate's enthusiasm to get the job done was a fit for the company's culture. Commenting on the campaign, Vinod Jayan, Managing Director, IKEA UAE, Oman, and Egypt, said, *"At IKEA, we are known for holding a strong set of brand values that don't just apply to the workplace, but also to the everyday. We see and do things differently at IKEA, and it is important to us that we find a fitting match to our family by putting our values to the test in a fun and creative way. This video embodies the essence of IKEA and we hope it sparks curiosity and interest for potential candidates, while also giving them a flavour of who we are as a brand."*[3]

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The Retail Supply Chain



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The Retail Supply Chain

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Chapter 1:

Supply Chain Practices of Reliance Dairy

Debajani Sahoo, Sudeepta Pradhan and Syeda Maseeha Qumer

In 2009, Reliance Dairy Foods Ltd (Reliance Dairy), a subsidiary of Reliance Retail[a], forayed into the Indian branded dairy market, offering products such as packaged milk, curd, sweeteners, and skimmed milk powder. Reliance Dairy operated a pan-India dairy procurement, processing, and distribution platform under the Dairy Life and Dairy Pure brands. Its backend operations were strong as it procured milk at the grass-root level from farmers in remote villages. It offered higher margins to retailers and 10% extra milk to customers.[1] With its strong supply chain and branding strategy, the company tried to capture the market. However, sustaining itself in the dairy business was difficult as the market was highly competitive and flooded with several brands such as Amul[b], Mother Dairy[c], and Nestlé.[d] In April 2017, Reliance Diary was acquired by Hyderabad-based dairy company Heritage Foods Limited[e] (Heritage). Heritage planned to achieve breakeven in Reliance's dairy

[a] Reliance Retail Ltd., founded in 2006, is a subsidiary company of Reliance Industries. It is the largest retailer in India in terms of revenue i.e. INR 216.1 billion in 2016.

[b] Amul is an Indian dairy cooperative based in Anand in the state of Gujarat, India. It was formed in 1946 and is managed by the Gujarat Cooperative Milk Marketing Federation Ltd. (GCMMF).

[c] Mother Dairy Fruit & Vegetable Pvt. Ltd. is an Indian company formed in 1974. It manufactures, markets, and sells milk, milk products, and other edible products. Its milk products include cultured products, ice cream, paneer, and ghee under the brand name Mother Dairy.

[d] Nestlé S.A. is a Swiss transnational food and drink company headquartered in Vevey, Vaud, Switzerland.

[e] Heritage Foods Limited, formerly Heritage Foods (India) Ltd., is a fast-moving consumer goods (FMCG) company based in Hyderabad. The company's segments are Dairy, Retail, Agri, Bakery and Renewable Energy. The annual turnover of Heritage Foods crossed Rs.26.42 billion in the financial year 2016-17. Heritage's milk and milk products have a market presence in Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Maharashtra, Odisha, NCR Delhi, Haryana, Rajasthan, Madhya Pradesh, Punjab, Uttar Pradesh, Gujarat and Uttarakhand.

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Chapter 2:

Supply Chain Management at GCMMF

Indu Perepu and Vivek Gupta

"Amul is a supply chain which has taken the form of a cooperative association. It has developed the technology and methods to store surplus stocks of milk and dairy products in the form of powdered milk and to reconstitute and distribute products made from the powdered milk during seasons of the year when dairy farm yields fall below demand levels."[a]

- Ron Kopicki, Lead Private Sector Development Specialist, World Bank, in 1999.

"Amul, the showcase for the cooperative sector in developing countries, encompasses the poor farmer with two buffaloes and world-class processing facilities and distribution system with a national and increasingly global reach."[b]

- CK Prahalad[c], in The Fortune at the Bottom of the Pyramid.

Introduction

For Jayashree Parmar (Parmar), a 35-year-old homemaker from Samarkha in Kheda District in the state of Gujarat, Western India, the day began at 5.00 am. Every morning, she collected milk from the cows her family owned and delivered it to the village cooperative society (VCS). Even at such an early hour, the society would be abuzz with activity; several people would be waiting in a queue carrying containers

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[a] "Government Support of Efficient Supply Chains," at Regional Technical Workshop on Transport and Trade Facilitation in Bangkok, in collaboration with the UN Economic and Social Commission for Asia and the Pacific, April 19-21, 1999.

[b] "The Fortune at the Bottom of the Pyramid," Wharton School Publishing, 2004.

[c] Harvey C. Fruehauf Professor of Corporate Strategy and International Business, The University of Michigan Business School.

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Chapter 3:

Supply Chain Practices of Three European Apparel Companies: Zara, H&M and Benetton

Indu Perepu and Sachin Govind

I. Zara

Zara, the flagship brand of the Spain-based Inditex Group, operated through 1,058 stores located in 69 countries across the world as of March 2008. Zara pioneered the concept of customized retailing and was able to conceptualize the garment, develop, and deliver it to the stores within two to three weeks. The key to Zara's success was its vertically integrated supply chain where design, production, distribution, and retailing were integrated.

Zara was founded by Amancio Ortega Gaona (Ortega), in A Coruña, Spain and the first store was opened in 1975. Between 1976 and 1984, Zara extended its presence to major Spanish cities. The first store outside Spain was opened in 1988 in Portugal. From then on, Zara expanded rapidly in international markets.

Design

Zara's design process began with spotting the trends across the world. The details of the trends in vogue were then passed on to the design and production center at Zara's headquarters in Spain.

Zara had a dedicated design team in Arteixo, A Coruña, in northern Spain. Ideas for new designs or for modifications to be made in existing designs mainly came from Zara's stores. The store managers and sales staff updated the head office every day about the moving stock and provided inputs regarding the new lines, colors, styles, and fabrics that customers were demanding. Another source of inspiration for the new designs was the team of designers who traveled across the world looking

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Chapter 4:

Tesco's Supply Chain Management Practices

Indu Perepu and Vivek Gupta

"Customer focus and commitment to value has propelled Tesco into a leadership position developing a dynamic 'virtuous circle' comprising scale, efficiency and innovation within the supply chain."[1]

- **Stuart Ross, Director, Supply Chain & Distribution, Tesco, 2005.**

"Tesco, the UK-based grocer, is an example of a success story. They have learned how to go beyond Wal-Mart. They came to Dan Jones ten years ago and asked, "How would Toyota run a grocery business?" And they've been working hard to become the Toyota of the grocery business ever since."[2]

- **James Womack, Co-Author, The Machine that Changed the World, and Lean Thinking, 2005.**

Introduction

In December 2005, AMR Research (AMR)[3] announced the 'Second Annual Supply Chain Top 25' - a list of leading companies that had employed demand driven supply chain practices and technologies successfully. UK based retailing giant Tesco was ranked 9th in the list, preceded by Dell, P&G, IBM, Nokia, Toyota Motors, Johnson & Johnson, Samsung Electronics and Wal-Mart.

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1 "Competitive Logistics – Collaboration the Manufacturers' Response," Cranfield Management Development Centre, November 03, 2005.

2 Quinn, Francis J, "The Lion of Lean: An Interview with James Womack", Supply Chain Management Review July 1, 2005

3 Boston (USA)-based AMR Research provides research and advice to enhance business process performance and cost savings, using the latest technology. It provides research and advice on several important business initiatives including supply chain transformation, new product introduction, customer profitability, compliance and governance.

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Chapter 5:

IKEA's Cost Efficient Supply Chain

A. Harish and Vivek Gupta

"Assembled furniture is expensive to transport and store because you end up paying for a lot of air. By flat packing unassembled furniture and getting customers to pick their own products in store, Ikea dramatically reduced its transportation and warehousing costs and passed the savings to their customers"[1]

- **Carter McNabb, Partner, GRA[2], November 2008**.

Introduction

On January 01, 2009, *Modern Material Handling* announced that IKEA Group[3] (IKEA), world's largest furniture retailer[4], had won the Modern's Productivity Achievement Award[5] for the Warehousing/Distribution segment for the year 2008-09.

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1 Jasmine Smith, "Achieving Supply Chain Efficiency," *Inside Retailing,* November 17, 2008.

2 GRA is an Australia based supply chain consulting company founded in 1997.

3 Inter IKEA Systems BV located in the Netherlands is the owner and franchisor of IKEA concept. The IKEA concept focuses on the company's commitment to product design, customer values and solutions. According to the company, "IKEA concept: At the IKEA store you pick up what you want, take it home and put it together yourself. You do a little work so you don't have to pay someone else to do it for you. And we design our products so they can be made at a low price and then constantly work to push this price even lower."

4 Based on the revenues.

5 *Modern Material Handling* (MMH) honors companies with Modern's Productivity Achievement Awards every year for making outstanding strides in material handling and related information systems. For the year 2008-09, awards were presented for Manufacturing, Warehousing/ Distribution, and Modern Thinker segments.

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Chapter 6:

Best Buy's Supply Chain Management Practices – A Customer-Centric Approach to Business

A. Harish and Vivek Gupta

"We believe this new operating model offers our customers a richer in-store experience, including better shopping assistance as well as more of the products and services they want. Over time, we believe that our customer-centricity work will help us attract new customer segments to our stores, which leverages our existing assets. In addition, it gives us an engine for continuing to innovate and respond to changing customer needs."[a]

- **Brad Anderson, CEO, Best Buy, in April 2005.**

"Don't look at the supply chain from a cost perspective. Look at the size of missed opportunities. When a customer opportunity is missed, you can't get it back."[b]

- **Robert A. Willett, CEO, Best Buy International, in January 2006.**

Introduction

For the fiscal year 2008-09, the US-based consumer electronics retailer Best Buy Company Inc. (Best Buy) reported a net profit of US$ 1 billion on revenues of US$ 45.01 billion. However, its closest competitor

[a] Laura Heller, "Customer Centric Model Future Focus at Best Buy," DSN Retailing Today, April 25, 2005.

[b] Ken Cotrill, "Best Buy's Supply Chain Transformation," http://hbswk.hbs.edu, January 23, 2006.

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Chapter 7:

Cross-docking Helps JCPenney Reduce Materials Handling and Make Logistics More Efficient

Debapratim Purkayastha

"I hear a lot of people talk about mitigating supply chain risk but we rarely get a chance to give readers a clear-cut example of a company that's actually done it […] JCPenney has combined old-school strategy, proper site selection, and a state-of-the art, energy-efficient sortation system to achieve what many have only discussed in board rooms."[1]

- **Bob Trebilcock, Executive Editor, *Modern Materials Handling*[a], in 2009.**

Introduction

In July 2007, JCPenney Corporation, Inc. (JCP), a leading retail chain in the US, opened its sixth cross-dock facility in Lathrop, California. Experts felt that a peek into the Lathrop facility provided a very good glimpse of how JCP had developed cross-docking operations using sophisticated software and controls. And how cross-docking had helped the retail chain reduce materials handling and made logistics efficient. The Lathrop facility was a state-of-the-art facility that was efficient, required less maintenance and energy. It was one example of the importance JCP attached to improved inventory flow and cycle time reduction (Refer to Box I for objectives of better merchandise flow at JCP). According to Bob Trebilcock, Executive Editor, *Modern Materials*

[a] *Modern Materials Handling* is a print B2B magazine published by Reed Business Information. The magazine focuses on topics related to the materials handling side of the supply chain.

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Chapter 8:

Amazon.com: Developing Same-Day Delivery Capabilities

Syed Abdul Samad and Debapratim Purkayastha

"It's hard to overstate how thoroughly this [Amazon's] move will shake up the retail industry … Amazon is investing billions to make next-day delivery standard, and same-day delivery an option for lots of customers. If it can pull that off, the company will permanently alter how we shop. To put it more bluntly: Physical retailers will be hosed."[1]

– Farhad Manjoo, Slate[a], in July 2012

In August 2012, Amazon.com, the world's biggest[2] online retailer, announced that it would introduce same-day delivery of its orders as a service option to its customers and make next-day delivery standard service. This move came in response to the regulatory changes in some states of the US that required consumers to pay sales tax, which in turn would strip it off its price advantage. In order to stay ahead of the competition, Amazon decided to cut its shipping time.

In 2005, the company had introduced free two-day shipping and discounted one-day shipping rates in the US on eligible purchases for a flat annual fee under a service known as 'Amazon Prime'. The same services were introduced in Japan, the UK, and Germany in 2007, in France in 2008, and in Canada in 2013. Apart from 'Amazon Prime' services, in 2009, the company had introduced same-day delivery in 10 big cities which were close to Amazon warehouses and only on certain items ordered in the morning (before 7 A.M). In 2012, it decided to roll out the same-day model for all.

However, analysts were skeptical about the success of this extended model due to the logistic hurdles that the company would have in the process, the large scale of operations needed, the extra costs involved for the company, and face reluctance to usage by consumers. Some argued that if successful, this model would become a nightmare

[a] *Slate* is a US-based English language online current affairs and culture magazine created in 1996.

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Chapter 9:

Supply Chain Transformation at Starbucks (A)

K B S Kumar and Indu Perepu

US-based coffee company and coffeehouse chain Starbucks Corporation (Starbucks) was founded in 1971 and grew to become one of the top coffee chains in the world. It became synonymous with good coffee and great customer service, and emerged as 'the third place' – a place apart from work and home, where people would like to spend their time. Each Starbucks store offered hot and cold drinks and several varieties of snacks. Starbucks was known for more than 30 blends of premium coffee and hand crafted coffee beverages.

A similar experience was delivered in each of its 28039 stores[1] spread across 76 countries around the world. Behind each cup of coffee served at Starbucks was a global supply chain that sourced coffee from 300,000 growers from 19 countries, milk from a different country, sugar from yet another, and cups and other accessories from different places. This massive size and scale called for a highly agile supply chain that fulfilled thousands of orders every week, bringing together products that were procured from different corners of the world to offer customers the famous 'Starbucks Experience[2].'

But the rapid growth resulted in a proliferation of stores and in the 'Starbucks Experience' getting diluted. This coupled with the recession led to a downturn in the company's fortunes. Concerned over the company's poor showing, Howard Schultz (Schultz), Executive Chairman of Starbucks who quit as the company's CEO in 2000,

---

1 Number of stores as of January 2018

2 The Starbucks experience is about people, place, and product. People refers to the baristas who connect with the customers; place refers to the stores, the design, and aroma pervading the area there; and product refers to the beverages, food, and merchandise.

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Chapter 10:

Supply Chain Transformation at Starbucks (B)

K B S Kumar and Indu Perepu

Former CEO and Chairman of US-based coffee company and coffeehouse chain Starbucks Corporation (Starbucks), Charles Schultz (Schultz) returned to the company amidst its dwindling fortunes in 2008. The sales were falling but the supply chain costs were increasing. Between 2007 and 2008, while the same store sales fell by 10%, the supply chain costs increased from US$ 750 million to US$ 825 million.

Starbucks then went in for an overhaul of the existing supply chain, eliminating several complex procedures and replacing them with simple cost-effective processes and structures to streamline the supply chain. This exercise had a huge impact on the value chain of the company, right from procurement of the coffee beans to the point at which a cup of the brew was delivered to the customer. Over the next decade, supply chain management became one of the most important functions, making Starbucks a company with the most admired and efficient supply chain in the world.

Schultz, "You cannot scale a company of any kind without the skills and base of a supply chain."[i] "Supply chain has to be at the forefront of every enterprise in the world, especially ones that are consumer-facing."[ii]

The Transformation

In 2008, Schultz asked Gibbons to transform the supply chain of Starbucks. Gibbons had joined Starbucks in 2007 from ICI Americas Inc., where he had been executive vice president of the supply chain.

Once Gibbons took up the position, his first task was to assess whether the existing supply chain was serving the stores efficiently and

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Chapter 11:

Supply Chain Restructuring at Sainsbury's Supermarkets Limited

Indu Perepu and Vivek Gupta

"Customers couldn't find what they wanted on our shelves. The goods were in the storerooms but they weren't getting onto the shelves, which resulted in a loss of retailing strength."[a]

- **Nigel Hough, Sainsbury's Supply Chain Communications Manager, in 2007.**

Introduction

In November 2009, Sainsbury's Supermarkets Limited (Sainsbury's), the UK-based leading supermarket chain, reported that its sales for the 28 weeks ending October 03, 2009, had grown by 3.7% as compared to the corresponding period of the previous year. The sales grew from £ 10756 million to £ 11158 million. This was the fifth consecutive year that Sainsbury's was reporting like-for-like sales growth during the first half of the fiscal year (Refer to Exhibit I for Sainsbury's income statement for the first half of 2009-10).

Sainsbury's, founded in 1869, was the leading retailer in the UK till the early 1990s. However, in 1995, Tesco Plc. (Tesco)[b] overtook it with a market share of 13.4%. Sainsbury's with a 12.2% market share was pushed to the second position. By the year 2000, Sainsbury's market share had dropped to 11.5%, while Tesco's share had grown to

[a] "Large-Scale Logistics," *Logistics Magazine*, No.1, 2007.

[b] Tesco is the largest retailer in terms of sales and market share in the UK. As of 2009, it was the third largest in the world. It was founded in 1919 by Jack Cohen in London as small grocery stall. It housed a wide range of products. For the financial year ending February 23, 2009, Tesco reported revenues of £ 59.4 billion and an operating income of £ 3.128 billion.

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Chapter 12:

Unilever Restructures its Supply Chain Management Practices

A. Neela Radhika and A. Mukund

"It is not about supply management delivering on its goals. It is about Unilever businesses delivering on our overall goals and what we can do to help do that. Meeting the €1.75 billion savings target puts a spotlight on the capabilities of the supply management organization."

- Gregory F. Polcer, Vice President, Global Souring Management, Unilever, in September 2002.[1]

Short-Term Gains – Long-Term Perspective

In December 2001, Unilever, one of the world's leading consumer goods companies, was declared a winner in the Aberdeen Group's[a] 'Best Practices in E-Procurement' contest. Unilever won this contest for successfully implementing the Ariba Buyer eProcurement solution from Ariba Inc (Ariba).[b] Implemented at Unilever since mid-2000, this solution was used to streamline the company's procurement activities throughout its worldwide facilities. Unilever also set up a Global Ariba Center of Competence (GACE) to promote best practices in procurement throughout the company. The company established the European Ariba Academy as well to provide multiple site implementation (of Ariba solutions) and virtual training in Britain.

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[a] The Aberdeen Group is a US-based leading information technology (IT) market analysis and positioning services firm. It holds the 'Best Practices in E-Procurement Contest' to recognize those companies in North America, Europe, Middle East and Africa that achieve outstanding results from e-Procurement projects.

[b] Ariba Inc. is a leading global Enterprise Spend Management (ESM) solutions provider. Its Spend Management solutions offered a single point of visibility and control, which allowed companies to engage, manage and leverage the total spend lifecycle (analysis, sourcing and procurement across the company), while enabling systematic measurement, tracking and reporting of best practices.

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Chapter 13:

Carrefour: Managing the Global Supply Chain

Shirisha Regani and Sanjib Dutta

"To embrace the challenge of building a worldwide company, not only geographically international, but truly global in vision, leveraging each country's experience as we optimize our resources and technology."[1]

- Carrefour's Global Vision, Annual Report 1997.

"Carrefour is the world's most successful international retailer. Wal-Mart has no track record outside North America."[2]

- Jaime Vasquez, an industry analyst at Salomon Smith Barney (SSB) in London.

Introduction

In the late 1990s, France based Carrefour Group (Carrefour), the second largest retailer in the world (Refer Exhibit I for the company's financial performance) embarked upon a $170 million project to standardize its business systems and processes across the world. Among other activities, the project involved the institution of shared service centers (SSCs) in each country in which the company operated, so that various activities such as purchasing and management of suppliers could be conducted at a single location. Analysts said that by establishment of SSCs, Carrefour would be able to significantly improve the efficiency of its supply chain.

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1 As quoted in the article, "Global Shared Services Case Study – Carrefour," by Tony Masella, posted on www.cfoproject.com, dated October 1, 2002.

2 As quoted in the article "Who's Afraid of Wal-Mart?" by Richard Tomlinson, *Fortune*, June 26, 2000.

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Chapter 14:

Target's Exit from Canada: A Supply Chain Debacle

Koti Vinod Babu and Debapratim Purkayastha

> *"We delivered an experience that didn't meet our guests' expectations, or our own. Unfortunately, the negative guest sentiment became too much to overcome."*[1]
>
> **– Brian Cornell, Target's CEO in 2015**
>
> *"We had challenges with our supply chain and distribution, issues with in-stocks and out of stocks, issues with pricing and competitive pricing, which led to issues with pricing perceptions."*[2]
>
> – **Molly Snyder, spokeswoman for Target, in 2015**

US-based retail giant Target Corporation (Target) announced in mid-January 2015 that it was going to terminate its operations in Canada by closing down all its 133 stores in the country. The move would cost 17,500 jobs locally. Analysts attributed Target's decision to quit Canada to poor supply chain management and a faulty pricing strategy. Target's Canadian venture had incurred operating losses of more than US$2 billion since it entered the country in 2013.[3]

Target's CEO Brian Cornell (Cornell) opined that the decision to quit Canada was taken after the company realized that its operations in the country would not become profitable until at least 2021. He also felt that the exit from Canada would stop Target's continued losses and help the company focus on its strategic initiatives in the US ***(Refer to Exhibit I)***. Cornell said, *"The Target Canada team has worked tirelessly to improve the fundamentals, fix operations and build a deeper relationship with our guests. We hoped that these efforts in Canada would lead to a successful holiday season, but we did not see the required step-change in our holiday performance."*[4]

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Chapter 15:

Alibaba's 'New Retail': Integrating Online, Offline, Logistics, and Data across a Single Value Chain

Syeda Tahera Sadia and Debapratim Purkayastha

> *"Commerce as we know it is changing in front of our eyes. 'E-commerce' is rapidly evolving into 'New Retail.' The boundary between offline and online commerce disappears as we focus on fulfilling the personalized needs of each customer."*[1]
>
> **– Jack Ma Yun, Co-Founder and Executive Chairman of Alibaba Group, in 2018**

> *"With New Retail, our goal is to allow businesses to succeed in the digital era. This means helping traditional retailers to restructure and enhance the way they operate, which can touch everything from customer experience, to inventory management, and retail spaces."*[2]
>
> **– John O'Loghlen, Director of Business Development, Australia and New Zealand, for Alibaba Group**

In 2016, Alibaba Group Holding Limited (Alibaba) founder Jack Ma Yun (Jack Ma) unveiled the group's 'New Retail' concept to take the retail experience to a whole new level. Ever since, the company had been pouring billions into implementing this strategy as it believed that the future of retail would not be a question of just online vs. offline. Daniel Zhang (Zhang), CEO of Alibaba, explained how the company adopted its New Retail strategy to integrate online and offline *retail*, expand into digital content, and support its globalization push, as it sought to expand its retail empire both within and outside China.

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Women in Leadership

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Sitamma Mikkilineni

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Chapter 1:

Indra Nooyi: A Transcultural Leader

Amrit Chaudhari *and* Debapratim Purkayastha

> *"If all you want is to screw this company down tight and get double-digit earnings growth and nothing else, then I'm the wrong person...companies today are bigger than many economies. We are little republics. We are engines of efficiency. If companies don't do [responsible] things, who is going to? Why not start making change now?"*[1]
>
> **– Indra Nooyi, Chairman and CEO, PepsiCo, Inc.**

> *"If you look at the job entirely from the American perspective, then it becomes impossible to run a global business...you have to relate your interests to the interests of other parts of the world — to be relevant in their societies. Indra seems to understand this instinctively."*[2]
>
> **– Henry Kissinger, Former Secretary of State, United States of America**

Indra Krishnamurthy Nooyi (Nooyi), chairman and CEO of PepsiCo, Inc. (PEP), considered one of the most highly influential CEOs in the world, was for five consecutive years from 2006 at the very top of the list of the 50 most powerful women prepared by the *Fortune*[a] magazine.[3] PEP – one of the 500 biggest companies in the world -- manufactured, distributed, and marketed a range of food and beverage items, with revenues in excess of US$57 bn from 200 countries, for the fiscal year ended December 25, 2010.[4] Nooyi rose through the ranks after joining PEP in 1994 as its chief strategic officer.[5] She went on to shatter the glass ceiling when she was appointed its CEO in 2006. During her tenure, the firm took a serious look at the health issues involved with its products and redefined its links with business and society.[6] She was regarded as the creator of PEP's growth strategy,

[a] *Fortune* is a global business magazine published by Time Inc.

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Chapter 2:

Changing the Culture at Yahoo!: Marissa Mayer's Challenge

Adapa Srinivasa Rao *and* Debapratim Purkayastha

> *"The human element is central to bringing Yahoo back to its one-time spot as a top consumer Internet company. My goals are simple: To execute faster, hire top talent, and make Yahoo the absolute best place to work."*[1]
>
> **– Marissa Ann Mayer, CEO of Yahoo!, Inc. in October 2012.**
>
> *"Overall, we think that Marissa Mayer's efforts to change the culture at Yahoo! can provide long term benefit to the company. As a CEO she, by herself, can only do so much. To ensure long term innovation, and relevance, the company must foster a culture of innovation, something that Mayer seems to be striving for."*[2]
>
> **– Trefis[a], in September 2012.**
>
> *"[W]e are a little more optimistic in terms of what they could potentially do, but by no means is this an overnight fix. This is something that likely will be a few years in the making."*[3]
>
> **– Ron Josey, analyst, Think Equity LLC[b] (ThinkEquity), in September 2012.**

In an email sent to the employees of Yahoo! Inc. (Yahoo) on August 25, 2012, Marissa Ann Mayer (Marissa), the new CEO of Yahoo, unveiled a new program called Process, Bureaucracy, and Jams (PB&J). The new initiative, one of the many planned by Marissa since she had

[a] Trefis, headquartered in Boston, Massachusetts, USA, is a stock analysis firm.

[b] ThinkEquity LLC, headquartered in San Francisco, California, USA, is a leading investment banking firm.

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Chapter 3:

Building a Business from Nature: Kari W. Block's Entrepreneurial Journey♦

G V Muralidhara

> *"Something that fuels my entrepreneurial passion is the positive light and effect I can have on other women who also have a dream to use their gifts to help humanity in some way through a business."*[1]
>
> **– Kari Warberg Block, Founder CEO, Earth-Kind Inc., in February 2012.**

Introduction

In 2012, Kari Warberg Block (Kari), founder and CEO of Earth-Kind Inc. (Earth-Kind), a USA-based company, was among the eleven women entrepreneurs selected to the Ernst & Young[a] Entrepreneurial Winning Women Program.[2],[b] Commenting on her recognition, Kari said, *"I am very honored to be among the Winning Women Class of 2012. Through the Ernst & Young global community I look forward to utilizing the tools, resources, and elite networks to build even greater value for our customers, employees, partners, and State!"*[3]

♦ Winner of the award for Best Case in Entrepreneurship track in The Case Centre Anniversary Conference 2014.

[a] Ernst & Young is one of world's leading professional services organizations. It helps companies to identify and capitalize on business opportunities.

[b] As an award winner, Kari received an all-expense paid trip to Palm Spring for the Ernst & Young Strategic Growth Forum to attend workshops about financing and growth opportunities and engage in public policy discussion. It also gave her coverage through national press.

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Chapter 4:

Breaking the Glass Ceiling: One Roof at a Time – Kalpana Saroj♦

Subhra Priyadarshini Behera, Abhishek Katira, Anurag Mehta,
Elamuhil Pari and G V Muralidhara

"Out of the huts of history's shame,
Up from a past that's rooted in pain
Into a daybreak that's wondrously clear
Bringing the gifts that my ancestors gave,
I am the dream and the hope of the slave.
I rise
I rise
I rise."

– Mary Angelou.

"We are all in the gutter, but some of us are looking at the stars."

– Oscar Wilde

Introduction

Kalpana Saroj (Kalpana) was awarded the Rajiv Gandhi Award for Women Entrepreneurs by the Government of India in 2006 in recognition of her outstanding achievement as an entrepreneur. Her life as an entrepreneur symbolizes the true face of the indomitable spirit of women in the face of adversity. Her story reflects a life that dealt with countless problems with courage and refused to give up. From humble beginnings in a large family of eight, Kalpana went on to become a legend in society. Justifiably, she has been referred to as the original

♦ Finalist in the 2014 Baylor-USASBE Student Case Writing Competition.

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Chapter 5:

Falguni Nayar – Redefining the Online Beauty Space in India

Syeda Ikrama *and* Syeda Maseeha Qumer

Introduction

In April 2020, at a time when venture capital investments were expected to slow down due to the COVID-19 pandemic,[a] Nykaa E-Retail Pvt. Ltd (Nykaa), one of the largest online beauty retailers in India, raised Rs.[b] 1 billion (US$13 million) in fresh funding from its primary existing investor Steadview Capital.[1] The investment reportedly valued the beauty retailer at about US$1.2 billion, catapulting it into the Unicorn[c] club.[2] According to Falguni Nayar (Nayar), Founder & CEO of Nykaa, *"We are grateful to achieve this significant milestone. We deeply value the trust and support of our investors, customers and brand partners who have been instrumental to our success. In the midst of this unprecedented global crisis we are working to ensure all our stakeholders are well served and that Nykaa emerges as a leading retail player in the industry."*[3]

Nayar, an investment banker turned entrepreneur, founded Nykaa, a multi-brand online beauty retail platform in 2012 in India. Nykaa stood out from other e-commerce players because of its inventory model wherein products were procured from brands and distributors and then sold directly to the customers. With 1500+, brands and six

[a] The COVID-19 pandemic was a global pandemic of corona virus disease. The outbreak was first identified in Wuhan, China, in December 2019. As of June 2020, more than 11 million cases and 500,000 deaths had been reported in 188 countries across the world.

[b] As of July 2020, one rupee was approximately equal to 0.013USD.

[c] In a venture capital industry, startups are termed as Unicorns when their valuation reaches US$1 billion.

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Chapter 6:

Saumya Vardhan: Riding High on the $ 30 billion Blue Ocean

K B S Kumar *and* Indu Perepu

> *"There's no question that religion sells in India – it's a market that's estimated to be worth over $30 billion. So, what happens when you add a tech touch? That market value only inflates."*[1]
>
> **– Saumya Vardhan, Founder, www.shubhpuja.com**

Introduction

It was the death of her friend's father in India and the struggle his wife underwent to arrange the funeral that triggered Saumya Vardhan's (Vardhan) decision to give up her well-paid job at a renowned consulting major and start the online religious services portal ShubhPuja.com (Shubhpuja) in 2013. Vardhan, an alumnus of prestigious schools like Lancaster University[a] and Imperial College[b], had had the entrepreneurial spirit in her right from the beginning. Her major inspiration for turning toward entrepreneurship was her father Harsh Vardhan, who had founded and run an airline consulting firm, Starair.

In India, where religion is all-pervasive and one of the most powerful driving factors behind the economy, politics, cultures, and lifestyle, Vardhan realized that there was huge scope for offering a wide array of services in the religious segment. The falling awareness about religious rituals and practices among Gen Y[c] and Gen Z[d] convinced Vardhan even more strongly to introduce religious services online.

[a] A public research university in Lancaster, Lancashire, United Kingdom

[b] Public research university located in London, United Kingdom.

[c] The generation of people born during the 1980s and early 1990s.

[d] Generation Z is the demographic cohort following the Gen Y. There are no precise dates for when this cohort starts or ends.

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Chapter 7:

Chetna Sinha's Mahila Sahakari Bank: Transforming the Lives of Rural Women through Financial Inclusion

Sukanya Das *and* D Satish

> *"We have observed that when women control household finances, more money is spent on children, education, health care, and other important domestic requirements."*
>
> **– Chetna Vijay Sinha, Founder of Mann Deshi Mahila Sahakari Bank, 2013[1]**

Chetna Vijay Sinha (Sinha), founder of the Mann Deshi Mahila Sahakari Bank (MDMSB), received the prestigious India Social Entrepreneur of the Year award for 2013. The award, given by the Schwab Foundation for Social Entrepreneurship[a] in association with the Jubilant Bhartia Foundation[b], was presented to Sinha by the then Finance Minister of India, P. Chidambaram, at New Delhi. In his speech, Chidambaram pointed out that MDMSB was India's first all-woman bank and lauded Sinha's efforts toward financial inclusion.

Sinha had also received the first Godfrey Phillips Bravery Amodini Award on September 11, 2009.[2] This prestigious award recognized her for her special contribution to the upliftment of women, particularly in

[a] The Schwab Foundation for Social Entrepreneurship is a not-for-profit, independent, and neutral organization, founded in 1998 with the purpose of advancing social entrepreneurship and fostering social entrepreneurs as an important catalyst for societal innovation and progress. The Foundation is under the legal supervision of the Swiss Federal Government and is headquartered in Cologny-Geneva, Switzerland.

[b] Jubilant Bhartia Foundation is a not-for-profit organization established in 2007 by the Jubilant Bhartia Group.

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Chapter 8:

Inclusive Leadership: The Mary Barra Way

Barnali Chakroborty *and* Debapratim Purkayastha

> *"Mary is very quick and very smart and has a certain equanimity about her. She can bring fundamental change without having to thump the table."*[1]
>
> **– Neville Isdell, Former Director of General Motors, in May 2015.**
>
> *"The fact that Mary is a woman is great. But she earned this job on the merits of her performance and her potential."*[2]
>
> **– Daniel Akerson, Former Chairman and CEO of General Motors, in June 2014.**
>
> *"I kind of hate when we talk about culture. What is culture? It's how people behave. So if we want to change this elusive culture, it's changing behaviors. And that becomes actionable very quickly. It's everyone's behaviors. It's mine–I have to change my behaviors."*[3]
>
> **– Mary Barra, CEO of General Motors, in September 2014.**

In 2015, Mary Barra (Barra), CEO of American multinational corporation General Motors, headquartered in Detroit, Michigan, was placed ninth in *Fortune*'s list of The World's 50 Greatest Leaders.[4] Barra's career at GM spanned more than three decades (33 years). During her stint at GM, she had risen through a series of manufacturing, engineering, and senior staff positions.

Barra had spent her entire career at GM and had overcome every new challenge presented to her. Her experience in a variety of engineering and administrative positions, her management record, her understanding of GM's operations, and her interpersonal skills were repeatedly mentioned as her key strengths, and she was also credited with having *"brought order to chaos"* in the global product development

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Chapter 9:

Building a Sustainable Company: The Story of Eileen Fisher

Munmun Samantarai *and* Indu Perepu

"Being acknowledged for our work over three decades is a testament to our passionate commitment to social and environmental responsibility. This recognition allows us to take a bold step in sharing who we are and what we believe in, and to make greater impact in the world as a fashion industry leader. Being a triple bottom line business means putting a stake in the ground around our purpose and practices – and truly turning business into a movement."[1]

– Eileen Fisher, Founder and Chairwoman, Eileen Fisher Inc., in 2016.

"To create a truly responsible supply chain, we need to scrutinize everything we do, from the field to the factory to the landfill,…We need to take a hard look at what's often swept under the rug-toxins, carbon emissions, and low worker pay, to name a few. It won't be easy. We'll need the help of our customers, our manufacturing partners, and likeminded brands. And we'll do it with two simple words: no excuses."

– Candice Reffe, CoCreative Officer, Eileen Fisher Inc., in 2015[2]

Introduction

In February 2016, US-based Eileen Fisher Inc. (EF), a women's fashion company, made an official announcement on receiving its B Corporation (B Corp) Certification[a] from B Lab *(Refer to Exhibit I for*

[a] B Corporation certification is a private certification issued to for-profit companies by B Lab, a global non-profit organization with offices in the United States, Europe, South America, Canada, Australia, and New Zealand.

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Chapter 10:

Jacinda Ardern – Leading New Zealand through the Covid-19 Pandemic

Jitesh Nair

"If there's anything that people need right now, is they just need to see human beings doing their best as leaders. And that means that from time to time you'll stumble, and you should be honest about that; it means that people will see your failings and we should be honest about that too. People need authenticity, not, I think, some manufactured idea of what political leadership is meant to be."[1]

– Jacinda Ardern, Prime Minister of New Zealand, in May 2020

"We will do all we can to ensure we fight the economic impacts of the virus in the same way we did the health threat with unity, with fast support, by looking after each other."[2]

– Jacinda Ardern, Prime Minister of New Zealand, in April 2020

"People feel that Ardern "doesn't preach at them; she's standing with them, There's a high level of trust and confidence in her because of that empathy."[3]

– Helen Clark, Former Prime Minister of New Zealand, in April 2020

Introduction

On June 08, 2020, the Government of New Zealand lifted all COVID-19 restrictions and declared the nation virus-free, two weeks ahead of the planned date of June 22. The decision to remove all restrictions was taken after no new cases were reported for 17 days. Jacinda Ardern (Ardern), Prime Minister of New Zealand, announced, "*While the job is not done, there is no denying this is a milestone. So can I finish with a very simple, 'Thank you, New Zealand'.*"[4]

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Chapter 11:

Taiwan's President Tsai Ing-wen: Leading the Fight against COVID-19

Syeda Ikrama *and* Syeda Maseeha Qumer

> *"Under Tsai Ing-wen's leadership, Taiwan has earned global praise for its handling of the crisis and become a model to emulate. Decisiveness shows confidence and strength. And leaders who are able to make good decisions in the face of uncertainty are a great comfort to those who follow them."*[1]
>
> **– Sian Beilock, a cognitive scientist and Forbes Contributor, in August 2020.**

Introduction

As of August 5, 2020, Taiwan, with its population of 24 million, had reported just 479 COVID-19 infections and 7 deaths, thanks to the country's quick and highly effective response to the coronavirus pandemic, which earned it the world's admiration. This was despite an early study that projected that Taiwan was among the countries facing the highest risks of importing cases from China. Taiwan's first female President Tsai Ing-wen (Tsai), through her swift and decisive action, halted the spread of the virus in the country without resorting to the kind of major lockdown seen in most other countries. Experts praised Tsai's administration for its early, speedy, efficient, and expert-led response to the pandemic, despite its being excluded from the World Health Organization (WHO)[a]. *"Taiwan is close to China and could have*

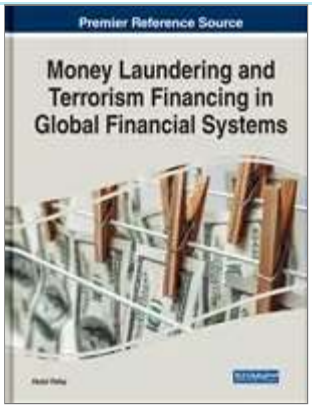
[a] Founded in 1948, the World Health Organization (WHO) is the United Nations' specialized agency for Health responsible for providing leadership on global health matters, shaping the health research agenda, setting norms and standards, providing technical support to countries, and monitoring and assessing health trends.

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Effect of Terrorism Financing on Selected Global Indices: The Case of 2015 Paris Attacks

Laila Memdani (ICFAI Business School, Hyderabad, India), Tasiu Tijjani Kademi (Rabiu Musa Kwankwaso College of Advance and Remedial Studies, Nigeria) and Abdul Rafay (University of Management and Technology, Pakistan)

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Abstract

Investment is a part and parcel of life. There are various avenues to invest and one of those is the stock market. But the decision of the investor depends on various factors and one of these factors is terrorism. The chapter focuses on the long and short-run association (LSA) and the influence of terrorism on major global stock indices and gold. The Paris attacks of 2015 are taken as a base, and the ARDL model is used to study the long and short-run impact on the selected stock indices. An attempt is also made to study the

impact of terrorism on the stock returns using the Miller and Modigliani model. The study reveals a short-run impact of terrorism on the five selected global indices, but there is no long-run impact.

Chapter Preview

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Literature Review

Researchers discussed a lot how the world financial markets are effected by the waves of terrorism. The most important terrorist attack of Nine Eleven was widely discussed in the literature by Nikkinen *et al*. (2008), Jackson (2008), Charles and Darné (2006) and Chen and Siems (2004). All are of the view that these attacks negatively affected the global stock markets.

Barry and Nedelescu (2006) highlighted the international awareness of the danger of terrorism on financial markets. The study argued that a sound, diversified and liquid markets counter the effects of terrorist attacks within short time frame. Thus, matured stock exchanges absorbed terrorist attacks more efficiently. Similarly, for the period 1990-2003, Eldor and Melnik (2004) discussed the impact of 639 attacks in Israel. The study found a significant adverse impact of suicide attacks on capital markets. However, swift government intervention and nature of the market helps in efficient market operation.

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Chapter 8
Effect of Terrorism Financing on Selected Global Indices: The Case of 2015 Paris Attacks

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ABSTRACT

Investment is a part and parcel of life. There are various avenues to invest and one of those is the stock market. But the decision of the investor depends on various factors and one of these factors is terrorism. The chapter focuses on the long and short-run association (LSA) and the influence of terrorism on major global stock indices and gold. The Paris attacks of 2015 are taken as a base, and the ARDL model is used to study the long and short-run impact on the selected stock indices. An attempt is also made to study the impact of terrorism on the stock returns using the Miller and Modigliani model. The study reveals a short-run impact of terrorism on the five selected global indices, but there is no long-run impact.

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INTRODUCTION

Terrorism has a lengthy history and in recent years, extremely disastrous terrorist attacks were observed in the west and world at large. Apart from direct loss of human life and property, the act has a number of indirect effects on society and economy in general. Thus, it is expected to have an adverse impact on investor confidence, leading to wide ranging impact on financial markets (Nikkinen & Vähämaa, 2010).

There has been an attack in New York, Madrid, London, Boston, Paris, Brussels, Nice and Berlin cities in the years 2001, 2004, 2005, 2013, 2015, 2016, 2016 and 2016 respectively all are western nations. Does all these attacks induce abnormal stock markets prices and at what time? (Bonekamp and Van Veen, 2017). In the year 2015 in Paris in particular on 13 November, there has been a series of three synchronous attacks which claim the lives of 137 people with 368 injured and the government placed a state of emergency carrying a series of raids. IS was said to be responsible for the radicalization of the undertakers of the attacks. The media believed that the attacks will have greater economic repercussions in the time to come (Bonekamp & Van Veen, 2017).

With increasing globalization, countries of the world are integrated allowing investors both individual and institutional to trade freely across nations as an occurrence in one country may have an impact in other countries of the world (Memdani & Shenoy, 2019). Stock markets reflect investors' expectations and worries about the future. Unwanted incidences (like terrorists' attacks) have an effect on the economy and have serious effects on capital markets (Memdani & Shenoy, 2019). When information is available about a terrorist attack, investors often flee the market in search of safer heaven which leads to panic selling with its consequences (Chen and Siems, 2004). Thus, the panic leads to chaos that will have a long or short term bearish trend. The markets in other countries where these investors go in the expectation of safer investment may tend to become a bull market.

Most of the researchers focused on the volatility of the benchmark with respect to terrorism economic impact, aftermath of international indices after the major terror attacks, impact of terrorist attack on US stock markets. Others discussed and observed the duration, magnitude and investors' risk diversification as a result of some of the worst terrorist attacks on Global Stock indices like S&P, DAX, IBEX, NIKKEI, FTSE, CAC and BEL (Chen and Siems. 2004; Schepers, 2016; Bonekamp & Van Veen, 2017; Chesney, 2017; Chaudhry *et al.*, 2018). Moreover, some argued that a non-parametric approach is the most appropriate method for analyzing the impact of terrorism on financial markets (Chesney, Reshetar, & Karaman, 2011; Chaudhry *et al.*, 2018). However, some researchers like Hammoudeh and Li (2008) and Inclan and Tiao, (1994) studied market volatility using Cumulative Sum of Squares (ICSS), ARCH and GARCH models.

About
Professor ABDUL RAFAY, FCA

Mr. Abdul Rafay is a practitioner cum academician. For more than 25 years, Mr. Rafay has been working as a freelance advisor, consultant & trainer to a wide variety of public & private sector national and multinational companies in the areas of Corporate Finance, Financial Policy & Implementation, Auditing & Assurance, Accountancy, Corporate Tax Management, Financial Technology and System Consultancy. He has been providing consultancy to various industries including Textile, Auto Assembling, Footwear, Industrial/Agro Chemicals, Ice Cream/Dairies, Glass/Ceramics, Healthcare, Mining/Natural Resources, Packaging/Paper Sacking, Steel/Pipe Casting, Rice Processing, Brokerage/Co-operative Financing, Software Development, Real Estate, Printing/Publishing, and Construction/Civil Engineering etc.

Mr. Rafay is a Fellow member of the Institute of Chartered Accountants of Pakistan. He is also member of various national and international professional bodies. Since 2001, he has been a life time member of Lahore Tax Bar Association. He has served as Co-regional Director (Founding) of Lahore-Islamabad Chapter of Professional Risk Managers International Association (PRMIA), Washington, USA (2011-2013). In 2012, he was nominated as Member: Education & Training Committee (ETCOM) of The Institute of Chartered Accountants of Pakistan (ICAP). He is also a member of ICAP's "Islamic Finance working group" which is closely in liaison with State Bank of Pakistan and other stakeholders for Islamic Finance Accounting and Auditing Standards. He is Alumnus of Rausing Executive Development Center (REDC), Lahore University of Management Sciences (LUMS), Pakistan.

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Since 1994, Mr. Rafay has also been associated with teaching in some of the top business schools of Pakistan. His specialized subjects of interest include: Strategic Corporate Finance, Financial Derivatives, Investments/Portfolio Analysis, International Financial Reporting Standards, Corporate Restructuring (Mergers & Acquisitions), Financial Statement Analysis & Corporate Taxation. He also served as an instructor in Civil Services Academy, Pakistan to train the CSS Officers selected by Federal Public Service Commission of Pakistan (FPSC). Currently he is a Professor of Finance & Accounting in University of Management & Technology, Pakistan.

He has published more than two dozen research papers in SSCI, ESCI and Scopus indexed journals published by reputed global publishers including Emerald, Sage, Taylor & Francis and IGI Global. He contributed multiple chapters in Books edited by International Editors. Since 2019, he edited multiple international books on FinTech, Islamic Finance and financial Crimes published by IGI Global, USA.

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ABOUT THE EDITOR

Partha Pratim Sengupta is Professor of Economics and the Ex-Head, Department of Humanities and Social Sciences, the founder Head of Department of Management Studies, National Institute of Technology Durgapur, India. He has a teaching experience of nearly 38 years at UG and PG level and research experience of 22 years. He obtained the degree of Ph.D. in Economics from Jadavpur University, India. Till now 23 students have been awarded Doctorate degree under the supervision of Professor Sengupta. He has published more than one hundred research papers in reputed national and international level peer reviewed journals indexed in SSCI/SCI/Scopus etc. He has been invited to present papers at several conferences, seminars and workshops in India and abroad. Over and above he has contributed chapters to edited volumes and received several national and international academic awards. His areas of research interest include international economics, business economics, development economics, and entrepreneurship management.

ABOUT THE BOOK

The book attempts to highlight a fundamental question that is there any space for more growth on the globalizing world which can take into account the budget constraints of ecosystems and the scarce resources of the planet? Economists and social scientists tend to be very complacent about issues of sustainability due to having a problem throughout human history. So far socio-economic, political and technological changes always try to solve these problems. The book titled Contemporary Issues on Globalization and Sustainable Development aims to publish some comprehensive and informative chapters in the areas of development studies, theoretical and empirical economics, finance and other related topics to assist in advancing the available knowledge and providing for further research development in these dynamic fields. The basic objectives can be outlined below from which authors can choose the topics as framed in the emerging topics.

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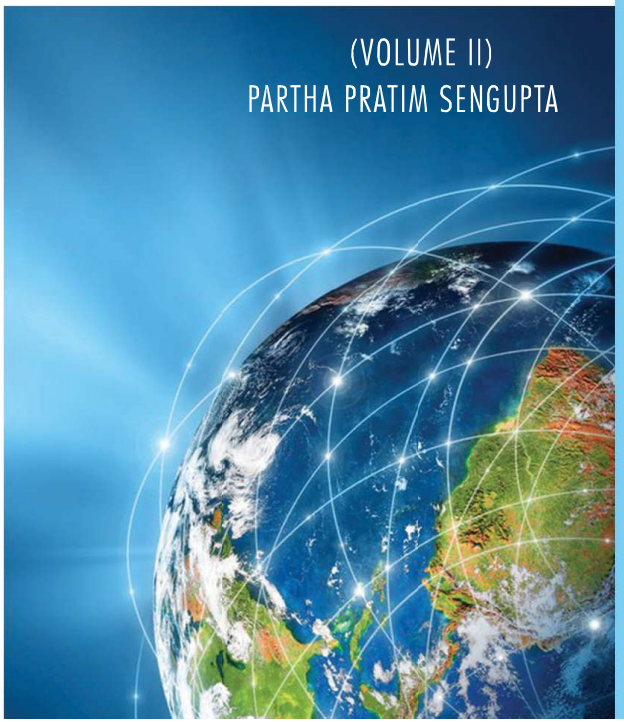
CONTEMPORARY ISSUES ON GLOBALIZATION AND SUSTAINABLE DEVELOPMENT

PARTHA PRATIM SENGUPTA

CONTEMPORARY ISSUES ON GLOBALIZATION AND SUSTAINABLE DEVELOPMENT

(VOLUME II)

PARTHA PRATIM SENGUPTA



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(Volume II)

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(Volume II)

Editor

Partha Pratim Sengupta

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FORWARD

The second volume of *Contemporary Issues on Globalization and Sustainable Development* consists of seventeen chapters highlighting a few emerging issues on globalization and sustainable development during the present context. Authors from various institutes utilize sound research methods including advanced statistical and econometric tools to conduct and present their works. The chapters are watchfully selected to symbolize the above mentioned issues from various aspects as follows. Chapter 1 analytically discussed the issues and opportunities in India-China merchandise trade and highlights some important observations. Thereafter, Indian evidences on earning management as a major deterrent for sustainable corporate growth and governance are presented by Chapter 2. The empirical explorations on the inter-linkages among output, export and CO_2 emission in manufacturing sector in case of BRICS countries are evidenced in Chapter 3. Subsequently, Chapter 4 attempts to examine the impact of food processing industry on rural economy in Assam of North-East India by employing a social accounting matrix approach and documents some interesting findings. Issues, causes and remedial measures of Farmers' Suicides in India are methodologically presented by Chapter 5. Using a two-sector general equilibrium model, the concepts of frictional and non-frictional unemployment are nicely documented by Chapter 6. Empirical illustrations of Chapter 7 highlight several facts on the gender and work burden in rural Arunachal Pradesh by employing a time use survey in selected districts. Again an empirical exploration of the growth-unemployment nexus in case of USA is presented by Chapter 8. Thereafter, in regard to the contemporary issue of sustainable development, the inflation-unemployment nexus in USA is examined by Chapter 9. Chapter 10 empirically explores the inter-linkages between formal and informal labour

process in Indian banking sector. A wide discussion on poverty and inequality in India through the consumption expenditure approach is presented by Chapter 11. Thereafter, the motivation of employees for sustainable development is visualized through "Mat-Per-Inv-Ent-Mor" scale in Chapter 12. Chapter 13 highlights and discusses the role of some selected predictors on the patterns of fertility curve. The changing pattern of India's trade with developing countries during post- reform period is analytically discussed by Chapter 14. Subsequent to that, concepts, definitions and forms of trends in economic globalization are hypothetically reviewed by Chapter 15. Chapter 16 analyses the issues on women empowerment and economic development through micro, small and medium enterprise in India. Finally, the Indian evidence on women empowerment and its challenges are documented in Chapter 17. So, it might be concluded that the volume offers an inclusive collections of articles covering an extensive theoretical and empirical issues in globalization and sustainable development, and it could be an important reference guide for teachers, researchers and policy makers. This book would also be helpful to students enrolled in economics, development studies, management, and other social sciences.

HASAN DINCER

Istanbul Medipol University, Istanbul-Turkey

Hasan Dincer is Professor of finance at Istanbul Medipol University, Faculty of Economics and Administrative Sciences, Istanbul-Turkey. Dr. Dincer has BAs in Financial Markets and Investment Management from Marmara University and also PhD in Finance and Banking. He has work experience in the finance industry as a portfolio specialist and his major academic studies focusing on financial instruments, performance evaluation, and economics. He is the executive editor of the International Journal of Finance and Banking Studies (IJFBS) and the founder member of the Society for the Study of Business and Finance (SSBF). He has about 200 scientific articles and some of them are indexed in SSCI, SCI-Expanded and Scopus. In addition to them, he is also editor of many different books published by Springer and IGI Global.

PREFACE

Globalization means the process whereby geographical distance becomes a less and less important factor in the establishment and development of cross-border economic, political and socio-cultural relations. Networks of relationships and dependencies acquire a growing potential to become international and world-wide. Initially globalization has been seen as a widening, deepening and accelerating of the interconnection on a worldwide scale of all aspects of contemporary social life, from culture to criminality, from finance to the spiritual sphere. Beyond the confirmation of a real or perceived intensification of global interconnectedness, there is a dispute about how globalization would be best conceptualized, or how its structural consequences should be characterized, if they exist.

Sustainable development is a dynamic concept, with many dimensions and interpretations, seen as a process of permanent change, very connected to the local context, needs and local priorities. Currently there are various definitions and interpretations of the concept of "sustainable development". In general the sustainable development can be defined as "development that meets the needs of the present without compromising the ability of future generations to satisfy their own needs". Sustainable development is conceived as a new development path that sustains human progress for the entire planet for a long future. Within this approach the focus is on the interaction of compatibility as well as the simultaneity of progress of four basic systems: economic, social, ecological and technical. Originally sustainable development referred only to the economic aspect, but later on, more and more factors began to be taken into account. In 2000 the Millennium Declaration was adopted to set the Millennium Development Goals. At that time the governments of developing nations have pledged to turn the right to development

for everyone into reality and to work together to improve social and economic conditions globally, mainly the disadvantaged countries.

In this context the proposed book will try to answer a fundamental question that is there any space for more growth on the globalizing world which can take into account the budget constraints of ecosystems and the scarce resources of the planet? Economists and social scientists tend to be very complacent about issues of sustainability due to having a problem throughout human history. So far socio-economic, political and technological changes always try to solve these problems. The book titled Contemporary Issues on Globalization and Sustainable Development aims to publish some comprehensive and informative chapters in the areas of development studies, theoretical and empirical economics, finance and other related topics to assist in advancing the available knowledge and providing for further research development in these dynamic fields. The basic objectives can be outlined below from which authors can choose the topics as framed in the emerging topics.

Trust like the initial volume, Volume II will help the researchers, scholars and policy makers to make them aware of the current waves of the thoughts of the distinguished academicians throughout the world.

Partha Pratim Sengupta

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Welcome From the Chairs

Welcome, Hoşgeldiniz, Willkommen, Bienvenue, Добро пожаловать, لهسو ًلاها, 歡迎光臨, Bienvenido, Καλώς Ορίσατε, Benvenuto, ようこそ, 환영합니다, ยนิ ดีตอ้ นรับ, אבהרוב to the 4th Global Conference on Education and Research (GLOCER 2021) virtually hosted by the University of South Florida, Florida, USA. *The Association of North America Higher Education International (ANAHEI)* is very honored and excited to host the 4th GLOCER Conference.

GLOCER 2021 received 360+ abstracts/papers for the conference from 650+ authors. One hundred seventy-six of these abstracts/papers are accepted to be presented at GLOCER 2021. GLOCER is truly an interdisciplinary and global conference as we will host presenters from 36 countries and from different fields of studies. We would like to thank each author for submitting their research papers to GLOCER 2021.

As GLOCER 2021 was a peer-reviewed, double-blind review conference, we would like to thank our Research Chair, Dr. Alia Hadid, and each and every reviewer who ensured that the paper review process was high quality and smooth. We would like to thank Bradenton Area Visitors and Convention Bureau for being the presenting sponsor for GLOCER 2021 and all GLOCER conferences in the past. We also would like to thank the University of South Florida M3 Center for virtually hosting GLOCER 2021. Without their support, this conference would have not been possible. Also, we would like to extend our gratitude to our panelists and moderators: Sir Dr. Adam Carmer (Moderator), Dr. Chong Guan, Dr. Anjala S. Krishen, Dr. Alexis Nicole Mootoo, Dr. Shawn Murray, Dr. Rinat Rosenberg-Kima, Mr. Daniel Schiff, Dr. Robert K. Toutkoushian, Dr. Janelle Wells, and Dr. Deanne Williams-Bryant (Moderator). We also thank conference coordinators: Zahra Alrushdy, Anudari Munkhtuya, Luana Nanu, Abraham Terrah, and Dr. Gozde Turktarhan. We also thank all other volunteers.

Congratulations to all of the presenters at this conference and a warm Welcome!

Yours in Hospitality,

Co-Chairs,

- *James, Waynne, Ed.D., Professor, College of Education, University of South Florida, USA*
- *Cobanoglu, Cihan, Ph.D., Professor, Muma College of Business, University of South Florida, USA*
- *Cavusoglu, Muhittin, PhD. Assistant Professor, The W. A. Franke College of Business, Northern Arizona University, USA*

Tuesday, June 8, 2021

Time (EDT)	*Event*
8:00am-9:00am	Concurrent Sessions (1.1, 1.2, 1.3, 1.4, & 1.5)
9:15am-10:15am	Concurrent Sessions (2.1, 2.2, 2.3, & 2.4)
10:30am-11:00am	Opening Ceremony
11:00am-12:00pm	Panel: Salary Equity in Academia Across Gender and Race: Are We There Yet?
12:00pm-1:00pm	Lunch Break
1:00pm-2:00pm	Concurrent Sessions (3.1, 3.2, & 3.3)
2:15pm-3:15pm	Concurrent Sessions (4.1, 4.2, & 4.3)

Wednesday, June 9, 2021

Time (EDT)	*Event*
9:00am-10:00am	Panel: The Impact of Artificial Intelligence/Robots on Education
10:15am-11:15am	Concurrent Sessions (5.1, 5.2, 5.3, 5.4, & 5.5)
11:30am-12:30pm	Concurrent Sessions (6.1, 6.2, 6.3, & 6.4)
12:30pm-1:30pm	Lunch Break
1:30pm-2:30pm	Concurrent Sessions (7.1, 7.2, & 7.3)
2:45pm-3:45pm	Concurrent Sessions (8.1, 8.2, & 8.3)

Thursday, June 10, 2021

Time (EDT)	*Event*
8:30am-9:30am	Concurrent Sessions (9.1, 9.2, 9.3, 9.4, & 9.5)
9:45am-10:45am	Concurrent Sessions (10.1, 10.2, 10.3, 10.4, & 10.5)
11:00am-12:00pm	Panel: Diversity, Equity, and Inclusion in the Classroom: Instruction for Instructors
12:00pm-1:00pm	Lunch Break
1:00pm-2:00pm	Concurrent Sessions (11.1, 11.2, & 11.3)
2:15pm-3:15pm	Concurrent Sessions (12.1 & 12.2)
3:30pm-4:30pm	Closing Remarks

Panelists

"Salary Equity in Academia Across Gender and Race: Are We There Yet?"



Dr. Anjala S. Krishen

Dr. Anjala S. Krishen, Professor of Marketing and Director of MBA Programs at UNLV, has a B.S. in Electrical Engineering from Rice University, and an M.S. Marketing, MBA, and Ph.D. from Virginia Tech. Krishen held management positions for 13-years before pursuing a doctorate. As of 2020, she published over 60 peer-reviewed journal papers. In addition to other speaking events, in 2016, she gave a TEDx talk (at UNR) titled, "Opposition: The light outside of the dark box," and at UNLV, "Consuming to Creating, Watching to Doing, Seeing to Being." She has received numerous awards for her work including most recently the UNLV Foundation Distinguished Teaching award (2015), the Barrick Scholar Award (2016), the Harold and Muriel Berkman Research Grant Award (2016), and two Faculty Opportunity Awards (2014 and 2016) and most recently the UNLV Alumni Association Outstanding Faculty (2019). She has completed over 70 marathons, seven ultramarathons, four 100 milers, and has a Taekwondo black belt.



Dr. Alexis Nicole Mootoo

Dr. Alexis Nicole Mootoo serves as Associate Vice President, Resource Management and Community Development for Student Success at the University of South Florida. In her position, she manages $100M of a diverse financial portfolio and is responsible for human resources functions for 800 employees and 2000 students. Her research interests include examining the survival and persistence of institutional and structural racism in liberal spaces in the Americas. She investigated the underpinnings of affirmative action in the United States and in Brazil, comparing its positive and negative effects on Afro-Descendants in publicly funded university systems. Dr. Mootoo also teaches courses in Africana Studies focusing on Racism in American Society and issues of Black women in America, Political Science, Latin American Studies for the USF School of Interdisciplinary & Global Studies, and American Culture and Introduction to the Humanities in USF's Department of Humanities. Pursuant to student outcry after the death of George Floyd, she created a course called Prejudice, Stigma and Racial Consciousness at the behest of students demanding more instructional opportunities delving into racism and prejudice. Most recently, Dr. Mootoo collaborated with USF Muma College of Business, the Tampa Bay Lightning and Jabil to create a diversity, equity and inclusion in the workplace certificate program, a program based on the tenets of the 1964 Civil Rights Act and Title VII.



Dr. Robert K. Toutkoushian

Robert K. Toutkoushian is a Professor of Higher Education in the Institute of Higher Education at the University of Georgia. He earned a Ph.D. in economics from Indiana University and has since specialized in conducting research on issues pertaining to faculty compensation. To date, he has published twelve articles in peer-reviewed academic journals, four chapters in edited books, and two edited books on issues relating to faculty compensation. Dr. Toutkoushian has conducted salary equity studies for several institutions including the University of Minnesota, Dartmouth College, the University of Missouri, and Villanova University, and has served as an expert witness in several salary equity cases in academe. Prior to becoming a faculty member, Dr. Toutkoushian worked in the field of institutional research at the University of Minnesota and the University System of New Hampshire. He regularly teaches workshops for institutional researchers on how to conduct salary equity studies at their institutions.



Dr. Deanne Williams-Bryant (Moderator)

Dr. Deanne Williams-Bryant is the founding Dean, Professor, and Chief Academic Officer of the Bob Billingslea School of Hospitality Management. A seasoned hospitality educator, she has served in many roles in both the instructional and administrative sectors of hospitality and Tourism education while being an active member of both state and local Tourism Associations and the campus community. With a myriad of professional affiliations, Dr. Williams-Bryant has demonstrated a commitment to teaching excellence with an accomplished record of research, scholarship, and community service. She is experienced in developing innovative and relevant educational curriculum to prepare graduates for careers in the global hospitality industry. Dr. Williams Bryant's expertise in accreditation is evidenced by her service and leadership as a standing Commissioner for ACPHA; The Accreditation Commission for Programs in Hospitality Administration. She served as the President of the HBCU Hospitality Management Consortium, Board member for ICHRIE responsible for establishing the Research and Teaching Academies, and was awarded the Stevenson Fletcher award for Excellence in Hospitality Higher Education.

"The Impact of Artificial Intelligence/Robots on Education"



Dr. Chong Guan

Chong Guan is Associate Professor in Marketing and Deputy Director in the Office of Graduate Studies, Singapore University of Social Sciences (SUSS), Singapore. Chong completed her Ph.D. in Marketing at Nanyang Business School, Nanyang Technological University, and her undergraduate studies in Marketing at Guanghua School of Management, Peking University, China. Her research interests lie in the area of consumer decision-making on digital platforms. Her publications appear in leading journals such as the European Journal of Marketing, Journal of Interactive Marketing, Journal of Business Research, Telecommunications Policy, Psychology & Marketing, and DATABASE. She is an editorial board member of Internet Research. Chong has taught various digital marketing courses at the undergraduate, graduate, and executive levels. She has consulted business practices and conducted corporate trainings on social media analytics, AI in marketing, and other emerging areas.



Dr. Rinat Rosenberg-Kima

Dr. Rinat Rosenberg-Kima is the Head of the Mindful Learning Technologies Lab in the Faculty of Education in Science and Technology at the Technion – Israel Institute of Technology, where she also serves as the Head of the Computer Science Education Program. Her research at the Mindful Learning Technologies Lab combines Human-Robot Interaction, Computer Science Education, and Instructional Design, with a particular interest in the relationships between mind, cognition, and affect. Rinat completed her BA in Computer Science and Economics at Tel-Aviv University, her MA in Psychology at Tel-Aviv University, and her Ph.D. in Educational Psychology and Learning Systems at Florida State University. Previously, she led the analytics team in a science education digital curriculum development project at the Lawrence Hall of Science, UC Berkeley.



Mr. Daniel Schiff

Daniel Schiff is a Ph.D. student in the School of Public Policy at the Georgia Institute of Technology where he studies the social, ethical, and policy implications of artificial intelligence. Previously, he served as the Director of Research, Evaluation, and Planning at the Philadelphia Education Fund. Daniel studied Philosophy at Princeton University, focusing on robotics and intelligent systems, before completing a Master's in Social Policy at the University of Pennsylvania. He has published in venues such as AI & Society, IEEE Transactions on Technology & Society, the Journal of Engineering Education, the AMA Journal of Medical Ethics, and Nanotechnology.

"Diversity, Equity, and Inclusion in the Classroom: Instruction for Instructors"



Sir Dr. Adam Carmer *(Moderator)*

Sir Dr. Adam Carmer is an Assistant Professor in the USF School of Hospitality & Tourism Management Program. As an entrepreneur and educator for over 30 years, Dr. Carmer practices what he preaches. Specializing in creating new pedagogy, filling holes on the shelf with Hospitality products, and sharing his experiences and insight with others defines the trajectory of Dr. Carmer. Hospitality always at the core, with a keen eye on the community. Sustainability, mentoring, and leading by example in the Diversity, Equity & Inclusion space are exemplars of his career. Sir Adam opened the first non-gaming bar in Las Vegas, the first certified green restaurant in the history of Nevada, the largest beer bar in the country, and the largest whisky bar in the country while hiring and promoting, and partnering with underrepresented segments of our communities. Sir Adam opened Treasure Island Hotel & Casino, helped redefine the Mirage, Bellagio, Harrah's, and the MGM prior to branching out on his own to add hospitality-driven concepts in Las Vegas. In 2008 Dr. Carmer developed the Carmer Spirits Tasting Enhancement Method (CSTEM), a revolutionary new pedagogical approach to teach the sensory perception components of beverages. Dr. Carmer was featured in the Los Angeles Times, Forbes, Food & Beverage Magazine, and dozens of other publications for his unique ventures in Hospitality.



Dr. Shawn Murray

Shawn Andre Murray currently serves as an Assistant Professor of Tourism & Hospitality Management and Interim Director of the Culinary Arts Institute at Montgomery County Community College. Shawn also collaborates with former and current professional athletes serving as a consultant for non-profit management and hospitality-based projects. Shawn brings over 28 years of experience in education, management, hospitality consulting, human resources, sustainability, marketing, culinary, and pastry arts. Shawn has collaborated with major corporations including TD Bank, Starbucks, Colonial Penn, Choice Hotels, Hilton Hotels, Hyatt Hotels, IHG Hotels, and Marriott Hotels assisting these firms with special projects resulting in improved business productivity and positively impacting communities. Shawn serves as a board member and ambassador for PHL Diversity a division of the Philadelphia Convention & Visitors Bureau, the planning committee for the Philadelphia Diversity & Inclusion Conference, and a 30 year plus stakeholder and contributor working with the Pennsylvania NAACP. Shawn has also hosted and served on various panels and events including the Cooking for the Culture debut dinner series celebrating African American chefs. Shawn has been awarded many professional achievements along with national attention being named a Top 20 Degree Producer in Diverse Issues in Higher Education Magazine while serving as a professor and program director at Cheyney University. Shawn has spoken as a motivational speaker and subject content expert for various organizations and schools. Shawn's favorite quote follows: "An individual has not started living until he/she can rise above the narrow confines of their individualistic concerns to the broader concerns of all humanity." Dr. Martin Luther King, Jr



Dr. Janelle Wells

Janelle E. Wells is an Associate Professor in the USF Vinik Sport & Entertainment Management Program. Through her love of sport, Wells earned a collegiate athletic scholarship, progressed into the coaching ranks, and then transcended into the private sector and classroom as a professor of practice. While working full-time as a contracts negotiator and serving as the assistant coach for the Florida Institute of Technology volleyball team, she earned an MBA. She went on to coach volleyball at Indiana University-Purdue University Indianapolis (IUPUI), while teaching as an adjunct at Butler University. After earning her doctorate at the University of Florida and teaching at Florida State University, she joined the faculty at USF. As a lifelong learner, Wells' lived experience in male-dominate and prominent industries stimulated her research in organizational behavior, specifically leadership, career development, and gender equity, which has been published in outlets such as the Journal of Sport Management, the Leadership & Organizational Development Journal, Sport Marketing Quarterly, and the Journal of Intercollegiate Sport. In addition to her 30-plus published articles and book chapters, in 2019 she co-edited the book The Business of Esports: The Wild Wild West on Fire. Putting theory into practice, Wells is the co-founder of WellsQuest, a consulting firm specializing in developing talent to positively disrupt systems, teams, and individuals. Dr. Wells finds fulfillment serving others through USF's Title IX President's Committee and Muma's College of Business DEI Committee. Additionally, she empowers women as a founding member of the Women in Sports and Events (WISE) Tampa Bay, and as a founding Research Fellow for Wasserman's the Collective Think Tank. Dr. Wells most meaningful purpose is raising three active young children with her husband.

Tuesday, June 8, 2021: Concurrent Sessions 1.1, 1.2, 1.3, 1.4, & 1.5

8:00am	**Concurrent Session 1.1**	**Zoom Link: See top of the page**
9:00am	*Track: Educational Technology*	***Session Chair: Doris Lee***
15 min.	*Overarching Themes of MOOCs: An Integrative Literature Review* ***-Doris Lee and Gregory Bunn***	
15 min.	*Youtube Video Utilization to Enhance the Students Grammatical Competence* ***-Earl Jones G. Muico***	
15 min.	*Peer Review of Writing Assignments in Online Learning Environments* ***-Sarah Bond and Leslie Cordie***	
15 min.	*Technostress Management During COVID-19 Pandemic* ***-Anam Tahir Hashmi and Mohd Shakir***	
8:00am	**Concurrent Session 1.2**	**Zoom Link: See top of the page**
9:00am	*Track: Higher Education & Educational Leadership*	***Session Chair: Ana Gil Garcia***
15 min.	*Admitting Smarter: Refining the Admission Process Through Professional Dispositions* ***-Catherine Snyder***	
15 min.	*Adult Learner's Perspective Regarding Emotional Intelligence (EI) in the Online Learning Environment* ***-Heba Abuzayyad, Nadia Awaida, and Tanya Scotece***	
15 min.	*Examine the Attitudes of Prospective Teachers Towards Teaching Profession* ***-Sunble Bibi and Wajeeha Aurangzeb***	
15 min.	*The Latino Educational Model: A High Touch, High Tech, and High Support Successful Approach* ***-Ana Gil Garcia and Jennifer Talley***	
8:00am	**Concurrent Session 1.3**	**Zoom Link: See top of the page**
9:00am	*Track: Higher Education & Educational Leadership*	***Session Chair: Alok Kumar***
15 min.	*Teaching for Knowledge Transfer: Best Practices From a Graduate-Level Educational Psychology Distance Learning Program* ***-Bobby Hoffman***	
15 min.	*Perceived Employability of Young Adults: Do Higher Education, Career Adaptability and Career Decision Self-Efficacy Matter?* ***-Esther Sui-Chu Ho, Kwok-Wing Sum, and Thomas Sze-Kit Lee***	
15 min.	*New Education Policy (NEP) 2020: A Roadmap for India 2.0* ***-Alok Kumar***	
15 min.	*Hofstede's Cultural Classification and Innovativeness: A Study on Teachers in Turkey* ***-Ahmet Saylik, Bunyamin Han, and Rasim Tosten***	
8:00am	**Concurrent Session 1.4**	**Zoom Link: See top of the page**
9:00am	*Track: Inclusive Education*	***Session Chair: Ozge Ozel***
15 min.	*Gender Stereotyping in the Eyes of Preschool Teachers and Teacher Candidates* ***-Aysun Dogutas***	
15 min.	*The Opinions of Primary School Teachers on Multiculturalism* ***-Erhan Gormez***	
15 min.	*Inclusion-Sensitive Cooperation or Cooperation-Sensitive Inclusion?!* ***-Kirsten Menke Muller***	
15 min.	*Metacognitive Functions of Solving Routine and Non-Routine Problems* ***-Yasemin Katranci***	

8:00am	Concurrent Session 1.5	Zoom Link: See top of the page
9:00am	*Track: Education in Other Specialties*	***Session Chair: Letitia Basford***
15 min.	*Job Stress During COVID-19 Pandemic and Its Impact on Employee's Health, Quality of Life, and Job Performance* ***-Muhammad Rahies Khan and Naveed R. Khan***	
15 min.	*Smartphone Use and Personal Discomfort in Italian Adults During COVID-19 Pandemic* ***-Federica Sciacca, Graziella Di Marco, Zira Hichy and Concetta De Pasquale***	
15 min.	*Whose Crisis Is It? Reconsidering the "Migrant Crisis"* ***-Letitia Basford***	
15 min.	*Financial Threat and Financial Literacy on Willingness to Change the Financial Behaviour* ***-Salman Bashir Memon, Abdul Samad Dahri, and Ayaz Ali Maitlo***	

Tuesday, June 8, 2021: Concurrent Sessions 2.1, 2.2, 2.3, & 2.4

9:15am	Concurrent Session 2.1	Zoom Link: See top of the page
10:15am	*Track: Educational Technology*	***Session Chair: Charles C. Villanueva***
15 min.	*Student's Online Learning Experience During COVID-19: Integrating Behavioral and Technological Factors* ***-Muhammad Rahies Khan, Faiza Siddiqui, Mubashir Ali Khan, and Yasir Rasool***	
15 min.	*Impact of Educational Technology on Faculty Performance: A Case Study on AIUB During the Pandemic* ***-Charles C. Villanueva, Farheen Hassan, and Md. Khaled Amin***	
15 min.	*Effectiveness of Web-Based Learning Environment: Role of Learning Motivation, Computer Self-Efficacy, Teachers' Computer Self-Efficacy, and Learning Engagement* ***-Nimitha Aboobaker, Muneer K. H., and Zakkariya K. A.***	
15 min.	*Online Mathematics Education: A Bibliometric Analysis* ***-Toshiyuki Hasumi and Mei-Shiu Chiu***	

9:15am	Concurrent Session 2.2	Zoom Link: See top of the page
10:15am	*Track: Curriculum and Instruction Development*	***Session Chair: Sonja Ezell***
15 min.	*Intercultural Competence in Teacher Preparation Programs in the United States and Canada: A Meta-synthesis* ***-Sandra Silva-Enos***	
15 min.	*Social Studies Pre-Service Teacher' Views of Environmental Justice* ***-Sercan Bursa***	
15 min.	*Creating Literacy Communities to Inspire Teachers and Students* ***-Sonja Ezell***	
15 min.	*Exploring OER Repositories Using Web Analytics Tools* ***-Maria Perifanou and Anastasios A. Economides***	

9:15am	Concurrent Session 2.3	Zoom Link: See top of the page
10:15am	*Track: Global Competence*	***Session Chair: Vicky Spencer***
15 min.	*Intercultural Development in Preservice Teacher Study Abroad* ***-Jon Simmons***	
15 min.	*Indigenous Women in Science: A Proposed Framework for Leadership, Knowledge, Innovation, and Complexity* ***-Tracy Woodroffe, Ruth Wallace, Kathy Guthadjaka, Johanna Funk, Elaine Lawurrpa Maypilama, Sarah Ireland, Renee Adair, Robyn Ober, Samantha Armstrong, Anne Lowell, and Kellie Pollard***	
15 min.	*Using a Virtual Format to Support Student Learning Across Cultures, Countries, and Disciplines* ***-Vicky Spencer and Cindy Smith***	
15 min.	*Sustaining Internationalization in Higher Education: Before and After the COVID-19 Pandemic* ***-Ira Rasikawati, Munyi Shea, Sarah Zhou, Athriyana Pattiwael, David Wicks, and Mina Sulastri***	

9:15am	Concurrent Session 2.4	Zoom Link: See top of the page
10:15am	*Track: Pre K-12*	***Session Chair: Paul Lane***
15 min.	*The Effect of Mathematics Teaching Through Micro-Learning in the E-Learning Environment on Conceptual and Procedural Knowledge* ***-Zuhal Gun Sahin and Hafize Gamze Kirmizigul***	
15 min.	*Pre-Service High School Mathematics Teachers' Perceptions About Mathematics and Mathematics Teacher: A Metaphorical Approach* ***-Yasemin Katranci, Busra Kiral, and Diler Kedikli***	
15 min.	*The Degradation of Teachers' Constitutional Right to Whistleblowing* ***-Joseph Oluwole***	
15 min.	*Nurturing Creativity in Rural Nicaraguan Pre Schools* ***-Paul Lane, Juana Benavides, and Leana Espinoza Corrales***	

Tuesday, June 8, 2021: Concurrent Sessions 3.1, 3.2 & 3.3

1:00pm	Concurrent Session 3.1	Zoom Link: See top of the page
2:00pm	*Track: Adult Education*	***Session Chair: Andy Clayton***
15 min.	*Incorporating Music Into Affective Learning Into Affective Learning Environment to Promote Student Engagement* ***-Andy Clayton and Stephanie Wilson***	
15 min.	*The Perceptions of ESOL Preservice Teachers About Developmental Stages of Teachers* ***-Babak Khoshnevisan and Mojgan Rashtchi***	
15 min.	*A Study on the Teachers' Lifelong Learning Competencies and Their Motivations Towards Reading (Sapanca Sample)* ***-Nese Guler and Cigdem Ayanoglu***	
15 min.	*Please Let Them in: Teachers' Perceptions of the Diversity of the Students* ***-Sedighe Zamani Roodsari***	

1:00pm	**Concurrent Session 3.2**	**Zoom Link: See top of the page**
2:00pm	*Track: Higher Education & Educational Leadership*	***Session Chair: Jennifer Watson***
15 min.	*Honored: An Analysis of MBTI Preferences Among Honors College Students* ***-Angela Farmer***	
15 min.	*Curriculum Alignment in a University Community of Practice for Better Student Outcomes* ***-Jennifer Moradian Watson***	
15 min.	*Exploring Resilient Pedagogy in Higher Education During Times of Crisis* ***-Katie Clum, Elizabeth Ebersole, Munyi Shea, and David Wicks***	
15 min.	*Enhancing Student Engagement: The Role of Orientation Events Experience in Higher Education* ***-Shampy Kamboj and Manika Sharma***	

1:00pm	**Concurrent Session 3.3**	**Zoom Link: See top of the page**
2:00pm	*Track: International Education*	***Session Chair: Meghan Bratkovich***
15 min.	*What's Wrong With my Pronunciation? Pronunciation Difficulties Experienced and Strategies Employed by Pre-Service Foreign Language Teachers in Turkey* ***-Vasfiye Geckin***	
15 min.	*Chinese Teachers' Implementation of Learner-Centered Teaching a Case Study in Enshi, Hubei Province* ***-Lei Ping, Katrina Liu, and Zhiyong Zhong***	
15 min.	*Exploring Language Demands in Undergraduate Mathematics Courses* ***-Meghan O. Bratkovich, Jane Harvey, Katherine Hellmann, and Kimberly Cooper***	
15 min.	*Exploring and Comparing Early Childhood Education in Different Countries Around the World* ***-Ozge Ozel***	

Tuesday, June 8, 2021: Concurrent Sessions 4.1, 4.2 & 4.3

2:15pm	**Concurrent Session 4.1**	**Zoom Link: See top of the page**
3:15pm	*Track: Educational Technology*	***Session Chair: Eugene Kim***
15 min.	*Determining the Effect of Student-Content Interaction, Instructor-Student Interaction and Student-Student Interaction on Online Education Satisfaction Level* ***-Birgul Aydin***	
15 min.	*Analyzing the Students' Intention to Use Online Learning System in the Context of COVID-19 Pandemic: A Theory of Planned Behavior Approach* ***-Kamel Mouloudj, Ahmed Chemseddine Bouarar, and Karolina Stojczew***	
15 min.	*Early AR Implementers: Exploring Undergraduate Student Experience With Human Anatomy Curriculum Using Augmented Reality* ***-Eugene Kim and Annette Stelter***	
15 min.	*Systematic Review of Artificial Intelligence in Higher Education (2000-2020) and Future Research Directions* ***-Rajat Gera and Priyanka Chadha***	

2:15pm	**Concurrent Session 4.2**	**Zoom Link: See top of the page**
3:15pm	*Track: Curriculum and Instruction Development*	***Session Chair: Gozde Turktarhan***
15 min.	*How the COVID-19 Pandemic Offers a Paradigm Shift for Creativity in Education* ***-Deb L. Marciano***	
15 min.	*The Pedagogy of Critical Play in the Saudi Early Childhood Curriculum* ***-Manal Alharbi***	
15 min.	*Teacher Attitudes Toward Vocational Curriculum Reform in Zhejiang Province, China* ***-Carsten Schmidtke and Yunfang Ran***	

2:15pm	**Concurrent Session 4.3**	**Zoom Link: See top of the page**
3:15pm	*Track: International Education & Research Methods in Education*	***Session Chair: Manuel Ramon Gonzalez Herrera***
15 min.	*The Scientific Method in Tourism Education: Research Experience at the Autonomous University of Ciudad Juarez, Mexico* ***-Manuel Ramon Gonzalez Herrera***	
15 min.	*Examining the Use of Validation Techniques: A Content Analysis of EdD Dissertations in Educational Leadership* ***-Lester A. C. Archer and Ya-Hsin Hsiao***	

Wednesday, June 9, 2021: Concurrent Sessions 5.1, 5.2, 5.3, 5.4, & 5.5

10:15am	**Concurrent Session 5.1**	**Zoom Link: See top of the page**
11:15am	*Track: Higher Education & Educational Leadership*	***Session Chair: Kristine Melloy***
15 min.	*Relationship Between Undergraduate Students' 21st-Century Skills, Physics Successes, Attitudes, and Perceptions* ***-Imran Oral and Mehmet Erkilic***	
15 min.	*Educational Leadership and Inclusive Schools* ***-Amie Cieminski and Kristine Melloy***	
15 min.	*Student's Sentiment on Job V/S Entrepreneurship During COVID-19 Pandemic: An Exploratory Study* ***-Deepanshi Sahani, Sarthak Sengupta, and Anurika Vaish***	
15 min.	*Undergraduate Students' Development of 'Critical Social Justice Literacy' in a Cultural Proficiency Course* ***-Cristian Aquino-Sterling***	

10:15am	**Concurrent Session 5.2**	**Zoom Link: See top of the page**
11:15am	*Track: Educational Technology*	***Session Chair: Anish Yousaf***
15 min.	*The Benefits and Challenges of Adopting Mobile Learning in Junior High Schools in Taiwan* ***-Hsuan-Fu Ho, Romi Aswandi Sinaga, Kiar Vansa Febrianti, Dedi Candra, and Hung-Pao Wang***	
15 min.	*Antecedents to Digital Learning Effectiveness Among Tourism Students During COVID-19: Assessing Its Impact on Knowledge Acquisition & Student Satisfaction* ***-Insha Amin, Anish Yousaf, Sandeep Walia, and Makhmoor Bashir***	
15 min.	*Student Engagement and Mathematics Achievement of Grade 8 Through Flipped Classroom* ***-Shaina P. Dimitui, Mary Ann C. Gonzales, John Benedict F. Munoz, Kimberly Kate P. Puras, Eliza Carla Marie R. Sagcal, Emily M. Sigua, and Josephine Luz D. Pineda***	
15 min.	*The Effect of Authentic Task-Oriented Applications on Problem-Solving Skills in Robotic Programming Teaching* ***-Sehnaz Baltaci and Yunus Emre Ozenoglu***	

10:15am	**Concurrent Session 5.3**	**Zoom Link: See top of the page**
11:15am	*Track: Education in Other Specialties*	***Session Chair: Guliz Coskun***
15 min.	*Using Mnemonic Illustrations in First Reading and Writing: Turkish Alphabet Example* ***-Baris Kalender and Adem Gulec***	
15 min.	*The Research of Correlation Between Administrative Allowance and Teacher' Willingness to Become Administrators* ***-Chia-Lin Tsai and Hsuan-Fu Ho***	
15 min.	*Undergraduate Degree Programs in Tourism, Hospitality, Leisure and Recreation: A Chicken and Egg Problem* ***-Guliz Coskun***	

10:15am	**Concurrent Session 5.4**	**Zoom Link: See top of the page**
11:15am	*Track: English as a Second Language (ESL) / Research Methods in Education*	***Session Chair: Kirsten Dara Hill***
15 min.	*Learning EFL Online Through Blogger and Flipgrid in Higher Education: A Collaborative Project in Times of Pandemic* ***-Montserrat Iglesias***	
15 min.	*Comparing Three Different Vocabulary Teaching Techniques for Learning and Retention* ***-Nermin Punar-Ozcelik and Levent Uzun***	
15 min.	*Pre-Service Teachers' Development of Culturally Relevant Pedagogy With Remote Learners* ***-Kirsten Dara Hill***	
15 min.	*Testing the Psychometric Properties of the Short-Form (12 Items) of Feedback Orientation Scale in Assessing Chinese Students' Multidimensional Perceptions of Feedback From Teachers* ***-Lan Yang***	

10:15am	**Concurrent Session 5.5**	**Zoom Link: See top of the page**
11:15am	*Track: Education in Other Specialties / International Education*	***Session Chair: John Hinck***
15 min.	*Use of Improvisation Techniques to Aid New Instructors in Increasing Self-Confidence and Overcoming Imposter Phenomenon* ***-John Hinck and Steve Davis***	
15 min.	*Effective Strategies for Building Geo-Centric Attitudes of Business Management Students Through Campus Internationalization* ***-Mengsteab Tesfayohannes Beraki***	
	An Entrepreneurship Innovative Curricular Module for Non-Business Students ***-Ponmalar N Alagappar, Payam Ansari, and Logaiswari Indiran***	
15 min.	Can Teachers' Job Satisfaction Be Provided Despite Economic Inadequacies? The Impact of Positive Psychological Capital ***-Zakir Elcicek, Bunyamin Han, and Sabriye Yildiz Elcicek***	

Wednesday, June 9, 2021: Concurrent Sessions 6.1, 6.2, 6.3, & 6.4

11:30am	**Concurrent Session 6.1**	**Zoom Link: See top of the page**
12:30pm	*Track: Higher Education & Educational Leadership*	***Session Chair: Jimmy Kijai***
15 min.	*Investigating the Effect of Demographic Features of Undergraduate Students on Their 21st-Century Skills* ***-Imran Oral and Mehmet Erkilic***	
15 min.	*Socially Responsible Leadership Among Students at Asia Pacific International University, Thailand* ***-Jimmy Kijai, Naltan Lampadan, and Ritha Maidom***	
15 min.	*Teaching Practice in Pre-Service Teacher Education: A Comparative Analysis in Four European Countries* ***-Mojca Jurisevic, Milan Pol, Bohumira Lazarova, Juan Luis Castejon Costa, Borut Kodric, Raquel Gilar Corbi, Florian Hofmann, Zlatan Magajna, Maja Mesko, Neza Podlogar, Lisa Posse, Urska Zerak, Anita Trnavcevic, and Michaela Glaser-Zikuda***	
15 min.	*Open Innovation Approach for a Women Leadership Program in University* ***-Monica Segovia-Perez, Ana M. Vargas-Perez, Pilar Laguna-Sanchez, and Concepcion de la Fuente-Cabrero***	

11:30am	Concurrent Session 6.2	Zoom Link: See top of the page
12:30pm	*Track: Higher Education & Educational Leadership*	***Session Chair: Sara Garner***
15 min.	*Teachers' Perspective on the Acquisition of Problem-Solving Skills in an Online Learning Environment* ***-Hazel J. Mallari, Josephine Luz D. Pineda, Analyn M. Herrera, John Jordan G. Magtoto, Emily R. Santos, and Krystal Jane V. Yu***	
15 min.	*Internationalization Race of Universities in Turkey: Public vs Private* ***-Riza Salar and Burak Erdinc Aslan***	
15 min.	*Pivoting in Difficult Times: Teaching and Advising During the COVID-19 Pandemic* ***-Russell Wartalski and Noreen Powers***	
15 min.	*Confidence in Crisis: Student Self-Efficacy and the Online Pivot* ***-Sara Garner, Misty Chisum, and Sarah Kuborn***	

11:30am	Concurrent Session 6.3	Zoom Link: See top of the page
12:30pm	*Track: Inclusive Education*	***Session Chair: Beyza Alpaydin***
15 min.	*The Effectiveness of Point-of-View Video Modeling on Improving Social and Communication Skills for Children With Autism Spectrum Disorders* ***-Beyza Alpaydin***	
15 min.	*A Deconstructive Reading of Intercultural Education Teachers' and School Leaders' Narratives in Italy* ***-Bufalino Giambattista and D'Aprile Gabriella***	
15 min.	*Syrian Children's Perceived Integration Into Turkish National Education System* ***-Nurgul Bekdemir, Gulce Kalayci, and Nuray Alagozlu***	
15 min.	*Investigation of School Dropout Among Secondary School Institution* ***-Hasan Dirik and Hasan Arslan***	

11:30am	Concurrent Session 6.4	Zoom Link: See top of the page
12:30pm	*Track:*	***Session Chair: Lutfi Ozturk***
15 min.	*Leadership for Students With Disabilities: Opportunities and Challenges* ***-King Lok Tan and Donnie Adams***	
15 min.	*Private Sector Secondary School Students' Exhaustive Learning Difficulties in Mathematics: Teachers' Perspective* ***-Almas Shoaib***	
15 min.	*A Fresh Look at the School Exclusion Policy in England: Considering an Attachment Theory Perspective* ***-Lutfi Ozturk***	
15 min.	*Building an Inclusive K-12 Classroom With Culturally Relevant Social-Emotional Learning Activities* ***-Wing Shuen Lau, Munyi Shea, and D. L. Alex Alexander***	

Wednesday, June 9, 2021: Concurrent Sessions 7.1, 7.2 & 7.3

1:30pm	Concurrent Session 7.1	Zoom Link: See top of the page
2:30pm	*Track: Educational Technology*	***Session Chair: Zakariya Belkhamza***
15 min.	*Asynchronous Online Discussions (AOD): The Transfer of Offline Power to Cyberspace* ***-Babak Khoshnevisan and Vahideh Alipour***	
15 min.	*Spatial Cognition on Learning Metaverse Environments in E-Sports* ***-Hanyoung Go, Myunghwa Kang, and Chanho Kang***	
15 min.	*The Learner's Engagement and Mobile Learning Environment: A Proposal of an Integrated Model* ***-Zakariya Belkhamza***	

1:30pm	**Concurrent Session 7.2**	**Zoom Link: See top of the page**
2:30pm	*Track: Global Competence*	***Session Chair: Heather Haynes Smith***
15 min.	*Cultivating Global Teaching Competencies: Exploring One Local School and University Partnership* ***-Heather Haynes Smith, Angela B. Richards, Laura Allen, Courtney Crim, Gabriel Garcia, Rocio Delgado, and Ellen Barnett***	
15 min.	*Teachers as Change-Makers- International Volunteering as Enabling or Hindering Their Capacity to Teach Global Development* ***-Mags Liddy***	
15 min.	*Teachers With Growth Mindset Wanted: Revisiting Prospective Teachers' Perceptions of Diversity and Globalism* ***-Sedighe Zamani Roodsari and Jamie Harrison***	
15 min.	*Why Critical Literacy Now?* ***-L.Kathryn Sharp and Rebekah Taylor***	

1:30pm	**Concurrent Session 7.3**	**Zoom Link: See top of the page**
2:30pm	*Track: Adult Education / Inclusive Education*	***Session Chair: Tekyesha Gault Anderson***
15 min.	*Adapting Teacher Life Cycle Developmental Theory in Adult Education* ***-Steve Davis and John Hinck***	
15 min.	*Effect of Online Teaching on the Learning Experience of the Students During COVID-19* ***-Shailendra Kumar and Neha Tiwari***	
15 min.	*Inclusive Approaches to Civic Education and Civic Engagement: The Case of School Participatory Budgeting* ***-Tara Bartlett, Madison Rock, Daniel Schugurensky, and Kristi Tate***	
15 min.	*Acknowledging the Voices of Black Men Educators: Advancing Engagement in and Equity Across Education Authentically* ***-Tekyesha Gault Anderson***	

Wednesday, June 9, 2021: Concurrent Sessions 8.1, 8.2 & 8.3

2:45pm	**Concurrent Session 8.1**	**Zoom Link: See top of the page**
3:45pm	*Track: Curriculum and Instruction Development*	***Session Chair: Nancy P. Gallavan***
15 min.	*Teacher Perspectives on Educational Music for Strings in a Canadian Context* ***-Maria Robinson-Cseke and Bernard W. Andrews***	
15 min.	*Equipping and Empowering Teacher Responsibility to Learners and Learning Through Reflection and Reflexivity* ***-Nancy P. Gallavan***	
15 min.	*Challenges Affecting Teaching-Learning Processes in Multi-Grade Classes: A Comparison of Pre-Pandemic and Peri-Pandemic Periods* ***-Muhammed Safa Akdas and Mahmut Kalman***	
15 min.	*Interpreting School Neuropsychology Reports for Educators* ***-Robert Martin***	

2:45pm	Concurrent Session 8.2	Zoom Link: See top of the page
3:45pm	*Track: Human Resource Development*	***Session Chair: Hira Nasir***
15 min.	*Framework Model of Field Transformation for a Paradigm Shift in Emergency Paramedic Training: Rescue Service Schools Between Requirement Conflicts and Learning Culture Development* ***-Thomas Prescher, Heiko Konig, and Christian Wiesner***	
15 min.	*Investigation of Cyberloafing During COVID-19 Pandemic: The Relationship Between Cyberloafing, Incivility, Work-Family Conflict, and Employee Expediency* ***-Hira Nasir and Ghulam Abid***	
15 min.	*A Study of Environmental Ethics and Attitude Towards Sustainable Development Among Higher Secondary School Students* ***-Mrs Nasrin and Faiyaz Ahammad***	
15 min.	*Research on the Integration of Project-Based Learning of Innovative Teaching Methods Into the Curriculum of Creative Teaching Aid Design* ***-Mei Hsiu Chuo and Yi Wan Huang***	

2:45pm	Concurrent Session 8.3	Zoom Link: See top of the page
3:45pm	*Track: English as a Second Language (ESL)*	***Session Chair: W. Steve Lang***
15 min.	*One Size Does Not Fit All: An Analysis of English Language Textbooks in Terms of the Notion of English as an International Language* ***-Esra Cam and Pinar Sali***	
15 min.	*Communicating Expectations in the ESL Classrooms: A Qualitative Case Study of International Students Entering a Graduate Programs in U.S. Universities* ***-Rafael A. Espinoza Pizarro***	
15 min.	*Rubrics That Systematically Identify Areas for Improvement* ***-Judy R. Wilkerson and W. Steve Lang***	
15 min.	*Beliefs About Teaching (BATS2) - Rasch Model Analysis of an Instrument Based on InTASC Critical Dispositions* ***-W. Steve Lang, LaSonya Moore, and Judy Wilkerson***	

Thursday, June 10, 2021: Concurrent Sessions 9.1, 9.2, 9.3, 9.4, & 9.5

8:30am	Concurrent Session 9.1	Zoom Link: See top of the page
9:30am	*Track: English as a Second Language (ESL)*	***Session Chair: Belgin Aydin***
15 min.	*Refugees: Building Bridges, Not Walls* ***-Alia Hadid and Rabia Hos***	
15 min.	*Frequency and Development of Collocations in Turkish EFL Learners' Essays* ***-Didem Koban Koc***	
15 min.	*EFL instructors' Occupational Wellbeing During the COVID-19 Pandemic in Turkey: A Study of Burnout and Work Engagement* ***-Esra Cam and Esim Gursoy***	
15 min.	*Are Student Teachers Ready to Teach: What Do Different Stakeholders Think?* ***-Erdem Aksoy and Belgin Aydin***	

8:30am	**Concurrent Session 9.2**	**Zoom Link: See top of the page**
9:30am	*Track: Educational Technology*	***Session Chair: Goldi Puri***
15 min.	*Unfolding the Role of Social Media Platforms in Creative Writing* ***-Daisy Dagohoy***	
15 min.	*E-Learning in Education and Its Most Critical Success Factors an Empirical Study* ***-Goldi Puri***	
15 min.	*Between Information and Guidance - Social Service's Utilization of Digital Media for Connecting Refugee Parents With the Early Childhood Care and Education System* ***-Marek Winkel and Henrike Friedrichs-Liesenkotter***	
15 min.	*Students' Metaphorical Perceptions on the Concept of Digital Game-Based Education* ***-Ibrahim Y. Kazu and Murat Kuvvetli***	

8:30am	**Concurrent Session 9.3**	**Zoom Link: See top of the page**
9:30am	*Track: Curriculum and Instruction Development*	***Session Chair: Shannon Stevens***
15 min.	*Pedagogical Competence in Teaching Mathematics in the Middle School: Basis for an Action Plan in the New Normal* ***-Lester S. Canilao and Josephine Luz D. Pineda***	
15 min.	*The Relationships Between Instructional Clarity, Classroom Management, and Mathematics Achievement: Mediator Role of Attitudes Towards Mathematics* ***-Saadet Aylin Yagan***	
15 min.	*Steeping in McLuhan's "New" Technological Environment: Riffing and Posthumanizing Education* ***-Shannon Stevens***	
15 min.	*A Study of Interdisciplinary Instructional Design Exhibited by the Elementary Pre-Service Students* ***-Ying-Feng Wang***	

8:30am	**Concurrent Session 9.4**	**Zoom Link: See top of the page**
9:30am	*Track: Higher Education & Educational Leadership*	***Session Chair: Raino Bhatia***
15 min.	*Words of Wisdom: A Narratology of Retired Teachers* ***-Catherine G. Danganan, Alberto G. Gamboa, and Aileen L. Koh***	
15 min.	*Journey Towards Inclusive Education* ***-Raino Bhatia***	
15 min.	*Problem-Based Learning in a Tourism and Leisure Degree* ***-Sheila Sanchez-Bergara***	
15 min.	*Teacher Candidate Self-Efficacy for and Ability to Teach Literacy: A Comparison Study Between Residency and Traditional Teacher Preparation Models* ***-Doreen L. Mazzye, Michelle A. Duffy, and Richard L. Lamb***	

8:30am	**Concurrent Session 9.5**	**Zoom Link: See top of the page**
9:30am	*Track: Adult Education*	***Session Chair: Amy Shumin Chen***
15 min.	*Study of the Discourses and Actions on Promoting Global Citizenship Education in the Taiwanese Community Universities* ***-Amy Shumin Chen***	
15 min.	*Views of Postgraduate Students on Distance Education During COVID-19 Pandemic* ***-Zeynep Sahin, Yeliz Abbak, Irem Tastan Aslaner, and Cansu Altunsaban Yerlikaya***	
15 min.	*Conceptual Understanding on Work-Life Balance Etymology - A Multidisciplinary Approach* ***-Arjuni Jain Agarwal***	

Thursday, June 10, 2021: Concurrent Sessions 10.1, 10.2, 10.3, 10.4, & 10.5

9:45am	**Concurrent Session 10.1**	**Zoom Link: See top of the page**
10:45am	*Track: Educational Technology*	***Session Chair: Gozde Turktarhan***
15 min.	*Determining the Educational Technology Competencies of Elementary Teachers: Inputs Towards the Development of a Training Program* ***-Rose Lynn D. Villanueva, Josephine Luz D. Pineda, and Jenelyn T. Pena***	
15 min.	*Personalized Autodidacticism in the Age of Online Learning: Individual Differences and Differential SLA* ***-Peter Kim***	
15 min.	*How Platforms and Gamification Have Infiltrated Popular Culture?* ***-Gozde Turktarhan and Chandra Aleong***	

9:45am	**Concurrent Session 10.2**	**Zoom Link: See top of the page**
10:45am	*Track: Higher Education & Educational Leadership*	***Session Chair: Canan Nakiboglu***
15 min.	*Which Young Adults Are More Satisfied? An Investigation of the Effects of Higher Education and Parental Expectation and Support* ***-Esther Sui Chu Ho, Thomas Sze-Kit Lee, and Kwok Wing Sum***	
15 min.	*Prospective Chemistry Teachers' Evaluations About the Instruction of the Graphic Organizers Course* ***-Canan Nakiboglu***	
15 min.	*The Evaluation of Social Dialogue From Teachers Perspective in Turkey* ***-Ezgi Agcihan and Asiye Toker Gokce***	
15 min.	*Navigating the COVID-19 "Perfect Storm" in College Admissions* ***-Kevin Ensor***	

9:45am	**Concurrent Session 10.3**	**Zoom Link: See top of the page**
10:45am	*Track: International Education*	***Session Chair: Sandy C. Chen***
15 min.	*A Life-Long Learning Experience for Teachers: Overseas Teaching* ***-Naime Elcan Kaynak***	
15 min.	*A Gap Analysis of Satisfaction Among International Students Studying in the United States* ***-Sandy C. Chen***	
15 min.	*Practice Basic Hygiene, and You'll Stay Healthy!: How Primary School Reading Textbooks Transmitted Health Knowledge as Cultural Education in the Soviet Union* ***-Victoria Storozenko***	
15 min.	*Ecopedagogy and Religious Pattern: The Contribution of the Connection Between Rosmini's, and the Vichian Thomas Berry's Humanism to the Education for the New Universal Context of Ecozoic Era* ***-Fernando Bellelli***	

9:45am	**Concurrent Session 10.4**	**Zoom Link: See top of the page**
10:45am	*Track: Pre K-12*	***Session Chair: Imran Oral***
15 min.	*Critical Analysis of Schools Policies Related to Family Communication and Engagement* ***-Mona Mohsen Alzahrani***	
15 min.	*An Exploratory Study on English Immersion Program in Kindergartens in Taiwan* ***-Ting Fang Liao and Yu-Ling Sabrina Lo***	
15 min.	*The Content Analysis of Wordless Picturebooks: From a Cultural Perspective* ***-Ying Jin, Ni-Yen Lin, and Yu-Ling Sabrina Lo***	

9:45am	**Concurrent Session 10.5**	**Zoom Link: See top of the page**
10:45am	*Track: Global Competence*	***Session Chair: Albert Ziegler***
15 min.	*The Importance of Social Media as a Digital Marketing Channel* ***-Remzi Reha Durucasu and Fikret Er***	
15 min.	*Another Way to Encourage Entrepreneur: Affiliate Marketing* ***-Remzi Reha Durucasu and Fikret Er***	
15 min.	*Effects of Social Media Usage on Academic Performance of Students in South-West Polytechnics in Nigeria* ***-Soyele E. Kelechi***	
15 min.	*Opportunity Gaps, Learning Gaps, and Achievement Gaps: A Conceptual Analysis* ***-Albert Ziegler, Sen-Pen Eu, Michaela Glaser-Zikuda, Bettina Harder, Ching-Chi Kuo, and Hsiao-Ping Yu***	

Thursday, June 10, 2021: Concurrent Sessions 11.1, 11.2 & 11.3

1:00pm	**Concurrent Session 11.1**	**Zoom Link: See top of the page**
2:00pm	*Track: Educational Technology*	***Session Chair: Babak Khoshnevisan***
15 min.	*Synchronous Sessions During the COVID-19 Pandemic: The Good, the Bad, and the Ugly* ***-Babak Khoshnevisan and Rabea Alfahad***	
15 min.	*Examining Digital Divide From the Perspective of Rural School Teachers During COVID-19 Pandemic* ***-Asli Yurttas, Nurselin Ozkan, Halid Z. Ipek, and Murat Tasdan***	
15 min.	*Insights From Students on Using Videos and Webcams in the Times of COVID-19: The Role of Gender, Age and Culture* ***-Maja Seric***	
15 min.	*An Investigation of the Experiences of Caribbean School Teachers' Shift to Online Schooling During the Pandemic* ***-Mia A. Jules, Donna-Maria Maynard, Jason Marshall, Grace Fayombo, and Suriya Daya***	

1:00pm	**Concurrent Session 11.2**	**Zoom Link: See top of the page**
2:00pm	*Track: Higher Education & Educational Leadership*	***Session Chair: Jennifer E. Lineback***
15 min.	*The Evaluation of Inclusive Leadership Traits of School Principals According to the Views of Teachers* ***-Ezgi Agcihan and Asiye Toker Gokce***	
15 min.	*Higher Education Financing Analysis Based on the Examples of Selected Countries* ***-Hilal Celik and Hasan Arslan***	
15 min.	*Teaching Students How to Code Qualitative Data: An Experiential Activity Sequence for Training Novice Educational Researchers* ***-Jennifer E. Lineback***	
15 min.	*Critical Assessment of Socio-Intercultural Entrepreneurship. A Case on a Postgraduate Program in Economics and International Business of an Indigenous University* ***-Jose Guadalupe Vargas-Hernandez and Ernesto Guerra Garcia***	

1:00pm	Concurrent Session 11.3	Zoom Link: See top of the page
2:00pm	*Track: Higher Education & Educational Leadership / Pre K-12*	***Session Chair: Kevin Ensor***
15 min.	*A Time for Transparency: Addressing Mental Health Services for Students* ***-Kevin Ensor***	
15 min.	*Corporal Punishment Demoralizes Student Personality and Development: A Moderating-Mediated Model in the Education Context of Pakistan* ***-Shahbaz Sharif and Rab Nawaz Lodhi***	
15 min.	*Meaning-Making Practices of Emergent Arabic-English Bilingual Kindergarten Children in Cairo* ***-Julia R. Capell***	
15 min.	*Lessons Learned From a Skill-Based Nutrition Education Program Targeting Healthy Eating Behaviors for Elementary Students in Taiwan* ***-Chia-Liang Dai***	

Thursday, June 10, 2021: Concurrent Sessions 12.1, 12.2 & 12.3

2:15pm	Concurrent Session 12.1	Zoom Link: See top of the page
3:15pm	*Track: Curriculum and Instruction Development / Inclusive Education*	***Session Chair: Selina L. P. Mushi***
15 min.	*Fostering Meta-Cognitive Skills in Young Children* ***-Selina L. P. Mushi***	
15 min.	*Accessibility and Usage of Cultural Heritage by the Disabled Users: Understanding of Parents' Point of View* ***-Valentina Perciavalle and Elisabetta Sagone***	
15 min.	*Recognizing Facial Expressions of Emotions for Students With Learning Disabilities* ***-Mehmet Emin Ozturk and Ahmet Metin***	
15 min.	*Cross-Cultural Differences to Implement the Social Practice Research of College Students' Overseas Volunteer Work* ***-Mei Hsiu Chuo, Ni Yen Lin, and Yi Wen Huang***	

2:15pm	Concurrent Session 12.2	Zoom Link: See top of the page
3:15pm	*Track: Education in Other Specialties*	***Session Chair: Khaled Taktek***
15 min.	*Combined Physical and Mental Training for Peak Performance: Differential Effects of Internal Visual Imagery, External Visual Imagery and Kinesthetic Imagery on the Learning, Retention, and Transfer of Motor Skills* ***-Khaled Taktek, Lynn Fielitz, Jesse Germain, Nathaniel Zinsser, and Daniel Ciccarelli***	
15 min.	*Affective Variables in Foreign Language Learning as Well as Teaching: Empathy and Personality* ***-Yunus Hastunc and Firat Unsal***	
15 min.	*Implementation of the Plotagon Application in EFL Speaking Lessons: Its Effect on Speaking Anxiety and Student Motivation* ***-Mervenur Coban, Ismail Ilkay Eyisuren, and Levent Uzun***	

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Corporate Finance
- Concepts and Cases



Edited by
D Satish

Corporate Finance - Concepts and Cases

Editor:
D Satish

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Chapter 1:

Corporate Finance Function

D. Satish

Introduction

The finance function has transformed in a major way over the years. It is the key function which works with the top management and CEOs as every decision the company takes has financial implications. The function which was seen as a cost centre has not only reduced the costs of financial operations thanks to the use of technology, but has also become a valuable profit center.

The finance department through the treasury function is investing and making money in the short period of time the cash is idle. The investments are global in nature, looking at the best possible return, given the time limitation and the risk appetite of the shareholders.

Finance departments which were known for transaction based services have started working on value addition to the company. Robotic Process Automation is increasingly used in automating transaction activities. Machine learning algorithms and analytics are used to manage risk. The algorithms highlight the focus areas, saving the executives valuable time.

The department has a huge amount of data and uses data visualization techniques and advanced analytics to improve decision making. The finance department is actively taking part in policy setting, strategic planning, financial planning, optimizing the capital structure and risk management. Refer to *Table 1* and *Table 2* for the names of some of the top CFOs of Indian and global companies.

Chapter 2:

Financial System

Richa Gupta

A financial system of a country shows the economic growth and wealth of the state in terms of mobilization of savings, distribution of funds into industrial investment, and rapidity of capital formation. It consists of regulatory bodies such as financial institutions/ intermediaries, financial markets, financial services, financial instruments, etc. It is a platform where institutions, such as banks, insurance companies, and stock exchanges are allowed to exchange funds. Financial systems are used everywhere be it an individual, a firm, an organization, a company, or a nation. The financial system also comprises the decisions made by borrowers, lenders, and investors on where to invest, how to invest, and who will invest. Financial systems can be structured by market principles, central planning, or a combination of both.

Importance of Financial System:

- It is important for capital formation.
- It is crucial in the economic development of the country as it encourages both savings and investment
- It assists in mobilizing and allocating the savings of an individual.
- It enables the growth of financial institutions and markets.
- It provides a link between the investor and savers or depositors.
- It promotes distribution of financial resources.
- It helps in generating new financial instruments over a period of time.
- It improves liquidity of financial claims through securities trading.

Chapter 3:

Financial Statement

Satish Chandra Tiwari

Introduction

The very first question that comes to our mind is Why financial statements is useful? The main goal of financial reporting is to supply information to investors, creditors, and other stakeholders to make a convincing investment. The objective of this chapter is to develop an understanding of end-users of financial statements in order to take rational decision-making for future perspectives.

A financial statement is a joint name for the tools and techniques that are proposed to provide appropriate information to decision-makers. The financial statement analysis is prepared to evaluate the financial health and performance of firms. Financial statement analysis compares the performance of the same company over a period of time, or else, it simultaneously does a comparison with other companies of the same industry or other industries.

The financial statement enables investors and creditors to (a) assess previous performance and financial position (b) forecast future performance.

Equity investors are primarily interested in the long-term earning capacity of the company, its ability to grow, and most importantly, its ability to pay dividends and increase in value. On the Other hand, creditors need somewhat different analytical tactics. Short-term creditors are more focused on the liquidity of a business to get an early payback of their investment; however, long-term investors are concerned about the long-term assets of the company and its earning power.

Chapter 4:

Financial Statement Analysis

C. Padmavathi

Introduction

Financial Analysis is a process undertaken by companies to accomplish the objective of Corporate Investment decisions and Financing Decisions. This process commences with understanding, examining, and analyzing the information provided in the Corporate Reports of the company. A systematic financial analysis process involves clearly defining and articulating the purpose and the context of analysis, collecting the data (information), processing the data, using tools and techniques to analyze the data, and interpreting the processed information for decision making.

Financial Statement Analysis is both an art and science, involving examining the information in financial statements and the application of analytical tools and techniques to derive measurements and relationships that are useful in decision making. Myers says, *"Financial statement analysis is largely a study of relationship among the various financial factors in a business as disclosed by a single set of statements, and a study of the trend of these factors as shown in a series of statements".*

Financial Statement Analysis is used to judge past performance, current position, and also to forecast and predict the future. The term 'analysis' focuses on the simplification and methodical classification of the financial data given in the financial statements. The term 'interpretation' is examining and explaining the meaning and significance of the data so simplified. Analysis and interpretation are interlinked and complementary to each other.

Chapter 5:

Time Value of Money

Naseem Ahamed

Introduction

The time value of money is one of the most important concepts of financial management. It is based on the premise that the value of money doesn't remain static with the passage of time. The value of money depreciates with time because of factors like inflation, opportunity cost, uncertainty about the future, etc. Suppose you can buy 12 bananas for Rs.60 today. However, you can buy only 11 bananas of the same quality for the same amount after one year. You cannot purchase the same quantity or more because the purchasing power of money has declined over time. This is called time value of money. Inflation is one of the most important factors that lead to the decline in the purchasing power of money with the passage of time. This whole idea, when applied to the business world, means investing in the present market in those projects which will yield higher returns in a future period or comparing the future yields from the project to the present market. The process of compounding and discounting helps us find the equivalent value of a certain sum of money in the future and the present respectively. This unit intends to provide an overview of time value of money and the applicability of various concepts of time value of money.

Objectives

After reading through the unit, the student should be able to:

- Explain the meaning and concept of time value of money
- Describe the process of compounding and discounting

Chapter 6:

Valuation of Debt

M. Venkata Narasimha Chary

Debt Instruments as a Source of Finance

Debt financing is the second most popular source of financing for businesses, the first being equity financing. Debt financing enables the business to not only meet its working capital requirements but also to expand its business.

Debt instruments are assets that require a fixed payment to the holder, usually with interest. However, a major advantage of debt instruments is that the amount paid in interest is tax-deductible, effectively reducing the net obligation. We also know well in advance exactly how much principal and interest will be the pay-back each month. This makes it easier to budget and make financial plans.

Valuation of Debt

The book value of debt is the total amount which the company owes, which is recorded in the books of the company. It is basically used in liquidity ratios where it will be compared to the total assets. Total assets are also equal to the sum of total liabilities and total shareholder funds.

Market Value of debt refers to the market price investors will be willing to buy a company's debt for, which differs from the book value on the balance sheet. A company's debt doesn't always come in the form of publicly traded bonds, which have a specified market value.

Although the book value of debt is most commonly used in empirical finance, the market value of debt is more accurate because it involves both the cash and debt of a firm, thereby taking into account the firm's capital structure.

Chapter 7:
Valuation of Equity

Rajneesh Ranjan Jha

Introduction

The value of a company is measured in the equity it holds. The amount of money invested by each individual investor, or shareholder, in exchange for shares in the company is their equity. If you are an entrepreneur starting a business, knowing how to determine the valuation of your company can help you decide whether to pursue an opportunity or not. This article will teach you how to calculate the equity value of a company. It is also known as market capitalization or share value. The value of a company is the present value at the time of the investment. The valuation method that we use to determine this figure is based on discounted cash flows (DCF). DCF is an analysis tool used by many financial analysts and investors to determine a company's intrinsic value. When determining this figure, we take into account future revenues, operating costs, and taxes. In addition, we must also consider the discount rate that will be used in calculating this figure – which represents the investment risk involved

Equity valuation is the process of estimating the value for a company based on its equity. The main purpose of this process is to estimate the value of a firm's common stock, as well as preferred stock. There are many different approaches to equity valuation and they can be grouped into two main categories: top-down and bottom up. Top down methods use macroeconomic variables to derive an aggregate view of the market while bottom up methods focus on individual companies or industries. Equity Valuation (or stock valuation) is a term that refers to the process of estimating the present value of a company's future earnings stream. The value of equity is usually determined by discounting these future cash flows at a required rate of return.

Chapter 8:

Money Markets

Pavana Jyothi

Introduction

Every business has two types of finance requirements –short-term requirements and long-term requirements. Short-term finance requirements are for meeting daily expenses like purchase of raw material, payment of wages and salaries, electricity and telephone charges, fuel expenses etc. Short-term requirements are funds required for a period of 364 days or less. The money market is a market for short-term funds. In these types of markets, borrowing and repayment take place in 364days or less. This short-term fund management, also be called liquidity management, is the problem of every type of business organization.

The main aim of money markets is to solve this liquidity problem of the companies. Hence, money markets provide an avenue for borrowing and lending for the short-term. Further, they also help in shifting vast sums of money between banks, and also provide a means by which the surplus of funds available with the corporations can be used by banks and other institutions which need short- term money. Thus, the money market refers to the market for short term securities. Examples of money market instruments are treasury bills, certificate of deposits, commercial papers.

Unlike stock exchanges, money markets do not have a fixed place, but activities take place between different entities. They play a very important role in the financial system of the country by bridging the liquidity gap and providing a way to utilize the excess funds in a proper manner, which results in satisfying the requirements for short term funds of corporations.

Chapter 9:

Capital Markets

T. Sita Ramaiah

Introduction

The economic development of a country is imitated by the progress of various economic units, classified into the corporate sector, government, and household sector. While performing their activities, these units are placed in surplus/deficit/balanced budgetary situations.

There are some people with surplus funds and others with a deficit. A financial system or financial sector functions as an intermediary and facilitates the flow of funds from the areas of surplus to the areas of deficit. A Financial System is a composition of various institutions, markets, regulations, and laws, practices, money manager, analysts, transactions, and claims and liabilities.

Financial Market can be defined as the market in which financial assets are created or transferred. As against a real transaction that involves exchange of money for real goods or services, a financial transaction involves creation or transfer of a financial asset. A financial market can be categorized as money market, capital market, forex market, and derivative market.

Capital Market

The capital market is designed to finance long-term investments. The transactions taking place in this market will be for periods a year. Herbert K. Dougall defines the term Capital Market as *"a complex of institutions and mechanisms whereby intermediate term funds (loans up to 10 years maturity) and long lean funds (longer maturity loans and corporate stocks) are pooled and made available to business, government*

Chapter 10:

Sources of Short-Term Capital

Rana Pratap

Finance is an essential element of any business concern because it is connected with all activities performed by the business concern. Arrangement of the required finance to each department of a business concern is a highly complex exercise and needs a careful consideration. The significance of finance may depend upon the nature and situation of the business concern. But, the requirement for finance may be broadly classified into two parts:

Sources of finance means the ways to mobilize various terms of finance for the requirements of the business. The financial requirements of a business vary from firm to firm and the nature of the necessities is based on terms or period of financial requirement – it may belong term or short term.

Long-term Financial Requirement means the finance required to get land and building for business concerns, purchase of plant and machinery, and other fixed expenditures. A long-term financial requirement is also called fixed capital necessities. Fixed capital is the capital used to purchase the fixed assets of the firms such as land and building, furniture and fittings, plant and machinery, etc. Hence, it is also called capital expenditure.

Short-term Financial Requirements are the kind of expenditures to meet with the help of short-term financial requirements which will meet the operational expenditure of the firms. Short-term financial requirements are popularly known as working capital.

A few short-term sources of finance are highlighted here:

- Bank Credit
- Customer Advances

Chapter 11:

Sources of Long Term Capital

N. S. Sudesh

Long-Term Capital

Companies' need for funds can be categorized in two ways:

- Funds for long-term deployment, usually known as capital expenditure
- For short term usage, also known as working capital requirements

The long-term deployment involves starting the firm, expansion, diversification, modernization, and other similar financing needs that will serve the company over a long period of time, such as 10, 15, 20 years, or more. These activities, naturally, involve huge investment and these decisions are also mostly irreversible. Because these investments provide long term benefits, financing them also needs to be long term. For instance, if a machine is being purchased that serves for 10 years, the company needs to finance the machine with a 10 year pay-back period. If the machine is financed by 5-year or 6-year funds, the company's balance sheet will not be reflecting the actual financial scenario at the end of the 5th year. Assets will outweigh liabilities.

The most important consideration for an investment and financing decision will be proper asset- liability management. Companies will face a severe asset-liability mismatch with improper funding decisions. Secondly, such a mismatch will lead to an interest rate risk increasing the interest burden. When a 10-year income has to match a 5-year payment, interest will increase. This might also lead to liquidity risk with the short-term payments being addressed through long-term projects. Let us consider the costs and means of finance of a few projects.

Chapter 12:
Cost of Capital

Satish Kumar

Introduction

The cost of capital to a company is the minimum rate of return that it must earn on its investments in order to satisfy the various categories of investors who have made investments in the form of shares, debentures, or term loans. Unless the company earns this minimum rate, the investors will be tempted to pull out of the company, with little question of their participating in any further capital investment in that company. For example, equity investors expect a minimum return as dividend on their perception of the risk undertaken based on the company's past performance, or on the returns they are getting from shares they have of other companies. The weighted arithmetic average of the cost of different financial resources that a company uses is termed as its cost of capital.

Assumptions

Given this definition of cost of capital, it must be noted that the use of this measure for appraising new investments will depend upon two important assumptions:

(a) The risk characterizing the new project under consideration is not significantly different from the risk characterizing the existing investments of the firm, and

(b) The firm will continue to pursue the same financing policies. Put differently, there will be no deviation from the debt-equity mix presently adopted by the firm.

Chapter 13:

Capital Budgeting

Rajyalakshmi

Nature and Purpose of Capital Budgeting

Capital budgeting is a crucial long-term investment decision. It relates to the allocation of funds to the acquisition and improvement of fixed assets. It has a long term impact on the Risk and return as well as the future growth and profitability of the firm. It involves substantial and irreversible commitment of the funds of the firm. Capital budgeting is a continuous process in any organization. It is a process of identifying and evaluating capital projects for the company by carefully considering the expected benefits against the costs associated with the investment.

The Capital Budgeting Process

Capital budgeting process involves the following steps.

1. Generation of the idea: A good quality project idea is the first step. It can be generated internally by the senior management, people from various departments, or the marketing personnel who are in direct contact with the customers. It can as well be generated from outside the organization.

2. Analysis of project proposals: Expected cash flows need to be projected and by applying the capital budgeting techniques, one need to analyze and identify which projects are more beneficial to the organization.

3. Creation of corporate capital budget: After analyzing and identifying which are more profitable projects, one need to prioritize them as per the corporate strategy, and profitability. A budget needs to be allocated to the selected projects.

Chapter 14:
Leverage Analysis

P. Bhanu Sireesha

Capital budgeting decisions enable the selection of the most beneficial option for a business firm to invest. These decisions are followed by financing decisions, where the total amount of funds required for the selected option will have to be raised by the finance manager using a combination of sources, debt, and equity. This enables the finance manager to be involved in determining the best mix of different sources to be used in raising the required funds, which is called capital structure planning. A firm may use several techniques that allow it to quantify the risk-return characteristic of the alternative capital structures. Two widely used techniques are the Leverage Analysis and the EBIT-EPS Analysis, of which the first is discussed in this chapter.

Definition of Leverage

The term leverage, in general, refers to the relationship between two inter-related variables, where the existing resources are utilized to attain something else. In financial analysis, leverage is measured between two financial variables, and the response of one variable to a particular change in another variable is explained. For a business firm, these variables can be costs, output, sales revenue, EBIT, EPS, etc. The emphasis is on the measurement of the relationship between the two inter-related variables rather than their independent measurements.

Leverage may be defined as the percent change in one variable as against the percent change in some other variable. For example, a firm increases its sales promotion expenses from Rs.5 lakh to Rs.6 lakh, due to which the number of units of sale have increased from 20000 units to 30000 units. Here, we can see that the sales promotion expenses have increased by 20% and the total number of units sold raised by

Chapter 15:
Capital Structure

Y Rama Krishna

Introduction to Capital Structure

Firms raise funds through short-term sources of finance and long-term sources of finance. Short term sources are predominantly used to finance day to operations, and long term sources are used to finance the economic resources of the business entity. Long term sources of funds can be broadly classified into debt funds and equity funds. Debt funds are fixed obligation funds on which the firm has to pay interest or coupon amount and return the investment at the end of the contract period. On the other hand, equity funds are contributed by the owners or investors of the firm and also include the retained earnings of the firm. In addition, debt is considered as a secure investment for the investors, because of the priority in payment of the interest amount, repayment of the principal amount, and supported by claims on the assets of the firm. Equity is treated as risky because of the uncertainty in earnings, and as a last resort at the time of liquidation. However, equity has an advantage over debt when the firm earns profits and increases the market value of the firm. Based on these advantages and disadvantages of debt and equity, there is a lot of research in the academic and corporate world on what should be the ideal combination of debt and equity. The theories surrounding this topic are called capital structure theories and the decisions made by managers are called capital structure decisions. The primary objective of the capital structure decisions is to increase the market value of the firm, which is a combination of market value of debt and market value of equity. You may be wondering why capital structure decision is such an important decision for the firm's finance manager. Due to the important characteristics just mentioned, the cost of debt is cheaper when compared to cost of equity. On the other side, the required rate of suppliers of debt is lower and suppliers of equity is higher. Let's

Chapter 16:
Dividend Policy

Sager Reddy

Introduction

A dividend is the share of earnings after taxes that are distributed to shareholders in the business and the investment made in the company by the shareholders receives the return. The top management of the company must utilize these earnings to make its various shareholders happy. The dividend policy of many companies dictates the sum of dividends paid to their shareholders by the organization and the incidence with which the company pays out the dividends. When a business entity earns a profit, it necessitates a decision being taken on what to do with the profits earned by the entity. They can either keep hold of the profits earned by the company in the form of retained earnings as reserves on the balance sheet, or they can share out the cash to shareholders in the form of dividends.

Why do Companies Pay Dividends?

Paying a dividend to shareholders is not compulsory. Any corporation or business entity that desires to make the most of shareholder wealth in general, invests in each project with the purpose of giving a superior return than shareholders may perhaps make investing the funds in another place. In case that investment amount is less than the company income, the company distributes the remaining either through a buyback of shares or by paying in the form of dividends. If that investment amount is higher than the company income, it will raise new funds by way of having a loan of or issuing of new shares. Any organization, which is able to generate consistent and continuous returns, which will not only reserve the earnings but raise the additional capital for new investments.

Chapter 17:
Working Capital Management

Jyothi Chittineni

Introduction

Working capital is the part of capital required to meet the day-to-day operations of a business. A study of working capital management helps to understand the operating efficiency of the business and the short-term liquidity position of the business. Hence, working capital management is considered one of the important functions of financial management. Working capital refers to a firm's investment in current assets.

Components of Working Capital

Working capital management is concerned with the firm's current assets and current liabilities.

Current Assets: The assets that a firm expects to convert into cash within an accounting year. They are generally short term in nature.

Current assets include:

a. Cash and bank balances
b. Marketable securities
c. Inventories
    i. Raw materials
    ii. Work-in-progress
    iii. Finished goods
d. Sundry debtors
e. Pre-paid expenses

Chapter 18:

Inventory Management

Abhishek Sinha

Introduction

Inventory Management refers to managing the raw materials, semi-finished goods, and finished goods related to tangible products being produced for the purposes of sale in the normal course of the company's operations. For example, for an automotive company which manufactures cars, the raw materials include steel, wheels, semi-conductors, glass, etc. Semi-finished goods may include the chassis of a car without wheels. On the other hand, finished goods include a car ready to be sold. Inventories management is aimed at optimizing the cost of maintaining and ordering inventory without disrupting the supply chain. For manufacturing companies, it is of prime importance to ensure adequate supply of raw material.

To quote the annual report 2020-2021 of Tata Motors, a leading global automotive player:

*"Our ability to supply components to our manufacturing operations at the required time is of importance in achieving production schedules and meeting consumer demand."*To ensure the same, the company *"works closely with suppliers to define inventory maintenance norms, build safety stocks, explore localization and alternative sources, among others"* (Annual Report – 2021 Pg. 26).

Inventory and its role in Working Capital Management

Inventories are an integral part of the working capital. They play an important role in ensuring timely delivery of products to the end users. However, excess inventory may lead to a longer Cash Conversion Cycle. This, in turn, impacts short-term liquidity. Inventory

Chapter 19:

Receivables Management

D S Prasad

Receivables Management

When a firm sells goods and services, it may accept cash on or before the date of delivery or it can extend credit to customers, say for a period of 45 days or 60 days. It is quite common for the firms to grant credit to promote sales. But, at the same time, it has to consider the costs associated with increased sales. These costs primarily arise from carrying higher levels of receivables and an increased default risk, among others. Account receivables arise when a business extends credit to its customers. Receivables management is a process of managing the account receivables within a business organization. It involves several decisions regarding the level of investment to be made in trade debtors by an organization. Deciding upon the optimal amount of credit sales is quite important as it affects the residual income of a business entity significantly. It also affects the liquidity level of the business which has important implications for its successful functioning and operations. Accounts Receivables constitute around 20% of the assets of industrial concerns and it is no surprise that accounts receivables represent a significant investment of financial resources of Indian companies.

Credit Policy Variables or Components of Credit Policy

The most important components of a firm's credit policy are:

- Credit Standards
- Credit Terms or Credit Period
- Cash discount and Cash discount period
- Collection Policy

Chapter 20:

Cash Management

Koya Raghu Nadh

Cash is the medium through which personal or commercial transactions are settled between two entities. Without a mechanism for settling business or personal transactions, the society grinds to a halt. Thus, management of cash is absolutely crucial for the smooth functioning of a firm. In this chapter, we will examine the following:

1. Motives for holding cash
2. Differences between cash, liquidity, and profits
3. Need for cash management
4. Compensating cash balances
5. The concept of float
6. Cash management models
7. Deployment of short-term cash surpluses
8. Sources to meet short-term cash deficits

Motives for Holding Cash: The need for holding cash arises from a variety of reasons and motives. The chief motives for holding cash are the: Transaction motive, Precautionary motive, and Speculative motive. The need for holding cash also arises because cash receipts and payments are non-synchronous, and because of the asymmetrical consequences of cash shortages and surpluses. Firms always need to hold adequate cash to conduct their day-to-day transactions like purchasing materials, payment of wages and utilities, etc. Firms would like to err on the side of caution and tend to be conservative in maintaining daily cash balances. Likewise, firms might want to take advantage of unanticipated favorable business dynamics that might arise, which will benefit them financially. For example, an unanticipated temporary drop in the price of raw materials

Chapter 21:

Introduction to Risk Management

D Satish

Introduction

A volatile and uncertain world calls for effective risk management practices. Effective management of risk will help companies smoothen their cash flow and increase the value to the shareholders and all stakeholders. The majority of investors are low to medium in their risk appetite and would prefer to invest in assets or companies which have low or reasonable amount of risk. Having said that, there are a few who are risk takers and would like to take a substantial amount of risk provided they see a great amount of return coming.

Risk management has never been in focus so much as it is in the current environment. The factors which could lead to an increase of risk of doing business are ever increasing. On the political front, there is talk of a renewed cold war and even a possibility of war in the Balkans with Russia amassing troops near the Ukraine Border. The skirmishes in the South China Sea between the US and the Chinese military, the aggression of China against Taiwan, the issues with Iran and North Korea have all added to the risk.

Adding to the political uncertainty is the grave economic situation of the globe which has been paralyzed by the Covid pandemic for nearly 2 years now. Talk of the end of low interest rates which have fuelled asset prices, especially in the stock markets, is doing no good. The increase in uncertainties, with many natural disasters occurring in the recent times, have not only added to the risks locally but also contributed to supply side disruptions and non availability of key components to the manufacturing sector, especially automobiles.

Chapter 22:

Derivatives and Derivative Markets

Jyoti Kumari

Introduction

The term "derivatives" is used to refer to financial contracts/instruments which derive their value from some underlying assets. The underlying assets could be equities (shares), debt (bonds, T-bills, and notes), currencies, commodities, and even indices of these various assets, such as the Nifty 50 Index and even non traded underlying viz. weather.

Are Derivatives New to Indian Exchanges?

Badla trading involved buying stocks with borrowed money, with the stock exchange acting as an intermediary at an interest rate determined by the demand for the underlying stock and a maturity not greater than 70 days.

Example: Suppose you buy 1,000 shares of Infosys at Rs 2200, your cash outflow is Rs 22 lakh. Instead of paying cash, you can ask your broker to find a borrower to finance your trade. This process of buying stocks with borrowed money is badla trading.

The stock exchange acts as an intermediary between you and the actual lender. You will be charged an interest rate for borrowing, which will be determined by the demand for that stock under badla trading. Thus, the higher the demand for Infosys under badla trading, the higher will be the interest rate. You can keep your borrowing unpaid for a maximum of 70 days, after which you will have to repay the badla financier through the exchange.

Badla trading was banned in 1993, legalized in 1996, and again banned in 2001 following the introduction of futures.

Chapter 23:

Forwards

Joy Chakraborty

Introduction

Forward contracts are commitments entered into by two parties to exchange a specific amount of money for a particular commodity or service at a specified future time. More informally, a forward contract may be described as an agreement to buy or sell an asset at a predetermined price and at a specified future time. Thus, in a forward contract, the contract is initiated at one time but the performance occurs at a subsequent time.

The terms of the contract, such as the price, delivery date, and quantity and quality of asset are specified at the time of initiating the contract, but actual payment and delivery of the asset occur later. The asset involved may be a commodity such as wheat, gold, etc. or a financial asset such as a foreign currency like US dollars.

One of the parties to a forward contract agrees to buy the underlying asset on a certain specified future date for a certain specified price. The other party to the contract agrees to sell the underlying asset on the same date for the same price. The buyer is said to have a 'Long position' while the seller has a 'Short position'. The price specified in the forward contract is referred to as the Delivery price and the time specified is referred to as the Delivery date.

A forward contract is settled at maturity. That means the seller of the contract delivers the specified asset to the buyer of the contract on the specified delivery date in return for payment of the specified price. A Forward contract is, therefore, a contract for forward delivery rather than a contract for immediate or spot or cash delivery, and generally no money is exchanged between the counterparties until delivery.

Chapter 24:

Futures

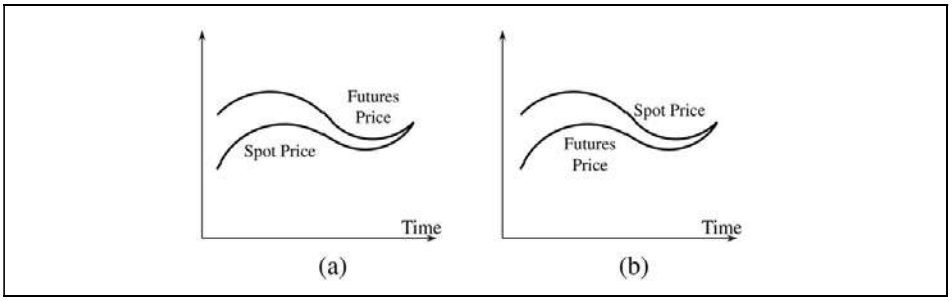
Ranajee

Futures Contracts

Futures are financial derivatives that bind the parties to trade an asset at a fixed price and date in the future. Regardless of the prevailing market price at the expiration date, the buyer or seller must acquire or sell the underlying asset at the predetermined price. It is Exchange traded, settled daily (marked to market), and is available on a wide range of assets.

Mechanisms of Futures Market

1. **Asset Specification:** Every future contract specifies:
   - Assets that can be delivered
   - Place of delivery&
   - Time of delivery
2. **Convergence of Futures to Spot**



Chapter 25:

Options

Nityanand Tripathi

Introduction

Options are one of the actively traded derivative instruments in the financial markets. An Option is a contract in which the seller (also called the writer) gives the buyer the right but not the obligation to purchase from a designated asset at a specific price which is agreed upon at the time of entering into the contract. It is important to note that the option buyer has the right but not an obligation to buy or sell. But, if the buyer decides to exercise his right, the seller of the option has an obligation to deliver or take delivery of the underlying asset at the agreed price. An option means a choice. An option in a financial market is created through a financial contract. This financial contract gives a right to its holder to enter into a trade at or before a future specified date. The underlying assets on options include stocks, stock indices, foreign currencies and debt instruments, commodities, and futures contracts. These are called stock options, index options, commodity options, currency options, and futures options. An option is different from other derivatives in that it provides a downside protection against risk and also an upside benefit from favorable movements in the underlying asset prices.

In Simple Language

"An option gives an investor the right, but not the obligation, to buy or sell a specified asset on a specified future date."

Structure of Global Options Market

Options are traded either on an organized exchange or on Over-The-Counter (OTC) market.

Chapter 26:

Swaps

VDMV Lakshmi

Like forwards, swaps are over-the counter (OTC) contracts, whereas futures and options are exchange traded. In general usage, swap means exchange. It is an over-the-counter contract between two parties to exchange cash flows in future. Financial swaps are primarily of two types, i.e., interest rate swaps (IRS) and currency swaps.

Interest Rate Swaps (IRSs)

IRS is a forward contact in which a series of interest payments is exchanged for another based on a specified notional principal amount. Any company which has concerns about a fall in interest rates in future may purchase **fixed to floating swap** where it receives cash flows based on a fixed interest rate and pays based on a floating rate. Similarly, the company which has concerns about a rise in interest rates in future buys **floating to fixed swap** in which it receives floating cash flows and pays fixed cash flows. Thus, the companies enter swap agreements to protect themselves from unwanted interest rate fluctuations i.e. interest rate risk.

However, there is no exchange of principal; the notional amount of principal is fixed only to determine the interest amount to be paid or received. Sometimes, both the payments can be in floating. In practice, banks or financial institutions that are authorized to deal with swaps act as intermediaries and market makers between the corporates. Using swaps, a fixed rate liability (asset) can be transformed into floating rate liability (asset) and vice versa. IRSs are not directly linked with original borrowings or investments, but help hedge from interest rate risk.

Chapter 27:

Currency Risk Management

M.V.S. Kameshwar Rao

Introduction

The world economic order has been changing during the past three decades to facilitate a hassle free flow of trade, and capital. Global factors, today, affect every business entity, due to the emergence of global value chains, and increasing cross border movement of capital. While the alluring side of this change is an expanded set of opportunities for profit making, this change has its set of risks to mitigate – notably Country Risk, Political Risk, and Exchange Rate Risk (also known as Currency Risk). This chapter develops an understanding of Currency Risk and its Management, by addressing the following questions.

1. What is Currency Risk?
2. Why does Currency Risk arise?
3. What is the difference between Currency Risk and Currency Exposure?
4. How does one measure Currency Exposure?
5. What are the different types of Currency Exposures?
6. Should Currency Risk be managed at all by a firm?
7. What is the typical Currency Risk management process?
8. What are the techniques of managing Currency Risk?
9. How do the exposures and risk management metrics change based on the nature of firm?

Chapter 28:

Asset Liability Management

D. Sreenivasa Chary

Introduction

Striking a balance between the cash inflows and cash outflows to avoid liquidity risk in an organization is called Asset and Liability Management. This exercise facilitates knowing the probable cash gaps at different time periods in future and to make suitable arrangements in advance. To put it simply, it is a cash management exercise.

The banking business is fraught with risk of several types. Liquidity risk is one of them. If liquidity risk is not properly addressed, it may result in the insolvency of a bank and cause its closure.

Banks accept deposits from the public and use such funds for lending and investments. Though the deposits are classified as demand and time deposits, the option available to the deposits to foreclose the deposits makes all the bank deposits repayable on demand. Thus, banks are required to repay the deposits together with interest, whenever public demand. On the contrary, there is no guarantee that the loans and advances which are made out of deposits, will get repaid on the due dates. Banks are required to resort to preventive, remedial, and legal measures for recovery of loans. This warrants management of assets and liabilities in banks.

ALM: Objectives

ALM is a technique used to mitigate the risks associated with the mismatch of assets and liabilities. It is used to cope with the risks and maximize rewards in banking operations through the proper management of volume, mix, maturity, rate sensitivity, quality, and liquidity of assets and liabilities. The objectives of ALM include:

Chapter 29:

Risk Management in Banking

B Brahmaiah

This chapter provides an introduction to risk management. It covers the definitions of the concepts of risk, credit risk, market risk, interest rate risk, liquidity risk, and operational risk, and also deals with measuring and managing credit risk, interest rate risk, and liquidity risk in banks. The chapter elaborates on risk management techniques such as the 5Csof credit appraisal and proposals. It also discusses the techniques of maturity gap, duration, sensitivity analysis, and value at risk.

The financial and banking sector serves the economic function of financial intermediation by ensuring efficient allocation of resources in the economy. Financial intermediation is undertaken through a four-pronged transformation mechanism consisting of asset liability transformation, size transformation, maturity transformation, and risk transformation. Risk is inherent in the very act of transformation. Prior to the economic reforms of 1991-92, banks were not exposed to diverse financial risks mainly because interest rates were regulated, financial asset prices moved in a narrow range, and the roles of different categories of intermediaries were clearly defined. The greater integration among the various segments of financial markets and increased globalization, emergence of new private sector banks, and the rapid developments of financial technologies (Fintech) in the Indian financial system have contributed for the volatility of interest rates and foreign exchange rates. There are several other structural changes that have taken place and the operating environment of banking has undergone a sea change. Risks are inherent in all the business lines of the commercial operations of banks. Banks aim to achieve an appropriate trade-off between the risks and the returns. To ensure sustainable and consistent growth in business, asset quality, and profitability, banks have to develop a sound, efficient, and effective risk management

Chapter 30:

Treasury and Risk Management

Anita C Raman

Introduction

Traditionally, finance managers have been focusing on investment decisions such as capital budgeting (long term) and working capital management (short term) such as cash management besides financing decisions (sourcing capital) and dividend decisions (dividend payments to equity shareholders). These have continued to be a key functional area in many organizations.

However, the dynamics of financial markets the world over are undergoing a transformation as businesses have globalized and more and more economies are becoming market driven. As a result of this changing scenario, one of the major consequences is the increasing volatility in the level of market (interest) rates, exchange rates, money supply, and general level of prices. This has led to the evolution and creation of a specialized function in the finance domain `Treasury'.

Many prominent financial practitioners and professionals – not surprising when the functions and operations of the treasury differ widely from organization to organization – have defined treasury management differently.

Depending on the size of the organization and nature of the business, the role of treasury can vary from simple cash management to all financial affairs excluding financial accounting, internal audit, and other functions of a controller. For example, the functions of a treasury in a large textile unit are very different to a treasurer in a commercial bank.

Chapter 31:

Value at Risk (VaR)

Kaushik Bhattacharjee

Introduction

Like any risk, market risk is also concerned with the possibility of adverse events. There are several measures for assessing market risk – the most prominent and popular being Value at Risk (VaR). If the Risk manager asks a question like, "What is the maximum loss that I can suffer on this investment?" VaR almost answers it. The qualifier 'Almost 'appears because the answer comes with two qualifiers:

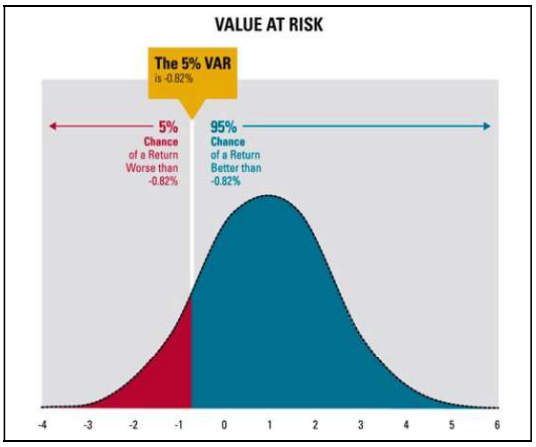
The time horizon (i.e., next 1 or 5 business days), and

The confidence level (i.e.,95% or 99%).

In other words, VaR is the loss level that we do not expect to be exceeded over the time horizon at the specified confidence level. Suppose that the time horizon is seven days and the confidence level is 95%. A VaR of INR 1 crore would mean that we are 95% certain that the loss during the next seven days will be less than or equal to INR 1 crore. In other words, there is a 5% probability that the loss over the next seven days will be greater than INR 1crore.

Figure 1:

Value at Risk



Source: Google Image

Chapter 32:

The Changing Face of Asset Management

A V Vedpuriswar

Introduction

In March 1868, the Foreign & Colonial Government Trust announced it would invest £ 1 m in a selection of bonds. For £85, an investor could buy one of 11,765 certificates giving an equal share. The trust promised a 7% yield. Its aim was to give middle class investors reasonable returns at lower risk by spreading the investment over a number of different stocks. The modern asset-management industry was born. Harry Markowitz who developed the portfolio theory in the early 1950s took the idea forward. William Sharpe developed the Capital Asset Pricing model in the 1960s. Both won the Nobel Prize for Economics in 1990.

Asset Management is a big business with over $100 trn worth of assets being managed by professionals today. Asset managers support jobs and growth by directing capital to businesses with the best prospects. The returns help ordinary savers to reach their financial goals—retirement, education and so on. Thus, the industry is central to capitalism in terms of capital allocation.

The Business Model

Asset managers charge a fixed fee on the assets they manage, but customers ultimately bear the full costs of investments that sour.

Profit margins in asset management are high by the standards of other industries. For all the talk of pressure on fees, typical operating margins are well over 30%.

Chapter 33:

The World of Venture Capital

A V Vedpuriswar

Introduction

Venture Capital (VC) is associated with some of the most well-known and influential firms in the world. These include Alphabet, Apple, Amazon, Facebook, Microsoft, Alibaba and Tencent. More generally, firms backed by venture capital have a much higher success rate and represent nearly half of the entrepreneurial companies that graduate to the IPO stage. In this article, we examine the evolution of VC, how Venture Capitalists (VCs) work and some key issues that must be addressed to shape the VC industry. The two main references for this article are:

- Josh Lerner, Ramana Nanda, *"Venture Capital's role in financing innovation: What we know and how much we still need to learn"* Journal of Economic Perspectives, Summer 2020 (Most of the exhibits in this write up are drawn from this article.)
- Paul Gompers, Will Gornall, Steven Kaplan, Ilya Strebulaev, *"How Venture capitalists make decisions"*, Harvard Business Review, March- April 2021

History

Venture Capital has been around since ancient times in some form or the other. Most business historians, however, trace the origins of the institutional venture capital industry to 1946, when Harvard Business School professor Georges Doriot formed the American Research & Development Corporation (ARD) to invest in young ventures

Chapter 34:

Understanding the SPAC Phenomenon

A V Vedpuriswar

Introduction

The amount of money raised by SPACs in the US, in the past 12 months, has soared to over $120bn. 248 SPACs were launched last year, raising $83 bn, 6 times the amount raised in 2019. Things have only accelerated in 2021. In January alone, an average of five SPACs were created each working day, collecting more than $26 bn in capital. Because they tend to raise more cash once they find an acquisition target (around five times the amount raised initially), SPACs may be targeting firms worth as much as $500bn. The big question today is: Are so many targets available? This article looks at SPACS and how they compare with traditional IPOs. Before we come to SPACs, we will look briefly at another alternative to IPOs, i.e. Direct Listings.

Direct Listings

In an IPO, new shares are created, underwritten and sold to the public. In a direct listing, no new shares are created. The focus is not on raising more capital. Only existing, outstanding shares are sold with no underwriters involved. Besides saving on fees, the direct listing process can avoid the usual IPO restrictions, including lockup periods that prevent the promoters from selling their shares. Direct listings are also more friendly to retail investors. In a standard IPO, the main beneficiaries of a first day increase in share price are the professional investors—often mutual funds or hedge funds—that get the shares from the company at a lower price before they start trading publicly. Since no investment bankers are involved, the shares should be attractive to investors and sell on their own. That means the company should be well known with some amount of brand recognition. In 2020, Palantir and Asana used this route. In the past, Spotify and Slack have used direct listing.

Chapter 35:

The Real Revolution on Wall Street

A V Vedpuriswar

Introduction

For nearly a fortnight, the world was mesmerized by the fortunes of GameStop. Shares of the video games company rose sharply from a few dollars in 2020 to above $480 on January 28th, before falling to $81 on February 2nd and $50 by Feb 11. A firm that was worth $200m in April last year was briefly valued at $30 bn.

The force behind the rapid increase in the GameStop price has been WallStreet Bets, an investment forum on Reddit, whose 8 million followers together bid up the prices of some obscure firms in late January. This triggered huge losses at hedge funds that had gone short and also put pressure on online brokers which had to post collateral as volatility rose. Since January 28th, the most prominent, Robinhood, has raised billions of dollars to shore itself up.

So What is Really Going on Here?

Information technology is making trading free, shifting information flows and catalyzing new business models. In the process, it is transforming how markets work.

In recent decades, trading costs for shares have collapsed to roughly zero. Progress towards freer stock market access began in 1975, with the abolition of huge fixed commissions and the entry of discount brokers like Charles Schwab. Then came automated trading and the decimalization of share prices. The rise of passively managed mutual funds which focus on cutting costs is also part of this trend. At

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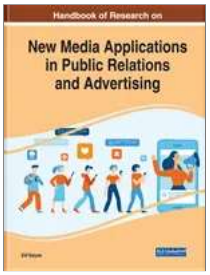
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Benefits & Incentives

Description & Coverage

Description:

As competition between companies increases, the need for effective public relations and advertising campaigns becomes imperative to the success of the business. However, with the introduction of

new media, the nature of these campaigns has changed. Today's consumers have more awareness and diversified ways to obtain knowledge, and through new media, they can provide feedback. An understanding of how to utilize new media to promote and sustain the reputation of an organization is vital for its continued success.

The **Handbook of Research on New Media Applications in Public Relations and Advertising** is a pivotal reference source that provides vital research on the application of new media tools for running successful public relations and advertising campaigns. While highlighting topics such as digital advertising, online behavior, and social networking, this book is ideally designed for public relations officers, advertisers, marketers, brand managers, communication directors, social media managers, IT consultants, researchers, academicians, students, and industry practitioners.

Coverage:

The many academic areas covered in this publication include, but are not limited to:

- Augmented Reality
- Corporate Social Responsibility
- Digital Advertising
- Digital Storytelling
- Journalism
- Online Behavior
- Political Advertising
- Political Consumerism
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Forthcoming



World Scientific Encyclopedia of Business Sustainability, Ethics and Entrepreneurship

(In 3 Volumes)
Volume 1: Environmental and Social Entrepreneurship
Volume 2: Sustainable Development Goals (SDGs)
Volume 3: Spirituality, Entrepreneurship and Social Change

February 2022

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Editor-in-chief: Gideon Markman (*Colorado State University, USA & Gent University, Belgium & Audencia Business School, France*)

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Description Authors

Volume 1: This volume is the culmination of many discussions among the editors over the years, especially at the Sustainability, Ethics and Entrepreneurship (SEE) Conference, related to the growth and institutionalization of environmental and social entrepreneurship. Research on these two forms of entrepreneurial action has tried to keep pace with what is occurring in the field. While the research is diverse, attracting scholars across many disciplines and from all parts of the world, it is still in the formative stages. This volume seeks to take stock of the literature and report the state of the art in environmental and social entrepreneurship. In particular, it seeks to explore new theoretical directions that blend traditional notions of economic efficiency and social welfare and new ways of measuring and empirically testing these phenomena. The chapters in this volume demonstrate the diverse philosophical, methodological, and theoretical techniques to studying these forms of entrepreneurship. We expect this volume will contribute to this burgeoning research and that researchers will engage in theory development for the foreseeable future, as new business models are developed, tested, abandoned, and evolved.

Volume 2: This volume spotlights cutting-edge research, innovative methodologies, and provocative thinking by organizational scholars and leaders committed to advancing the global sustainability agenda. Each chapter focuses on advancing one or more United Nations (UN) 2030 Sustainable Development Goals (SDGs). The chapter sequence follows a general logic of SDG numerical order and breadth. Overall, this compendium provides critical insights, practical strategies and tools, and timely inspiration to motivate individual and collective engagement with and achievement of the SDGs. With a decade remaining to achieve the 2030 Agenda, this volume supports sustainable development globally, through: identification of key challenges; theoretical, empirical, and practical exploration of potential solutions; and sharing of actionable findings. Each chapter makes an impactful contribution by spotlighting opportunities for advancing best-in-class efforts toward the achievement of the SDGs. Chapters represent diverse scholarly perspectives and include a representative range of focal SDGs, organizational

contexts, applications, and initiatives from Africa, Asia, Europe, North and South America, and spanning national borders.

Volume 3: Historically religious institutions have been at the forefront of social change, yet religion and spirituality are rarely discussed in contemporary entrepreneurship research. We challenge this oversight and argue that by ignoring the fundamental principles that define an overwhelming majority of people all over the world, our scholarship risks being partial, incomplete and thus misleading. This volume presents a selection of entrepreneurship perspectives — studies, essays and analyses — that integrate religion and spirituality with social change. We have deliberately sought chapters that are edgy and novel, to give different nuances on this integration of religion and spirituality with entrepreneurship for social change.

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  - *Yoga Sutras* and Spiritual Entrepreneurship *(Anil K Maheshwari and Nisha Pandey)*
  - Harnessing Andean Spirituality and Entrepreneurship *(Tamara Stenn)*
- Index

Readership: Researchers and academics in management, strategic management and entrepreneurship disciplines; readers with an interest in religion and entrepreneurship.

We recommend

Chapter 1: Introduction — Advancing the Sustainable Development Goals
Andrew Ward et al., World Scientific Book

Chapter 5: Social Entrepreneurship and Addressing SDGs Through Women's Empowerment: A Case Study of She-EO
Wendy Cukier et al., World Scientific Book

Chapter 8: People of Faith as Institutional Entrepreneurs
Nazarina Jamil et al., World Scientific Book

Chapter 12: Partnerships for the Goals in Africa: Impact Investors and Social Entrepreneurs Through

UN's Sustainable Development Goals need diverse allies
Expert Briefings, 2018

Sustainable development goals – an analysis of outcomes
Omar Sacilotto Donaires et al., Kybernetes, 2019

Call for papers
Management Research, 2013

Exploring the motivation of social entrepreneurs in creating successful social enterprises in East Africa
Caroline Njeri Wanyoike et al., New England Journal of Entrepreneurship, 2021

the Lens of the United Nations Sustainable Development Goals
Oluwaseun Oguntuase, World Scientific Book

G20 Hangzhou Summit: A Possible Turning Point for Global Governance
Colin I. Bradford, World Scientific Book, 2016

Opinion: Sustainable development must account for pandemic risk
Moreno Di Marco et al., Proc Natl Acad Sci U S A, 2020

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Tapan Sarker, Subhendu Dey, Anish Yousaf and Abhishek Mishra

Doi: https://doi.org/10.1142/9789811248870_0010

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Abstract:

The role of social enterprises, in combating climate change by providing decentralized energy to rural communities in transitioning economies, is an emerging field of research. Social enterprises can play an important role in meeting Sustainable Development Goals (SDGs), suggesting that they are effective conduits for developing climate change policy on adoption and mitigation strategies. Interviews with social enterprises that are providers of sustainable energy solutions, like SELCO Solar Light Pvt. Ltd. (SELCO), in transitioning economies like India, show how they can improve the quality of life of rural communities and their livelihoods. This chapter looks at the role played by SELCO in dealing with climate change policy adoption and mitigation, and how it has played an important role in enhancing the quality of life of rural households and livelihoods through sustainable energy solutions and services. The chapter provides insights into the role of the social enterprise in shaping climate change policies in transitioning economies.

Keywords: Sustainable Development Goals (SDGs) ▪ climate change policy ▪ social enterprise ▪ reliable and sustainable energy ▪ transitioning economies

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Fraud Risk Management in Banks: An Overview of Failures and Best Practices

Abhishek Sinha (Department of Finance, IBS Hyderabad, India)

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Abstract

White collar crimes refer to the criminal activities by a professional holding a responsible position in the organization. Banking frauds are one of the most pronounced forms of white collar crimes. These frauds impact the reputation of the bank and also effects its financial sustainability. The chapter entails the frauds that happen in banks and identifies reasons for the failure of banks to prevent such frauds. The author pinpoints the best practices in developing fraud prevention frameworks and emphasizes the importance of corporate governance in preventing such frauds. Best practices and future trends are also identified that are important to prevent and detect banking frauds.

Chapter Preview

Top

Introduction

White Collar Crimes refers to criminal activities involving a professional holding a responsible position in the organization (Strader, 2011). Most of these crimes involve experts who have been given fair autonomy to make decisions, which may impact the reputation risk of the entity whom the professional represents. Essentially these events do not cause physical harm to anyone, however, it may lead to material economic losses to the affected party. In the case of banks, there is also a risk of the economy being impacted by these crimes.

Most of the white-collar crimes take time to be unearthed and proved because they involve professionals who yield enormous power within the organization where they commit the crime. They are also aware of the weakness and loophole in the risk management system and they exploit it to the best of their abilities. This generally creates a fear in the minds of the victims and tarnishes the reputation of the organization. The tarnished image may then materialize into the business loss. White Collar Crimes are committed by people who are involved in otherwise, lawful businesses and covers a wide range of activities. (Sutherland, 1983).

The perpetrators hold respectable positions in the communities unless their crime is discovered. The laws relating to white-collar crimes depends upon the exact nature of the crime committed.

Following are the different category of white-collar crimes:

Fraud by Employees

It refers to the process of circumventing the risk management mechanism in a business organization to profit from it. This is generally tantamount to breach of trust and due to opaqueness in the functioning of banks, it is difficult to detect them before some material harm has already been done.

Blackmail

Blackmail means demand for money by threatening some person to cause physical injury or exposing his secrets. In the banks, there are very few instances of such frauds. Hence, this kind of fraud is outside the scope of the book.

Bribery

It is the process of offering money to influence the judgment of the professional holding discretionary power in the organization. This leads to partisan behaviour and unduly influences the decision- making process and hence is categorized as a crime. Such crimes are typically a function of the culture existing in the organisation. Over the years, an increase in the level of automation has increased transparency and hence reduced instances of bribery.

Digital Fraud

Frauds involving technologically induced malpractices leading to a financial burden for the aggrieved party are known as a digital fraud. Digital frauds incidences are increasing. It can be attributed to the exponential rate of change in the industry and the vulnerability of digital platforms to security. Digital fraud also has the potential to retard the rate at which the fintech industry is growing. Hence, it is important to curb such incidents.

Embezzlement

It refers to the process where a person who has been entrusted with money or power of attorney misappropriates it without the permission of the authorized party. As can be seen in the Karvy scam in the Indian stock markets. In the Karvy Scam which happened in January 2020, a group of employees of the company used Power of Attorney (PoA) given to the company by the investors and transferred the shares from the investors' account to another account and then pledged Rs. 2,300 crore worth of shares of over 95,000 clients as collateral to get loans from banks and National Banking Financial Corporation (NBFCs) by pretending that the shares belonged to the company.

Extortion

The process of illegally acquiring the property of a person without the permission of the individual. This generally involves an individual who can influence the law enforcement bodies in a country. The banking sector is generally not impacted by the instances of such crime.

Insider-Trading

This refers to the phenomenon where an employee of the entity trades in the market using price sensitive information not available in the public domain. The information asymmetry that exists in case of confidential information and the agency problem are the main factors that lead to this kind of insider trading.

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paper titled:

Autonomous/controlled motivations for youth travellers: A self-determination theory perspective

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Welcome From the Chairs

Welcome, Hoşgeldiniz, Willkommen, Bienvenue, Добро пожаловать, لهسو ًلاها, 歡迎光臨, Bienvenido, Καλώς Ορίσατε, Benvenuto, ようこそ, 환영합니다, ยนิ ดีตอ้ นรับ, אבהרוב to the 4th Global Conference on Education and Research (GLOCER 2021) virtually hosted by the University of South Florida, Florida, USA. *The Association of North America Higher Education International (ANAHEI)* is very honored and excited to host the 4th GLOCER Conference.

GLOCER 2021 received 360+ abstracts/papers for the conference from 650+ authors. One hundred seventy-six of these abstracts/papers are accepted to be presented at GLOCER 2021. GLOCER is truly an interdisciplinary and global conference as we will host presenters from 36 countries and from different fields of studies. We would like to thank each author for submitting their research papers to GLOCER 2021.

As GLOCER 2021 was a peer-reviewed, double-blind review conference, we would like to thank our Research Chair, Dr. Alia Hadid, and each and every reviewer who ensured that the paper review process was high quality and smooth. We would like to thank Bradenton Area Visitors and Convention Bureau for being the presenting sponsor for GLOCER 2021 and all GLOCER conferences in the past. We also would like to thank the University of South Florida M3 Center for virtually hosting GLOCER 2021. Without their support, this conference would have not been possible. Also, we would like to extend our gratitude to our panelists and moderators: Sir Dr. Adam Carmer (Moderator), Dr. Chong Guan, Dr. Anjala S. Krishen, Dr. Alexis Nicole Mootoo, Dr. Shawn Murray, Dr. Rinat Rosenberg-Kima, Mr. Daniel Schiff, Dr. Robert K. Toutkoushian, Dr. Janelle Wells, and Dr. Deanne Williams-Bryant (Moderator). We also thank conference coordinators: Zahra Alrushdy, Anudari Munkhtuya, Luana Nanu, Abraham Terrah, and Dr. Gozde Turktarhan. We also thank all other volunteers.

Congratulations to all of the presenters at this conference and a warm Welcome!

Yours in Hospitality,

Co-Chairs,

- *James, Waynne, Ed.D., Professor, College of Education, University of South Florida, USA*
- *Cobanoglu, Cihan, Ph.D., Professor, Muma College of Business, University of South Florida, USA*
- *Cavusoglu, Muhittin, PhD. Assistant Professor, The W. A. Franke College of Business, Northern Arizona University, USA*

Tuesday, June 8, 2021

Time (EDT)	*Event*
8:00am-9:00am	Concurrent Sessions (1.1, 1.2, 1.3, 1.4, & 1.5)
9:15am-10:15am	Concurrent Sessions (2.1, 2.2, 2.3, & 2.4)
10:30am-11:00am	Opening Ceremony
11:00am-12:00pm	Panel: Salary Equity in Academia Across Gender and Race: Are We There Yet?
12:00pm-1:00pm	Lunch Break
1:00pm-2:00pm	Concurrent Sessions (3.1, 3.2, & 3.3)
2:15pm-3:15pm	Concurrent Sessions (4.1, 4.2, & 4.3)

Wednesday, June 9, 2021

Time (EDT)	*Event*
9:00am-10:00am	Panel: The Impact of Artificial Intelligence/Robots on Education
10:15am-11:15am	Concurrent Sessions (5.1, 5.2, 5.3, 5.4, & 5.5)
11:30am-12:30pm	Concurrent Sessions (6.1, 6.2, 6.3, & 6.4)
12:30pm-1:30pm	Lunch Break
1:30pm-2:30pm	Concurrent Sessions (7.1, 7.2, & 7.3)
2:45pm-3:45pm	Concurrent Sessions (8.1, 8.2, & 8.3)

Thursday, June 10, 2021

Time (EDT)	*Event*
8:30am-9:30am	Concurrent Sessions (9.1, 9.2, 9.3, 9.4, & 9.5)
9:45am-10:45am	Concurrent Sessions (10.1, 10.2, 10.3, 10.4, & 10.5)
11:00am-12:00pm	Panel: Diversity, Equity, and Inclusion in the Classroom: Instruction for Instructors
12:00pm-1:00pm	Lunch Break
1:00pm-2:00pm	Concurrent Sessions (11.1, 11.2, & 11.3)
2:15pm-3:15pm	Concurrent Sessions (12.1 & 12.2)
3:30pm-4:30pm	Closing Remarks

Panelists

"Salary Equity in Academia Across Gender and Race: Are We There Yet?"



Dr. Anjala S. Krishen

Dr. Anjala S. Krishen, Professor of Marketing and Director of MBA Programs at UNLV, has a B.S. in Electrical Engineering from Rice University, and an M.S. Marketing, MBA, and Ph.D. from Virginia Tech. Krishen held management positions for 13-years before pursuing a doctorate. As of 2020, she published over 60 peer-reviewed journal papers. In addition to other speaking events, in 2016, she gave a TEDx talk (at UNR) titled, "Opposition: The light outside of the dark box," and at UNLV, "Consuming to Creating, Watching to Doing, Seeing to Being." She has received numerous awards for her work including most recently the UNLV Foundation Distinguished Teaching award (2015), the Barrick Scholar Award (2016), the Harold and Muriel Berkman Research Grant Award (2016), and two Faculty Opportunity Awards (2014 and 2016) and most recently the UNLV Alumni Association Outstanding Faculty (2019). She has completed over 70 marathons, seven ultramarathons, four 100 milers, and has a Taekwondo black belt.



Dr. Alexis Nicole Mootoo

Dr. Alexis Nicole Mootoo serves as Associate Vice President, Resource Management and Community Development for Student Success at the University of South Florida. In her position, she manages $100M of a diverse financial portfolio and is responsible for human resources functions for 800 employees and 2000 students. Her research interests include examining the survival and persistence of institutional and structural racism in liberal spaces in the Americas. She investigated the underpinnings of affirmative action in the United States and in Brazil, comparing its positive and negative effects on Afro-Descendants in publicly funded university systems. Dr. Mootoo also teaches courses in Africana Studies focusing on Racism in American Society and issues of Black women in America, Political Science, Latin American Studies for the USF School of Interdisciplinary & Global Studies, and American Culture and Introduction to the Humanities in USF's Department of Humanities. Pursuant to student outcry after the death of George Floyd, she created a course called Prejudice, Stigma and Racial Consciousness at the behest of students demanding more instructional opportunities delving into racism and prejudice. Most recently, Dr. Mootoo collaborated with USF Muma College of Business, the Tampa Bay Lightning and Jabil to create a diversity, equity and inclusion in the workplace certificate program, a program based on the tenets of the 1964 Civil Rights Act and Title VII.



Dr. Robert K. Toutkoushian

Robert K. Toutkoushian is a Professor of Higher Education in the Institute of Higher Education at the University of Georgia. He earned a Ph.D. in economics from Indiana University and has since specialized in conducting research on issues pertaining to faculty compensation. To date, he has published twelve articles in peer-reviewed academic journals, four chapters in edited books, and two edited books on issues relating to faculty compensation. Dr. Toutkoushian has conducted salary equity studies for several institutions including the University of Minnesota, Dartmouth College, the University of Missouri, and Villanova University, and has served as an expert witness in several salary equity cases in academe. Prior to becoming a faculty member, Dr. Toutkoushian worked in the field of institutional research at the University of Minnesota and the University System of New Hampshire. He regularly teaches workshops for institutional researchers on how to conduct salary equity studies at their institutions.



Dr. Deanne Williams-Bryant (Moderator)

Dr. Deanne Williams-Bryant is the founding Dean, Professor, and Chief Academic Officer of the Bob Billingslea School of Hospitality Management. A seasoned hospitality educator, she has served in many roles in both the instructional and administrative sectors of hospitality and Tourism education while being an active member of both state and local Tourism Associations and the campus community. With a myriad of professional affiliations, Dr. Williams-Bryant has demonstrated a commitment to teaching excellence with an accomplished record of research, scholarship, and community service. She is experienced in developing innovative and relevant educational curriculum to prepare graduates for careers in the global hospitality industry. Dr. Williams Bryant's expertise in accreditation is evidenced by her service and leadership as a standing Commissioner for ACPHA; The Accreditation Commission for Programs in Hospitality Administration. She served as the President of the HBCU Hospitality Management Consortium, Board member for ICHRIE responsible for establishing the Research and Teaching Academies, and was awarded the Stevenson Fletcher award for Excellence in Hospitality Higher Education.

"The Impact of Artificial Intelligence/Robots on Education"



Dr. Chong Guan

Chong Guan is Associate Professor in Marketing and Deputy Director in the Office of Graduate Studies, Singapore University of Social Sciences (SUSS), Singapore. Chong completed her Ph.D. in Marketing at Nanyang Business School, Nanyang Technological University, and her undergraduate studies in Marketing at Guanghua School of Management, Peking University, China. Her research interests lie in the area of consumer decision-making on digital platforms. Her publications appear in leading journals such as the European Journal of Marketing, Journal of Interactive Marketing, Journal of Business Research, Telecommunications Policy, Psychology & Marketing, and DATABASE. She is an editorial board member of Internet Research. Chong has taught various digital marketing courses at the undergraduate, graduate, and executive levels. She has consulted business practices and conducted corporate trainings on social media analytics, AI in marketing, and other emerging areas.



Dr. Rinat Rosenberg-Kima

Dr. Rinat Rosenberg-Kima is the Head of the Mindful Learning Technologies Lab in the Faculty of Education in Science and Technology at the Technion – Israel Institute of Technology, where she also serves as the Head of the Computer Science Education Program. Her research at the Mindful Learning Technologies Lab combines Human-Robot Interaction, Computer Science Education, and Instructional Design, with a particular interest in the relationships between mind, cognition, and affect. Rinat completed her BA in Computer Science and Economics at Tel-Aviv University, her MA in Psychology at Tel-Aviv University, and her Ph.D. in Educational Psychology and Learning Systems at Florida State University. Previously, she led the analytics team in a science education digital curriculum development project at the Lawrence Hall of Science, UC Berkeley.



Mr. Daniel Schiff

Daniel Schiff is a Ph.D. student in the School of Public Policy at the Georgia Institute of Technology where he studies the social, ethical, and policy implications of artificial intelligence. Previously, he served as the Director of Research, Evaluation, and Planning at the Philadelphia Education Fund. Daniel studied Philosophy at Princeton University, focusing on robotics and intelligent systems, before completing a Master's in Social Policy at the University of Pennsylvania. He has published in venues such as AI & Society, IEEE Transactions on Technology & Society, the Journal of Engineering Education, the AMA Journal of Medical Ethics, and Nanotechnology.

"Diversity, Equity, and Inclusion in the Classroom: Instruction for Instructors"



Sir Dr. Adam Carmer *(Moderator)*

Sir Dr. Adam Carmer is an Assistant Professor in the USF School of Hospitality & Tourism Management Program. As an entrepreneur and educator for over 30 years, Dr. Carmer practices what he preaches. Specializing in creating new pedagogy, filling holes on the shelf with Hospitality products, and sharing his experiences and insight with others defines the trajectory of Dr. Carmer. Hospitality always at the core, with a keen eye on the community. Sustainability, mentoring, and leading by example in the Diversity, Equity & Inclusion space are exemplars of his career. Sir Adam opened the first non-gaming bar in Las Vegas, the first certified green restaurant in the history of Nevada, the largest beer bar in the country, and the largest whisky bar in the country while hiring and promoting, and partnering with underrepresented segments of our communities. Sir Adam opened Treasure Island Hotel & Casino, helped redefine the Mirage, Bellagio, Harrah's, and the MGM prior to branching out on his own to add hospitality-driven concepts in Las Vegas. In 2008 Dr. Carmer developed the Carmer Spirits Tasting Enhancement Method (CSTEM), a revolutionary new pedagogical approach to teach the sensory perception components of beverages. Dr. Carmer was featured in the Los Angeles Times, Forbes, Food & Beverage Magazine, and dozens of other publications for his unique ventures in Hospitality.



Dr. Shawn Murray

Shawn Andre Murray currently serves as an Assistant Professor of Tourism & Hospitality Management and Interim Director of the Culinary Arts Institute at Montgomery County Community College. Shawn also collaborates with former and current professional athletes serving as a consultant for non-profit management and hospitality-based projects. Shawn brings over 28 years of experience in education, management, hospitality consulting, human resources, sustainability, marketing, culinary, and pastry arts. Shawn has collaborated with major corporations including TD Bank, Starbucks, Colonial Penn, Choice Hotels, Hilton Hotels, Hyatt Hotels, IHG Hotels, and Marriott Hotels assisting these firms with special projects resulting in improved business productivity and positively impacting communities. Shawn serves as a board member and ambassador for PHL Diversity a division of the Philadelphia Convention & Visitors Bureau, the planning committee for the Philadelphia Diversity & Inclusion Conference, and a 30 year plus stakeholder and contributor working with the Pennsylvania NAACP. Shawn has also hosted and served on various panels and events including the Cooking for the Culture debut dinner series celebrating African American chefs. Shawn has been awarded many professional achievements along with national attention being named a Top 20 Degree Producer in Diverse Issues in Higher Education Magazine while serving as a professor and program director at Cheyney University. Shawn has spoken as a motivational speaker and subject content expert for various organizations and schools. Shawn's favorite quote follows: "An individual has not started living until he/she can rise above the narrow confines of their individualistic concerns to the broader concerns of all humanity." Dr. Martin Luther King, Jr



Dr. Janelle Wells

Janelle E. Wells is an Associate Professor in the USF Vinik Sport & Entertainment Management Program. Through her love of sport, Wells earned a collegiate athletic scholarship, progressed into the coaching ranks, and then transcended into the private sector and classroom as a professor of practice. While working full-time as a contracts negotiator and serving as the assistant coach for the Florida Institute of Technology volleyball team, she earned an MBA. She went on to coach volleyball at Indiana University-Purdue University Indianapolis (IUPUI), while teaching as an adjunct at Butler University. After earning her doctorate at the University of Florida and teaching at Florida State University, she joined the faculty at USF. As a lifelong learner, Wells' lived experience in male-dominate and prominent industries stimulated her research in organizational behavior, specifically leadership, career development, and gender equity, which has been published in outlets such as the Journal of Sport Management, the Leadership & Organizational Development Journal, Sport Marketing Quarterly, and the Journal of Intercollegiate Sport. In addition to her 30-plus published articles and book chapters, in 2019 she co-edited the book The Business of Esports: The Wild Wild West on Fire. Putting theory into practice, Wells is the co-founder of WellsQuest, a consulting firm specializing in developing talent to positively disrupt systems, teams, and individuals. Dr. Wells finds fulfillment serving others through USF's Title IX President's Committee and Muma's College of Business DEI Committee. Additionally, she empowers women as a founding member of the Women in Sports and Events (WISE) Tampa Bay, and as a founding Research Fellow for Wasserman's the Collective Think Tank. Dr. Wells most meaningful purpose is raising three active young children with her husband.

Tuesday, June 8, 2021: Concurrent Sessions 1.1, 1.2, 1.3, 1.4, & 1.5

8:00am	**Concurrent Session 1.1**	**Zoom Link: See top of the page**
9:00am	*Track: Educational Technology*	***Session Chair: Doris Lee***
15 min.	*Overarching Themes of MOOCs: An Integrative Literature Review* ***-Doris Lee and Gregory Bunn***	
15 min.	*Youtube Video Utilization to Enhance the Students Grammatical Competence* ***-Earl Jones G. Muico***	
15 min.	*Peer Review of Writing Assignments in Online Learning Environments* ***-Sarah Bond and Leslie Cordie***	
15 min.	*Technostress Management During COVID-19 Pandemic* ***-Anam Tahir Hashmi and Mohd Shakir***	
8:00am	**Concurrent Session 1.2**	**Zoom Link: See top of the page**
9:00am	*Track: Higher Education & Educational Leadership*	***Session Chair: Ana Gil Garcia***
15 min.	*Admitting Smarter: Refining the Admission Process Through Professional Dispositions* ***-Catherine Snyder***	
15 min.	*Adult Learner's Perspective Regarding Emotional Intelligence (EI) in the Online Learning Environment* ***-Heba Abuzayyad, Nadia Awaida, and Tanya Scotece***	
15 min.	*Examine the Attitudes of Prospective Teachers Towards Teaching Profession* ***-Sunble Bibi and Wajeeha Aurangzeb***	
15 min.	*The Latino Educational Model: A High Touch, High Tech, and High Support Successful Approach* ***-Ana Gil Garcia and Jennifer Talley***	
8:00am	**Concurrent Session 1.3**	**Zoom Link: See top of the page**
9:00am	*Track: Higher Education & Educational Leadership*	***Session Chair: Alok Kumar***
15 min.	*Teaching for Knowledge Transfer: Best Practices From a Graduate-Level Educational Psychology Distance Learning Program* ***-Bobby Hoffman***	
15 min.	*Perceived Employability of Young Adults: Do Higher Education, Career Adaptability and Career Decision Self-Efficacy Matter?* ***-Esther Sui-Chu Ho, Kwok-Wing Sum, and Thomas Sze-Kit Lee***	
15 min.	*New Education Policy (NEP) 2020: A Roadmap for India 2.0* ***-Alok Kumar***	
15 min.	*Hofstede's Cultural Classification and Innovativeness: A Study on Teachers in Turkey* ***-Ahmet Saylik, Bunyamin Han, and Rasim Tosten***	
8:00am	**Concurrent Session 1.4**	**Zoom Link: See top of the page**
9:00am	*Track: Inclusive Education*	***Session Chair: Ozge Ozel***
15 min.	*Gender Stereotyping in the Eyes of Preschool Teachers and Teacher Candidates* ***-Aysun Dogutas***	
15 min.	*The Opinions of Primary School Teachers on Multiculturalism* ***-Erhan Gormez***	
15 min.	*Inclusion-Sensitive Cooperation or Cooperation-Sensitive Inclusion?!* ***-Kirsten Menke Muller***	
15 min.	*Metacognitive Functions of Solving Routine and Non-Routine Problems* ***-Yasemin Katranci***	

8:00am	Concurrent Session 1.5	Zoom Link: See top of the page
9:00am	*Track: Education in Other Specialties*	***Session Chair: Letitia Basford***
15 min.	*Job Stress During COVID-19 Pandemic and Its Impact on Employee's Health, Quality of Life, and Job Performance* ***-Muhammad Rahies Khan and Naveed R. Khan***	
15 min.	*Smartphone Use and Personal Discomfort in Italian Adults During COVID-19 Pandemic* ***-Federica Sciacca, Graziella Di Marco, Zira Hichy and Concetta De Pasquale***	
15 min.	*Whose Crisis Is It? Reconsidering the "Migrant Crisis"* ***-Letitia Basford***	
15 min.	*Financial Threat and Financial Literacy on Willingness to Change the Financial Behaviour* ***-Salman Bashir Memon, Abdul Samad Dahri, and Ayaz Ali Maitlo***	

Tuesday, June 8, 2021: Concurrent Sessions 2.1, 2.2, 2.3, & 2.4

9:15am	Concurrent Session 2.1	Zoom Link: See top of the page
10:15am	*Track: Educational Technology*	***Session Chair: Charles C. Villanueva***
15 min.	*Student's Online Learning Experience During COVID-19: Integrating Behavioral and Technological Factors* ***-Muhammad Rahies Khan, Faiza Siddiqui, Mubashir Ali Khan, and Yasir Rasool***	
15 min.	*Impact of Educational Technology on Faculty Performance: A Case Study on AIUB During the Pandemic* ***-Charles C. Villanueva, Farheen Hassan, and Md. Khaled Amin***	
15 min.	*Effectiveness of Web-Based Learning Environment: Role of Learning Motivation, Computer Self-Efficacy, Teachers' Computer Self-Efficacy, and Learning Engagement* ***-Nimitha Aboobaker, Muneer K. H., and Zakkariya K. A.***	
15 min.	*Online Mathematics Education: A Bibliometric Analysis* ***-Toshiyuki Hasumi and Mei-Shiu Chiu***	

9:15am	Concurrent Session 2.2	Zoom Link: See top of the page
10:15am	*Track: Curriculum and Instruction Development*	***Session Chair: Sonja Ezell***
15 min.	*Intercultural Competence in Teacher Preparation Programs in the United States and Canada: A Meta-synthesis* ***-Sandra Silva-Enos***	
15 min.	*Social Studies Pre-Service Teacher' Views of Environmental Justice* ***-Sercan Bursa***	
15 min.	*Creating Literacy Communities to Inspire Teachers and Students* ***-Sonja Ezell***	
15 min.	*Exploring OER Repositories Using Web Analytics Tools* ***-Maria Perifanou and Anastasios A. Economides***	

9:15am	Concurrent Session 2.3	Zoom Link: See top of the page
10:15am	*Track: Global Competence*	***Session Chair: Vicky Spencer***
15 min.	*Intercultural Development in Preservice Teacher Study Abroad* ***-Jon Simmons***	
15 min.	*Indigenous Women in Science: A Proposed Framework for Leadership, Knowledge, Innovation, and Complexity* ***-Tracy Woodroffe, Ruth Wallace, Kathy Guthadjaka, Johanna Funk, Elaine Lawurrpa Maypilama, Sarah Ireland, Renee Adair, Robyn Ober, Samantha Armstrong, Anne Lowell, and Kellie Pollard***	
15 min.	*Using a Virtual Format to Support Student Learning Across Cultures, Countries, and Disciplines* ***-Vicky Spencer and Cindy Smith***	
15 min.	*Sustaining Internationalization in Higher Education: Before and After the COVID-19 Pandemic* ***-Ira Rasikawati, Munyi Shea, Sarah Zhou, Athriyana Pattiwael, David Wicks, and Mina Sulastri***	

9:15am	Concurrent Session 2.4	Zoom Link: See top of the page
10:15am	*Track: Pre K-12*	***Session Chair: Paul Lane***
15 min.	*The Effect of Mathematics Teaching Through Micro-Learning in the E-Learning Environment on Conceptual and Procedural Knowledge* ***-Zuhal Gun Sahin and Hafize Gamze Kirmizigul***	
15 min.	*Pre-Service High School Mathematics Teachers' Perceptions About Mathematics and Mathematics Teacher: A Metaphorical Approach* ***-Yasemin Katranci, Busra Kiral, and Diler Kedikli***	
15 min.	*The Degradation of Teachers' Constitutional Right to Whistleblowing* ***-Joseph Oluwole***	
15 min.	*Nurturing Creativity in Rural Nicaraguan Pre Schools* ***-Paul Lane, Juana Benavides, and Leana Espinoza Corrales***	

Tuesday, June 8, 2021: Concurrent Sessions 3.1, 3.2 & 3.3

1:00pm	Concurrent Session 3.1	Zoom Link: See top of the page
2:00pm	*Track: Adult Education*	***Session Chair: Andy Clayton***
15 min.	*Incorporating Music Into Affective Learning Into Affective Learning Environment to Promote Student Engagement* ***-Andy Clayton and Stephanie Wilson***	
15 min.	*The Perceptions of ESOL Preservice Teachers About Developmental Stages of Teachers* ***-Babak Khoshnevisan and Mojgan Rashtchi***	
15 min.	*A Study on the Teachers' Lifelong Learning Competencies and Their Motivations Towards Reading (Sapanca Sample)* ***-Nese Guler and Cigdem Ayanoglu***	
15 min.	*Please Let Them in: Teachers' Perceptions of the Diversity of the Students* ***-Sedighe Zamani Roodsari***	

1:00pm	**Concurrent Session 3.2**	**Zoom Link: See top of the page**
2:00pm	*Track: Higher Education & Educational Leadership*	***Session Chair: Jennifer Watson***
15 min.	*Honored: An Analysis of MBTI Preferences Among Honors College Students* ***-Angela Farmer***	
15 min.	*Curriculum Alignment in a University Community of Practice for Better Student Outcomes* ***-Jennifer Moradian Watson***	
15 min.	*Exploring Resilient Pedagogy in Higher Education During Times of Crisis* ***-Katie Clum, Elizabeth Ebersole, Munyi Shea, and David Wicks***	
15 min.	*Enhancing Student Engagement: The Role of Orientation Events Experience in Higher Education* ***-Shampy Kamboj and Manika Sharma***	

1:00pm	**Concurrent Session 3.3**	**Zoom Link: See top of the page**
2:00pm	*Track: International Education*	***Session Chair: Meghan Bratkovich***
15 min.	*What's Wrong With my Pronunciation? Pronunciation Difficulties Experienced and Strategies Employed by Pre-Service Foreign Language Teachers in Turkey* ***-Vasfiye Geckin***	
15 min.	*Chinese Teachers' Implementation of Learner-Centered Teaching a Case Study in Enshi, Hubei Province* ***-Lei Ping, Katrina Liu, and Zhiyong Zhong***	
15 min.	*Exploring Language Demands in Undergraduate Mathematics Courses* ***-Meghan O. Bratkovich, Jane Harvey, Katherine Hellmann, and Kimberly Cooper***	
15 min.	*Exploring and Comparing Early Childhood Education in Different Countries Around the World* ***-Ozge Ozel***	

Tuesday, June 8, 2021: Concurrent Sessions 4.1, 4.2 & 4.3

2:15pm	**Concurrent Session 4.1**	**Zoom Link: See top of the page**
3:15pm	*Track: Educational Technology*	***Session Chair: Eugene Kim***
15 min.	*Determining the Effect of Student-Content Interaction, Instructor-Student Interaction and Student-Student Interaction on Online Education Satisfaction Level* ***-Birgul Aydin***	
15 min.	*Analyzing the Students' Intention to Use Online Learning System in the Context of COVID-19 Pandemic: A Theory of Planned Behavior Approach* ***-Kamel Mouloudj, Ahmed Chemseddine Bouarar, and Karolina Stojczew***	
15 min.	*Early AR Implementers: Exploring Undergraduate Student Experience With Human Anatomy Curriculum Using Augmented Reality* ***-Eugene Kim and Annette Stelter***	
15 min.	*Systematic Review of Artificial Intelligence in Higher Education (2000-2020) and Future Research Directions* ***-Rajat Gera and Priyanka Chadha***	

2:15pm	**Concurrent Session 4.2**	**Zoom Link: See top of the page**
3:15pm	*Track: Curriculum and Instruction Development*	***Session Chair: Gozde Turktarhan***
15 min.	*How the COVID-19 Pandemic Offers a Paradigm Shift for Creativity in Education* ***-Deb L. Marciano***	
15 min.	*The Pedagogy of Critical Play in the Saudi Early Childhood Curriculum* ***-Manal Alharbi***	
15 min.	*Teacher Attitudes Toward Vocational Curriculum Reform in Zhejiang Province, China* ***-Carsten Schmidtke and Yunfang Ran***	

2:15pm	**Concurrent Session 4.3**	**Zoom Link: See top of the page**
3:15pm	*Track: International Education & Research Methods in Education*	***Session Chair: Manuel Ramon Gonzalez Herrera***
15 min.	*The Scientific Method in Tourism Education: Research Experience at the Autonomous University of Ciudad Juarez, Mexico* ***-Manuel Ramon Gonzalez Herrera***	
15 min.	*Examining the Use of Validation Techniques: A Content Analysis of EdD Dissertations in Educational Leadership* ***-Lester A. C. Archer and Ya-Hsin Hsiao***	

Wednesday, June 9, 2021: Concurrent Sessions 5.1, 5.2, 5.3, 5.4, & 5.5

10:15am	**Concurrent Session 5.1**	**Zoom Link: See top of the page**
11:15am	*Track: Higher Education & Educational Leadership*	***Session Chair: Kristine Melloy***
15 min.	*Relationship Between Undergraduate Students' 21st-Century Skills, Physics Successes, Attitudes, and Perceptions* ***-Imran Oral and Mehmet Erkilic***	
15 min.	*Educational Leadership and Inclusive Schools* ***-Amie Cieminski and Kristine Melloy***	
15 min.	*Student's Sentiment on Job V/S Entrepreneurship During COVID-19 Pandemic: An Exploratory Study* ***-Deepanshi Sahani, Sarthak Sengupta, and Anurika Vaish***	
15 min.	*Undergraduate Students' Development of 'Critical Social Justice Literacy' in a Cultural Proficiency Course* ***-Cristian Aquino-Sterling***	

10:15am	**Concurrent Session 5.2**	**Zoom Link: See top of the page**
11:15am	*Track: Educational Technology*	***Session Chair: Anish Yousaf***
15 min.	*The Benefits and Challenges of Adopting Mobile Learning in Junior High Schools in Taiwan* ***-Hsuan-Fu Ho, Romi Aswandi Sinaga, Kiar Vansa Febrianti, Dedi Candra, and Hung-Pao Wang***	
15 min.	*Antecedents to Digital Learning Effectiveness Among Tourism Students During COVID-19: Assessing Its Impact on Knowledge Acquisition & Student Satisfaction* ***-Insha Amin, Anish Yousaf, Sandeep Walia, and Makhmoor Bashir***	
15 min.	*Student Engagement and Mathematics Achievement of Grade 8 Through Flipped Classroom* ***-Shaina P. Dimitui, Mary Ann C. Gonzales, John Benedict F. Munoz, Kimberly Kate P. Puras, Eliza Carla Marie R. Sagcal, Emily M. Sigua, and Josephine Luz D. Pineda***	
15 min.	*The Effect of Authentic Task-Oriented Applications on Problem-Solving Skills in Robotic Programming Teaching* ***-Sehnaz Baltaci and Yunus Emre Ozenoglu***	

10:15am	**Concurrent Session 5.3**	**Zoom Link: See top of the page**
11:15am	*Track: Education in Other Specialties*	***Session Chair: Guliz Coskun***
15 min.	*Using Mnemonic Illustrations in First Reading and Writing: Turkish Alphabet Example* ***-Baris Kalender and Adem Gulec***	
15 min.	*The Research of Correlation Between Administrative Allowance and Teacher' Willingness to Become Administrators* ***-Chia-Lin Tsai and Hsuan-Fu Ho***	
15 min.	*Undergraduate Degree Programs in Tourism, Hospitality, Leisure and Recreation: A Chicken and Egg Problem* ***-Guliz Coskun***	

10:15am	**Concurrent Session 5.4**	**Zoom Link: See top of the page**
11:15am	*Track: English as a Second Language (ESL) / Research Methods in Education*	***Session Chair: Kirsten Dara Hill***
15 min.	*Learning EFL Online Through Blogger and Flipgrid in Higher Education: A Collaborative Project in Times of Pandemic* ***-Montserrat Iglesias***	
15 min.	*Comparing Three Different Vocabulary Teaching Techniques for Learning and Retention* ***-Nermin Punar-Ozcelik and Levent Uzun***	
15 min.	*Pre-Service Teachers' Development of Culturally Relevant Pedagogy With Remote Learners* ***-Kirsten Dara Hill***	
15 min.	*Testing the Psychometric Properties of the Short-Form (12 Items) of Feedback Orientation Scale in Assessing Chinese Students' Multidimensional Perceptions of Feedback From Teachers* ***-Lan Yang***	

10:15am	**Concurrent Session 5.5**	**Zoom Link: See top of the page**
11:15am	*Track: Education in Other Specialties / International Education*	***Session Chair: John Hinck***
15 min.	*Use of Improvisation Techniques to Aid New Instructors in Increasing Self-Confidence and Overcoming Imposter Phenomenon* ***-John Hinck and Steve Davis***	
15 min.	*Effective Strategies for Building Geo-Centric Attitudes of Business Management Students Through Campus Internationalization* ***-Mengsteab Tesfayohannes Beraki***	
	An Entrepreneurship Innovative Curricular Module for Non-Business Students ***-Ponmalar N Alagappar, Payam Ansari, and Logaiswari Indiran***	
15 min.	Can Teachers' Job Satisfaction Be Provided Despite Economic Inadequacies? The Impact of Positive Psychological Capital ***-Zakir Elcicek, Bunyamin Han, and Sabriye Yildiz Elcicek***	

Wednesday, June 9, 2021: Concurrent Sessions 6.1, 6.2, 6.3, & 6.4

11:30am	**Concurrent Session 6.1**	**Zoom Link: See top of the page**
12:30pm	*Track: Higher Education & Educational Leadership*	***Session Chair: Jimmy Kijai***
15 min.	*Investigating the Effect of Demographic Features of Undergraduate Students on Their 21st-Century Skills* ***-Imran Oral and Mehmet Erkilic***	
15 min.	*Socially Responsible Leadership Among Students at Asia Pacific International University, Thailand* ***-Jimmy Kijai, Naltan Lampadan, and Ritha Maidom***	
15 min.	*Teaching Practice in Pre-Service Teacher Education: A Comparative Analysis in Four European Countries* ***-Mojca Jurisevic, Milan Pol, Bohumira Lazarova, Juan Luis Castejon Costa, Borut Kodric, Raquel Gilar Corbi, Florian Hofmann, Zlatan Magajna, Maja Mesko, Neza Podlogar, Lisa Posse, Urska Zerak, Anita Trnavcevic, and Michaela Glaser-Zikuda***	
15 min.	*Open Innovation Approach for a Women Leadership Program in University* ***-Monica Segovia-Perez, Ana M. Vargas-Perez, Pilar Laguna-Sanchez, and Concepcion de la Fuente-Cabrero***	

11:30am	Concurrent Session 6.2	Zoom Link: See top of the page
12:30pm	*Track: Higher Education & Educational Leadership*	***Session Chair: Sara Garner***
15 min.	*Teachers' Perspective on the Acquisition of Problem-Solving Skills in an Online Learning Environment* ***-Hazel J. Mallari, Josephine Luz D. Pineda, Analyn M. Herrera, John Jordan G. Magtoto, Emily R. Santos, and Krystal Jane V. Yu***	
15 min.	*Internationalization Race of Universities in Turkey: Public vs Private* ***-Riza Salar and Burak Erdinc Aslan***	
15 min.	*Pivoting in Difficult Times: Teaching and Advising During the COVID-19 Pandemic* ***-Russell Wartalski and Noreen Powers***	
15 min.	*Confidence in Crisis: Student Self-Efficacy and the Online Pivot* ***-Sara Garner, Misty Chisum, and Sarah Kuborn***	

11:30am	Concurrent Session 6.3	Zoom Link: See top of the page
12:30pm	*Track: Inclusive Education*	***Session Chair: Beyza Alpaydin***
15 min.	*The Effectiveness of Point-of-View Video Modeling on Improving Social and Communication Skills for Children With Autism Spectrum Disorders* ***-Beyza Alpaydin***	
15 min.	*A Deconstructive Reading of Intercultural Education Teachers' and School Leaders' Narratives in Italy* ***-Bufalino Giambattista and D'Aprile Gabriella***	
15 min.	*Syrian Children's Perceived Integration Into Turkish National Education System* ***-Nurgul Bekdemir, Gulce Kalayci, and Nuray Alagozlu***	
15 min.	*Investigation of School Dropout Among Secondary School Institution* ***-Hasan Dirik and Hasan Arslan***	

11:30am	Concurrent Session 6.4	Zoom Link: See top of the page
12:30pm	*Track:*	***Session Chair: Lutfi Ozturk***
15 min.	*Leadership for Students With Disabilities: Opportunities and Challenges* ***-King Lok Tan and Donnie Adams***	
15 min.	*Private Sector Secondary School Students' Exhaustive Learning Difficulties in Mathematics: Teachers' Perspective* ***-Almas Shoaib***	
15 min.	*A Fresh Look at the School Exclusion Policy in England: Considering an Attachment Theory Perspective* ***-Lutfi Ozturk***	
15 min.	*Building an Inclusive K-12 Classroom With Culturally Relevant Social-Emotional Learning Activities* ***-Wing Shuen Lau, Munyi Shea, and D. L. Alex Alexander***	

Wednesday, June 9, 2021: Concurrent Sessions 7.1, 7.2 & 7.3

1:30pm	Concurrent Session 7.1	Zoom Link: See top of the page
2:30pm	*Track: Educational Technology*	***Session Chair: Zakariya Belkhamza***
15 min.	*Asynchronous Online Discussions (AOD): The Transfer of Offline Power to Cyberspace* ***-Babak Khoshnevisan and Vahideh Alipour***	
15 min.	*Spatial Cognition on Learning Metaverse Environments in E-Sports* ***-Hanyoung Go, Myunghwa Kang, and Chanho Kang***	
15 min.	*The Learner's Engagement and Mobile Learning Environment: A Proposal of an Integrated Model* ***-Zakariya Belkhamza***	

1:30pm	**Concurrent Session 7.2**	**Zoom Link: See top of the page**
2:30pm	*Track: Global Competence*	***Session Chair: Heather Haynes Smith***
15 min.	*Cultivating Global Teaching Competencies: Exploring One Local School and University Partnership* ***-Heather Haynes Smith, Angela B. Richards, Laura Allen, Courtney Crim, Gabriel Garcia, Rocio Delgado, and Ellen Barnett***	
15 min.	*Teachers as Change-Makers- International Volunteering as Enabling or Hindering Their Capacity to Teach Global Development* ***-Mags Liddy***	
15 min.	*Teachers With Growth Mindset Wanted: Revisiting Prospective Teachers' Perceptions of Diversity and Globalism* ***-Sedighe Zamani Roodsari and Jamie Harrison***	
15 min.	*Why Critical Literacy Now?* ***-L.Kathryn Sharp and Rebekah Taylor***	

1:30pm	**Concurrent Session 7.3**	**Zoom Link: See top of the page**
2:30pm	*Track: Adult Education / Inclusive Education*	***Session Chair: Tekyesha Gault Anderson***
15 min.	*Adapting Teacher Life Cycle Developmental Theory in Adult Education* ***-Steve Davis and John Hinck***	
15 min.	*Effect of Online Teaching on the Learning Experience of the Students During COVID-19* ***-Shailendra Kumar and Neha Tiwari***	
15 min.	*Inclusive Approaches to Civic Education and Civic Engagement: The Case of School Participatory Budgeting* ***-Tara Bartlett, Madison Rock, Daniel Schugurensky, and Kristi Tate***	
15 min.	*Acknowledging the Voices of Black Men Educators: Advancing Engagement in and Equity Across Education Authentically* ***-Tekyesha Gault Anderson***	

Wednesday, June 9, 2021: Concurrent Sessions 8.1, 8.2 & 8.3

2:45pm	**Concurrent Session 8.1**	**Zoom Link: See top of the page**
3:45pm	*Track: Curriculum and Instruction Development*	***Session Chair: Nancy P. Gallavan***
15 min.	*Teacher Perspectives on Educational Music for Strings in a Canadian Context* ***-Maria Robinson-Cseke and Bernard W. Andrews***	
15 min.	*Equipping and Empowering Teacher Responsibility to Learners and Learning Through Reflection and Reflexivity* ***-Nancy P. Gallavan***	
15 min.	*Challenges Affecting Teaching-Learning Processes in Multi-Grade Classes: A Comparison of Pre-Pandemic and Peri-Pandemic Periods* ***-Muhammed Safa Akdas and Mahmut Kalman***	
15 min.	*Interpreting School Neuropsychology Reports for Educators* ***-Robert Martin***	

2:45pm	Concurrent Session 8.2	Zoom Link: See top of the page
3:45pm	*Track: Human Resource Development*	***Session Chair: Hira Nasir***
15 min.	*Framework Model of Field Transformation for a Paradigm Shift in Emergency Paramedic Training: Rescue Service Schools Between Requirement Conflicts and Learning Culture Development* ***-Thomas Prescher, Heiko Konig, and Christian Wiesner***	
15 min.	*Investigation of Cyberloafing During COVID-19 Pandemic: The Relationship Between Cyberloafing, Incivility, Work-Family Conflict, and Employee Expediency* ***-Hira Nasir and Ghulam Abid***	
15 min.	*A Study of Environmental Ethics and Attitude Towards Sustainable Development Among Higher Secondary School Students* ***-Mrs Nasrin and Faiyaz Ahammad***	
15 min.	*Research on the Integration of Project-Based Learning of Innovative Teaching Methods Into the Curriculum of Creative Teaching Aid Design* ***-Mei Hsiu Chuo and Yi Wan Huang***	

2:45pm	Concurrent Session 8.3	Zoom Link: See top of the page
3:45pm	*Track: English as a Second Language (ESL)*	***Session Chair: W. Steve Lang***
15 min.	*One Size Does Not Fit All: An Analysis of English Language Textbooks in Terms of the Notion of English as an International Language* ***-Esra Cam and Pinar Sali***	
15 min.	*Communicating Expectations in the ESL Classrooms: A Qualitative Case Study of International Students Entering a Graduate Programs in U.S. Universities* ***-Rafael A. Espinoza Pizarro***	
15 min.	*Rubrics That Systematically Identify Areas for Improvement* ***-Judy R. Wilkerson and W. Steve Lang***	
15 min.	*Beliefs About Teaching (BATS2) - Rasch Model Analysis of an Instrument Based on InTASC Critical Dispositions* ***-W. Steve Lang, LaSonya Moore, and Judy Wilkerson***	

Thursday, June 10, 2021: Concurrent Sessions 9.1, 9.2, 9.3, 9.4, & 9.5

8:30am	Concurrent Session 9.1	Zoom Link: See top of the page
9:30am	*Track: English as a Second Language (ESL)*	***Session Chair: Belgin Aydin***
15 min.	*Refugees: Building Bridges, Not Walls* ***-Alia Hadid and Rabia Hos***	
15 min.	*Frequency and Development of Collocations in Turkish EFL Learners' Essays* ***-Didem Koban Koc***	
15 min.	*EFL instructors' Occupational Wellbeing During the COVID-19 Pandemic in Turkey: A Study of Burnout and Work Engagement* ***-Esra Cam and Esim Gursoy***	
15 min.	*Are Student Teachers Ready to Teach: What Do Different Stakeholders Think?* ***-Erdem Aksoy and Belgin Aydin***	

8:30am	**Concurrent Session 9.2**	**Zoom Link: See top of the page**
9:30am	*Track: Educational Technology*	***Session Chair: Goldi Puri***
15 min.	*Unfolding the Role of Social Media Platforms in Creative Writing* ***-Daisy Dagohoy***	
15 min.	*E-Learning in Education and Its Most Critical Success Factors an Empirical Study* ***-Goldi Puri***	
15 min.	*Between Information and Guidance - Social Service's Utilization of Digital Media for Connecting Refugee Parents With the Early Childhood Care and Education System* ***-Marek Winkel and Henrike Friedrichs-Liesenkotter***	
15 min.	*Students' Metaphorical Perceptions on the Concept of Digital Game-Based Education* ***-Ibrahim Y. Kazu and Murat Kuvvetli***	

8:30am	**Concurrent Session 9.3**	**Zoom Link: See top of the page**
9:30am	*Track: Curriculum and Instruction Development*	***Session Chair: Shannon Stevens***
15 min.	*Pedagogical Competence in Teaching Mathematics in the Middle School: Basis for an Action Plan in the New Normal* ***-Lester S. Canilao and Josephine Luz D. Pineda***	
15 min.	*The Relationships Between Instructional Clarity, Classroom Management, and Mathematics Achievement: Mediator Role of Attitudes Towards Mathematics* ***-Saadet Aylin Yagan***	
15 min.	*Steeping in McLuhan's "New" Technological Environment: Riffing and Posthumanizing Education* ***-Shannon Stevens***	
15 min.	*A Study of Interdisciplinary Instructional Design Exhibited by the Elementary Pre-Service Students* ***-Ying-Feng Wang***	

8:30am	**Concurrent Session 9.4**	**Zoom Link: See top of the page**
9:30am	*Track: Higher Education & Educational Leadership*	***Session Chair: Raino Bhatia***
15 min.	*Words of Wisdom: A Narratology of Retired Teachers* ***-Catherine G. Danganan, Alberto G. Gamboa, and Aileen L. Koh***	
15 min.	*Journey Towards Inclusive Education* ***-Raino Bhatia***	
15 min.	*Problem-Based Learning in a Tourism and Leisure Degree* ***-Sheila Sanchez-Bergara***	
15 min.	*Teacher Candidate Self-Efficacy for and Ability to Teach Literacy: A Comparison Study Between Residency and Traditional Teacher Preparation Models* ***-Doreen L. Mazzye, Michelle A. Duffy, and Richard L. Lamb***	

8:30am	**Concurrent Session 9.5**	**Zoom Link: See top of the page**
9:30am	*Track: Adult Education*	***Session Chair: Amy Shumin Chen***
15 min.	*Study of the Discourses and Actions on Promoting Global Citizenship Education in the Taiwanese Community Universities* ***-Amy Shumin Chen***	
15 min.	*Views of Postgraduate Students on Distance Education During COVID-19 Pandemic* ***-Zeynep Sahin, Yeliz Abbak, Irem Tastan Aslaner, and Cansu Altunsaban Yerlikaya***	
15 min.	*Conceptual Understanding on Work-Life Balance Etymology - A Multidisciplinary Approach* ***-Arjuni Jain Agarwal***	

Thursday, June 10, 2021: Concurrent Sessions 10.1, 10.2, 10.3, 10.4, & 10.5

9:45am	**Concurrent Session 10.1**	**Zoom Link: See top of the page**
10:45am	*Track: Educational Technology*	***Session Chair: Gozde Turktarhan***
15 min.	*Determining the Educational Technology Competencies of Elementary Teachers: Inputs Towards the Development of a Training Program* ***-Rose Lynn D. Villanueva, Josephine Luz D. Pineda, and Jenelyn T. Pena***	
15 min.	*Personalized Autodidacticism in the Age of Online Learning: Individual Differences and Differential SLA* ***-Peter Kim***	
15 min.	*How Platforms and Gamification Have Infiltrated Popular Culture?* ***-Gozde Turktarhan and Chandra Aleong***	

9:45am	**Concurrent Session 10.2**	**Zoom Link: See top of the page**
10:45am	*Track: Higher Education & Educational Leadership*	***Session Chair: Canan Nakiboglu***
15 min.	*Which Young Adults Are More Satisfied? An Investigation of the Effects of Higher Education and Parental Expectation and Support* ***-Esther Sui Chu Ho, Thomas Sze-Kit Lee, and Kwok Wing Sum***	
15 min.	*Prospective Chemistry Teachers' Evaluations About the Instruction of the Graphic Organizers Course* ***-Canan Nakiboglu***	
15 min.	*The Evaluation of Social Dialogue From Teachers Perspective in Turkey* ***-Ezgi Agcihan and Asiye Toker Gokce***	
15 min.	*Navigating the COVID-19 "Perfect Storm" in College Admissions* ***-Kevin Ensor***	

9:45am	**Concurrent Session 10.3**	**Zoom Link: See top of the page**
10:45am	*Track: International Education*	***Session Chair: Sandy C. Chen***
15 min.	*A Life-Long Learning Experience for Teachers: Overseas Teaching* ***-Naime Elcan Kaynak***	
15 min.	*A Gap Analysis of Satisfaction Among International Students Studying in the United States* ***-Sandy C. Chen***	
15 min.	*Practice Basic Hygiene, and You'll Stay Healthy!: How Primary School Reading Textbooks Transmitted Health Knowledge as Cultural Education in the Soviet Union* ***-Victoria Storozenko***	
15 min.	*Ecopedagogy and Religious Pattern: The Contribution of the Connection Between Rosmini's, and the Vichian Thomas Berry's Humanism to the Education for the New Universal Context of Ecozoic Era* ***-Fernando Bellelli***	

9:45am	**Concurrent Session 10.4**	**Zoom Link: See top of the page**
10:45am	*Track: Pre K-12*	***Session Chair: Imran Oral***
15 min.	*Critical Analysis of Schools Policies Related to Family Communication and Engagement* ***-Mona Mohsen Alzahrani***	
15 min.	*An Exploratory Study on English Immersion Program in Kindergartens in Taiwan* ***-Ting Fang Liao and Yu-Ling Sabrina Lo***	
15 min.	*The Content Analysis of Wordless Picturebooks: From a Cultural Perspective* ***-Ying Jin, Ni-Yen Lin, and Yu-Ling Sabrina Lo***	

9:45am	**Concurrent Session 10.5**	**Zoom Link: See top of the page**
10:45am	*Track: Global Competence*	***Session Chair: Albert Ziegler***
15 min.	*The Importance of Social Media as a Digital Marketing Channel* ***-Remzi Reha Durucasu and Fikret Er***	
15 min.	*Another Way to Encourage Entrepreneur: Affiliate Marketing* ***-Remzi Reha Durucasu and Fikret Er***	
15 min.	*Effects of Social Media Usage on Academic Performance of Students in South-West Polytechnics in Nigeria* ***-Soyele E. Kelechi***	
15 min.	*Opportunity Gaps, Learning Gaps, and Achievement Gaps: A Conceptual Analysis* ***-Albert Ziegler, Sen-Pen Eu, Michaela Glaser-Zikuda, Bettina Harder, Ching-Chi Kuo, and Hsiao-Ping Yu***	

Thursday, June 10, 2021: Concurrent Sessions 11.1, 11.2 & 11.3

1:00pm	**Concurrent Session 11.1**	**Zoom Link: See top of the page**
2:00pm	*Track: Educational Technology*	***Session Chair: Babak Khoshnevisan***
15 min.	*Synchronous Sessions During the COVID-19 Pandemic: The Good, the Bad, and the Ugly* ***-Babak Khoshnevisan and Rabea Alfahad***	
15 min.	*Examining Digital Divide From the Perspective of Rural School Teachers During COVID-19 Pandemic* ***-Asli Yurttas, Nurselin Ozkan, Halid Z. Ipek, and Murat Tasdan***	
15 min.	*Insights From Students on Using Videos and Webcams in the Times of COVID-19: The Role of Gender, Age and Culture* ***-Maja Seric***	
15 min.	*An Investigation of the Experiences of Caribbean School Teachers' Shift to Online Schooling During the Pandemic* ***-Mia A. Jules, Donna-Maria Maynard, Jason Marshall, Grace Fayombo, and Suriya Daya***	

1:00pm	**Concurrent Session 11.2**	**Zoom Link: See top of the page**
2:00pm	*Track: Higher Education & Educational Leadership*	***Session Chair: Jennifer E. Lineback***
15 min.	*The Evaluation of Inclusive Leadership Traits of School Principals According to the Views of Teachers* ***-Ezgi Agcihan and Asiye Toker Gokce***	
15 min.	*Higher Education Financing Analysis Based on the Examples of Selected Countries* ***-Hilal Celik and Hasan Arslan***	
15 min.	*Teaching Students How to Code Qualitative Data: An Experiential Activity Sequence for Training Novice Educational Researchers* ***-Jennifer E. Lineback***	
15 min.	*Critical Assessment of Socio-Intercultural Entrepreneurship. A Case on a Postgraduate Program in Economics and International Business of an Indigenous University* ***-Jose Guadalupe Vargas-Hernandez and Ernesto Guerra Garcia***	

1:00pm	Concurrent Session 11.3	Zoom Link: See top of the page
2:00pm	*Track: Higher Education & Educational Leadership / Pre K-12*	***Session Chair: Kevin Ensor***
15 min.	*A Time for Transparency: Addressing Mental Health Services for Students* ***-Kevin Ensor***	
15 min.	*Corporal Punishment Demoralizes Student Personality and Development: A Moderating-Mediated Model in the Education Context of Pakistan* ***-Shahbaz Sharif and Rab Nawaz Lodhi***	
15 min.	*Meaning-Making Practices of Emergent Arabic-English Bilingual Kindergarten Children in Cairo* ***-Julia R. Capell***	
15 min.	*Lessons Learned From a Skill-Based Nutrition Education Program Targeting Healthy Eating Behaviors for Elementary Students in Taiwan* ***-Chia-Liang Dai***	

Thursday, June 10, 2021: Concurrent Sessions 12.1, 12.2 & 12.3

2:15pm	Concurrent Session 12.1	Zoom Link: See top of the page
3:15pm	*Track: Curriculum and Instruction Development / Inclusive Education*	***Session Chair: Selina L. P. Mushi***
15 min.	*Fostering Meta-Cognitive Skills in Young Children* ***-Selina L. P. Mushi***	
15 min.	*Accessibility and Usage of Cultural Heritage by the Disabled Users: Understanding of Parents' Point of View* ***-Valentina Perciavalle and Elisabetta Sagone***	
15 min.	*Recognizing Facial Expressions of Emotions for Students With Learning Disabilities* ***-Mehmet Emin Ozturk and Ahmet Metin***	
15 min.	*Cross-Cultural Differences to Implement the Social Practice Research of College Students' Overseas Volunteer Work* ***-Mei Hsiu Chuo, Ni Yen Lin, and Yi Wen Huang***	

2:15pm	Concurrent Session 12.2	Zoom Link: See top of the page
3:15pm	*Track: Education in Other Specialties*	***Session Chair: Khaled Taktek***
15 min.	*Combined Physical and Mental Training for Peak Performance: Differential Effects of Internal Visual Imagery, External Visual Imagery and Kinesthetic Imagery on the Learning, Retention, and Transfer of Motor Skills* ***-Khaled Taktek, Lynn Fielitz, Jesse Germain, Nathaniel Zinsser, and Daniel Ciccarelli***	
15 min.	*Affective Variables in Foreign Language Learning as Well as Teaching: Empathy and Personality* ***-Yunus Hastunc and Firat Unsal***	
15 min.	*Implementation of the Plotagon Application in EFL Speaking Lessons: Its Effect on Speaking Anxiety and Student Motivation* ***-Mervenur Coban, Ismail Ilkay Eyisuren, and Levent Uzun***	

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Adoption of Blockchain Technology in Airports to Monitor COVID-19 outbreak

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Abstract: The latest novel coronavirus (COVID-19) outbreak has devastated the entire world. It spreads through person to person contact with an infected person and through respiratory droplets from an infected person. In many countries the spread of the deadly virus is getting intensified from outsiders or own citizens, having recent history of travelling abroad. Since most of the travelers (or own citizens coming from outside) via air routes. Many countries are taking preventive measures in airports and even cancelled flights from different parts of the World. In this article we have proposed a new mechanism at airports to monitor the spread of COVID-19 disease. The proposed mechanism will adopt blockchain technology to access a database which combines United States Aviation Security Model (USASM) and Healthcare Information Exchange (HIE). The blockchain technology, conceptualized a little more than a decade ago (2008) has gained popularity among researchers and practitioners. Initially it was developed for crypto currencies, but for last couple of years it has been extensively used in different areas like- healthcare, supply chain management, public sector, governance.

Keywords: COVID-19, Blockchain, Monitoring, Adoption, Air Traveling,

1. Introduction:

The Effects of Context Congruence On Ad Persuasiveness in e-Magazines

It Serves My Motive, And I Distinguish the Advertisement

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Despite substantial interest in advertisement-context congruence as a determinant of advertisement effectiveness and advertisement memory in digital platforms, especially in the electronic magazine (e-magazine) context, less attention has been devoted to identifying how it influences advertisement persuasion. This issue is explored through three between-subjects experimental studies: in Study 1, the causal role of advertisement-context congruence on advertisement persuasion and the conditional role of consumer motive as a chronic characteristic; in Study 2, consumer motive as a situational aspect and the mediating role of felt involvement; and in Study 3, generalizability, using a diverse sample. The insights generated enrich the understanding of the various conditions and mechanisms that create advertisement persuasion in e-magazines to create better advertisement effectiveness.

INTRODUCTION

The number of people who read information on digital platforms, whether for news or other information, has increased over the years. This change in consumer media behavior has prompted companies to change their preference from traditional media to digital media. Digital dominance now challenges the existence of traditional advertising and has motivated advertising companies to position their offerings through a focused digital media platform, such as electronic magazines (e-magazines). Published on a digital platform, the e-magazine reaches its audience through public computer networks. The use of e-magazines became popular because of the extensive use of tablets and electronic readers (e-readers). It signals a change in advertising strategy from the relatively weak and ineffective traditional channels to a growing platform (Pescher, Reichhart, and Spann, 2014).

Advertising in e-magazines has become an affordable medium for digital communication, but

Management Slant

- Goal-oriented consumers develop high advertisement persuasion when exposed to an advertisement that is congruent with the context.
- Consumer felt involvement with the advertisement mediates the interaction effect of Advertisement-Context Congruence × Consumer Motive on advertisement persuasion.
- Exposure of goal-directed consumers to a congruent advertisement creates heightened levels of felt involvement and, in turn, develops high advertisement persuasion when they are exposed to a strong message argument.
- Exposure of experiential consumers to an incongruent advertisement creates heightened levels of felt involvement and, in turn, develops high advertisement persuasion when they are exposed to a strong message argument.

Submitted August 19, 2019;
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Managing Supply Chain Risk and Disruptions: Post COVID-19

Springer

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We dedicate this book to all front line workers, researchers, and practitioners who involved in action against COVID-19 for their dedicated service and sacrifices they made during this pandemic period

Thank You.

Foreword

I am glad to write a preface for the highly relevant book on the trending topic *Managing Supply Chain Risk and Disruptions: Post COVID-19* edited by Aravind Raj, Jayakrishna, and Paulo. The pandemic has taught us several lessons and the book chapters attempted to compile the list of challenges in several sectors including retail, agriculture, pharmaceutical, and humanitarian. As the title indicates the book unfolds a contingency plan, long-term mitigation mechanisms with the support of technologies are useful leads for further thoughts.

The Chap. 1 listed the challenges in the global supply chains using the SCOR framework in the volatility, uncertainty, complexity, and ambiguous scenarios. Specific review considering black swan events including previous disruptions are a good addition to a reader in understanding the importance of the topic as well as engage with the author's views on the use of practices with the support of data and technology.

The next four chapters on preparedness and assessment of COVID-19 on different sectors are good evidence for readers to sense the contextual perspectives through primary sources discussed by the authors. It is interesting to see the role of disintermediation, local autonomy, and use of information technology as well as future research directions mentioned by the authors. In a similar vein, the authors articulated well food insecurity issues and overall loss that occurred due to pandemic with the data from the Indian agriculture sector. Logistical issues due to whiplash effects are argued well within the humanitarian supply chain along with the list of skillsets needed to deal with future disasters.

The next four chapters outlay the dynamics of the supply chain and the author's perspective on the agile practices from the end to end supply chain, adaptability, decision making, resilient supply network, and emergent action plans. The use of basic multi-criteria decision-making techniques was wisely used by the authors to support stakeholders engaged in the relief operations. On the network side, building resilient networks is the trendy term used globally, and using the Indian case as an example the authors spelled out the basic barriers in manufacturing, operations, and distribution in the global supply and distribution network. Post COVID-19 action plans in terms of capacity enhancement have also been proposed by the authors.

The final two chapters narrate the useful applications of technologies in the healthcare supply chain and generally argue the potential pathways to enhance robustness in the Industry 4.0 scenario.

Overall I find the book will be a useful reference to both researchers and practitioners to enhance their application and contextual knowledge in the topic of risk and disruptions as well as encourage future researchers to contribute to the scholarly debates on building resilient supply networks.

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Preface

Supply chain (SC) risks are complicated and can be classified into operational and disruption risks. Pandemic outbursts are an unusual case of supply chain (SC) risks causing huge disruption with its existence, propagation, and high level of uncertainty. In recent days, the COVID-19 outbreak represents to be one of the major disruptions encountered during the past decades which is "breaking many global supply chains" severely (Araz et al. 2020). This book summarizes the effect of COVID-19 on the global supply chain by comprehending the solutions to these questions.

- What were the challenges faced by supply chain providers during COVID-19?
- What supply chain strategies and practices have contributed to the COVID-19 crisis?
- What can supply chain professionals do to begin preparing for a future in which this type of disruption may happen again?

This book also suggests the resilient strategies that can be adopted by supply chain organizations, for quick recovery and reestablishing their networks. Further, this book focuses on the challenges faced and how supply chain networks managed to be agile, during the current global pandemic COVID-19. The role of digital technologies, such as machine learning, artificial intelligence, big data, blockchain, and other IIoT tools in building resilient supply chains will also be highlighted.

Impact in supply chain, challenges faced during this pandemic, issues in agricultural sector, supply chain adoption strategies, decision support system to cater emergency solution, supply chain post COVID-19, and new technologies for health care supply chain were addressed in this book

This book will be a useful resource to researchers, students, and supply chain professionals by offering solutions to restructure the global supply chains post COVID-19.

Vellore, India — Aravind Raj Sakthivel
Vellore, India — Jayakrishna Kandasamy
Aveiro, Portugal — J. Paulo Davim

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The editors would like to acknowledge the help of all the people involved in this project and, more specifically, to the authors and reviewers that took part in the review process. Without their support, this book would not have become a reality.

First, the editors would like to thank each one of the authors for their contributions. Our sincere gratitude goes to the chapter's authors who contributed their time and expertise to this book.

Second, the editors wish to acknowledge the valuable contributions of the reviewers regarding the improvement of quality, coherence, and content presentation of chapters.

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About the Editors

Dr. Aravind Raj Sakthivel is an Associate Professor in the School of Mechanical Engineering at the Vellore Institute of Technology University, India. He received his doctorate degree in Industrial Engineering from the National Institute of Technology, Tiruchirappalli in 2014. His research area is focused on Agile manufacturing process and their applications in manufacturing industries. Recent work focuses on Industrial Systems Engineering, Additive Manufacturing, Industry 4.0 projects. He has published 20 International journals papers in leading SCI/ SCOPUS Indexed journals and 34 papers in reputed conference proceedings; he is co-author for four book chapters and edited two book. He is reviewer of reputed international journals. He has received several awards including Doctoral Scholarship and Best Paper Award.

Dr. Jayakrishna Kandasamy is an Associate professor in the School of Mechanical Engineering at the Vellore Institute of Technology University, India. Dr. Jayakrishna's research is focused on the design and management of manufacturing systems and supply chains to enhance efficiency, productivity and sustainability performance. More recent research is in the area of developing tools and techniques to enable value creation through sustainable manufacturing, including methods to facilitate more sustainable product design for closed-loop material flow in industrial symbiotic setup. He has published 50 journal publications in leading SCI/SCOPUS Indexed journals, 22 book chapters, and 85 refereed conference proceedings, 2 books in CRC/Springer Series. Dr. Jayakrishna's team has received numerous awards in recognition for the quality of the work that has been produced. He teaches undergraduate and graduate courses in the manufacturing and industrial systems area and his initiatives to improve teaching effectiveness have been recognized through national awards. He has also been awarded Institution of Engineers (India)-Young Engineer Award in 2019, awarded as Best Researcher for 2016–2019 consecutively by VIT University Vellore, and Distinguished Researcher Award in the field of Sustainable Systems

Engineering in 2019 by International Institute of Organized Research. He is the Coordinator of Circular Economy Club, VIT University, and serving as Academic Editor in the journal of Mathematical Problems in Engineering, Hindawi Publications.

Dr. J. Paulo Davim is a Full Professor at the University of Aveiro, Portugal. He is also distinguished as honorary professor in several universities/colleges/institutes in China, India and Spain. He received his Ph.D. degree in Mechanical Engineering in 1997, M.Sc. degree in Mechanical Engineering (materials and manufacturing processes) in 1991, Mechanical Engineering degree (5 years) in 1986 from the University of Porto (FEUP), the Aggregate title (Full Habilitation) from the University of Coimbra in 2005 and the D.Sc. (Higher Doctorate) from London Metropolitan University in 2013. He is a Senior Chartered Engineer in the Portuguese Institution of Engineers with an MBA and Specialist titles in Engineering and Industrial Management as well as in Metrology. He is also Eur Ing by FEANI, Brussels, and Fellow of IET (FIET), London. He has more than 30 years of teaching and research experience in Manufacturing, Materials, Mechanical and Industrial Engineering, with special emphasis on Machining and Tribology. He also has interest in Management, Engineering Education and Higher Education for Sustainability. He has guided large numbers of postdoc, Ph.D. and master's students as well as coordinated and participated in several financed research projects. He has received several scientific awards and honours. He has worked as evaluator of projects for European Research Council (ERC) and other international research agencies as well as examiner of Ph.D. thesis for many universities in different countries. He is the Editor-in-Chief of several international journals, Guest Editor of journals, books Editor, book Series Editor and Scientific Advisory for many international journals and conferences. Presently, he is an Editorial Board member of 30 international journals and acts as reviewer for more than 100 prestigious Web of Science journals. In addition, he has also published as editor (and co-editor) more than 200 books and as author (and co-author) more than 15 books, 100 book chapters and 500 articles in journals and conferences (more than 280 articles in journals indexed in Web of Science core collection/h-index 60+/11500+ citations, SCOPUS/h-index 64+/14000+ citations, Google Scholar/h-index 82+/24000+ citations). He has been listed in World's Top 2% Scientists by Stanford University study.

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Abbreviations

3PL	Third-Party Logistics
AHP	Analytic Hierarchy Process
AI	Artificial Intelligence
COVID-19	Corona Virus Disease 2019
DEMATEL	Decision-Making Trial and Evaluation Laboratory
DSS	Decision Support System
FAO	Food and Agriculture Organization
FMCG	Fast Moving Consumer Goods
GSCM	Global supply-chain management
HCSC	Health Care Supply Chain
HSC	Humanitarian supply chain
IFRC	International Federation of Red Cross
INR	Indian Rupee
IT	Information Technology
MCDM	Multiple-Criteria Decision-Making
MI	Machine Learning
NGO	Non-Governmental Organizations
PCAR	Percentage Change in Arrival
PCP	Percentage Change in Price
PROMEETHE	Preference Ranking Organization Method for Enrichment Evaluation
QFD	Quality Function Deployment
SARS-CoV-2	Severe Acute Respiratory Syndrome Corona Virus 2
SC	Supply Chain
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TOPSIS	Technique for Order of Preference by Similarity to Ideal Solution
VIKOR	VIseKriterijumska Optimizacija I Kompromisno Resenje
VUCA	Volatility, Uncertainty, Complexity, and Ambiguity

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Role of Renewable Energy in India's Energy Basket

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Role of Renewable Energy in India's Energy Basket

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Abstract. World is witnessing a trend of countries adopting renewable energy sources viz.a.viz. Fossil fuels dominated energy sources. International Energy Agency believes that by 2025 energy produced from Renewable energy sources will most likely surpass electricity generated by coal. India being one of the largest producer and consumer of electricity in the world is already one of the largest producers of energy from renewable sources in the world with 38%+ of India's total installed capacity from renewable energy sources. In this study we analyze and review the role that Renewable Energy is going to play in India's Energy basket. With growing dependence on non-fossil fuels, it's imperative for industry participants, policy makers, governments and researchers to decipher what is the role that is going to be played by energy produced from renewable energy sources in India's energy basket from a strategic as well as policy making perspective.

1. Introcuction

International Energy Agency (IEA)'s 2020 report indicates that by 2025 energy produced from Renewable energy sources will most likely surpass electricity generated by coal [1]. India is already one of the large producers of energy from renewable sources [2]. As on November 2020, more than 38%+ of India's electricity generation installed capacity is contributed by electricity generated from renewable energy sources [3] [8]. World is witnessing a trend of countries adopting renewable energy sources viz.a.viz. Fossil fuels dominated energy sources.

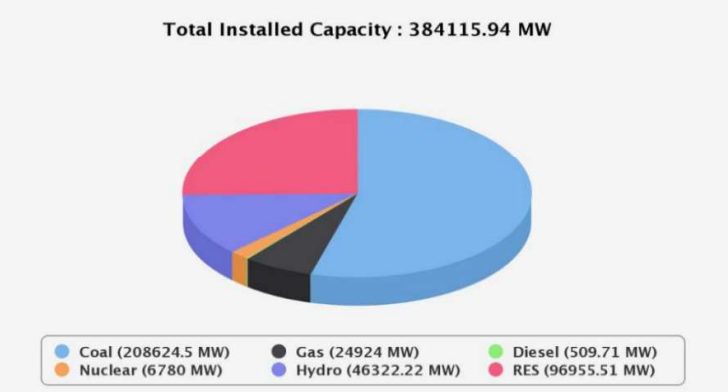


Figure 1. Total Installed Generation Capacity in India (as on June 2021) [3]

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Impact of Remittances on Economic Growth: Evidence from India

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Abstract: The study attempts to examine the linkages between remittances, external assistance, trade-GDP ratio and real GDP growth for the period from 1980-81 to 2018-19 using unit root test and Autoregressive Distributed Lag (ARDL) technique in India. Results of the unit root test reveal that real GDP and trade-GDP ratio are integrated at level I (0) whereas growth in remittances (GR) and growth in external assistances (GEA) are integrated at I(1). Results of the ARDL technique indicate that remittances, external assistance and trade-GDP ratio have significantly contributed to economic growth in India. Results indicate that a raise in the value of remittances, external assistance, trade-GDP ratio have caused for a rise in the mean of the real GDP. This study predicts that the transaction cost on migrant remittances should be reduced from the present level of 5.8 per cent to less than 3 per cent as remittances are the major source of foreign exchange. To avoid reduction in remittances in future in view of COVID-19 pandemic, we stress the need for formulating a rational fiscal policy by the government by providing tax exemptions for remittances income and matching grants for migrant's association's projects to enhance the remittances inflows.

Keywords: Worker's Remittances, External Assistance, Trade-GDP Ratio, Real GDP, Autoregressive Distributed Lag

1. Introduction

In the last four decades, remittances have become an important source of external finance for Indian economy. In the era of liberalisation with the advent of Information technology migration of workers from India has increased gradually. The total private transfers consists of money sent for their family maintenance, NRI deposits withdrawals, Gold and Silver brought through passenger baggage and gifts and donations to charitable institutions etc. Private transfers comprising mainly Worker's remittances have emerged as the main source of invisible earnings. Global remittances have increased from 35.8 billion dollars in 1980 to 643 billion dollars in 2017 and further to 714 billion dollars in

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Understanding the determinants of mobile retailing adoption and usage behaviour

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Abstract: Existing literature on mobile driven purchases is concentrated largely on developed countries and focuses predominantly on the intention to adopt. The present study investigates the mobile retailing usage behaviour of individuals by integrating theories of technology acceptance model (TAM) and technology-organisation-environment (TOE) in an emerging market context. A web-based survey data on the usage of mobile retailing was collected and analysed using structured equation modelling (SEM). The results show the direct influence of perceived usefulness and individual characteristics on actual usage, whereas perceived ease of use, environment characteristics and technology characteristics influenced adoption indirectly. The results of the study provide guidelines to the mobile retailers for promoting the usage of their products/services and to the policy makers for enhancing the usage of mobile technologies which can help advance the social and the financial inclusion.

Keywords: mobile retailing; adoption behaviour; usage behaviour; emerging economy.

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1 Introduction

In the last two decades, the mobile-based retailing activities have undergone a noticeable transformation due to unprecedented growth and penetration of mobile phone technology (Balasubramanian et al., 2002; Shankar and Balasubramanian, 2009; van Heerde et al., 2019). According to Shankar et al. (2010), retailing via mobile device is one of the revolutionary transformations happened in the global retailing industry. The pervasiveness of mobile devices has enhanced the frequency and quality of business interactions between the channel partners (Shankar and Balasubramanian, 2009).

A study done by Barclays (2016) suggests that retails sales through the mobile device will increase to 9.1% amounting to 32 billion pounds of the total retail sales by 2019. It is expected that retail sales through mobile platforms in USA alone might amount to 339.03 billion US dollars (Statistica, 2019). The mobile retailing phenomenon has also influenced retailing business in emerging markets (Juniper Research, 2014). It is suggested that digitally-driven purchases might amount to $4 trillion globally with emerging markets growing at 20% of all retail sales by 2022 (Economic Times, 2018).

For instance, in India the number of internet users accessing the internet through mobile has surpassed the number of users accessing the internet through personal computers. This number of mobile internet users is expected to grow by 21% every year to reach about 450 million by the end of 2019. As a direct consequence of these developments, about 70% of the online shopping revenues of e-retailers in India are



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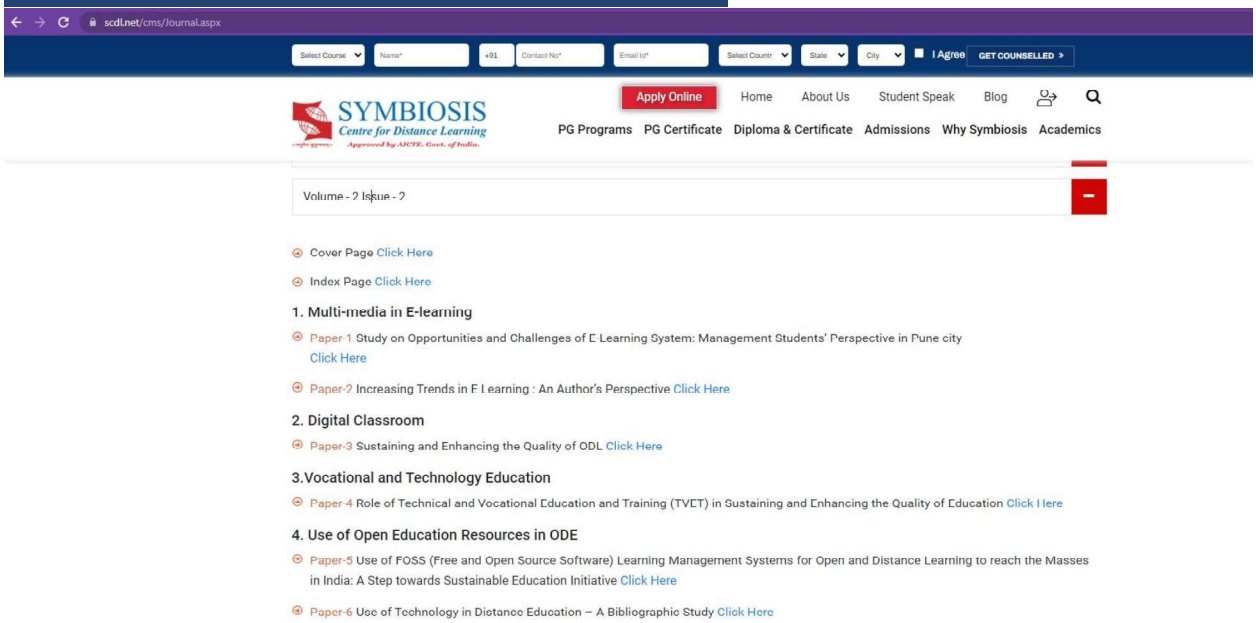
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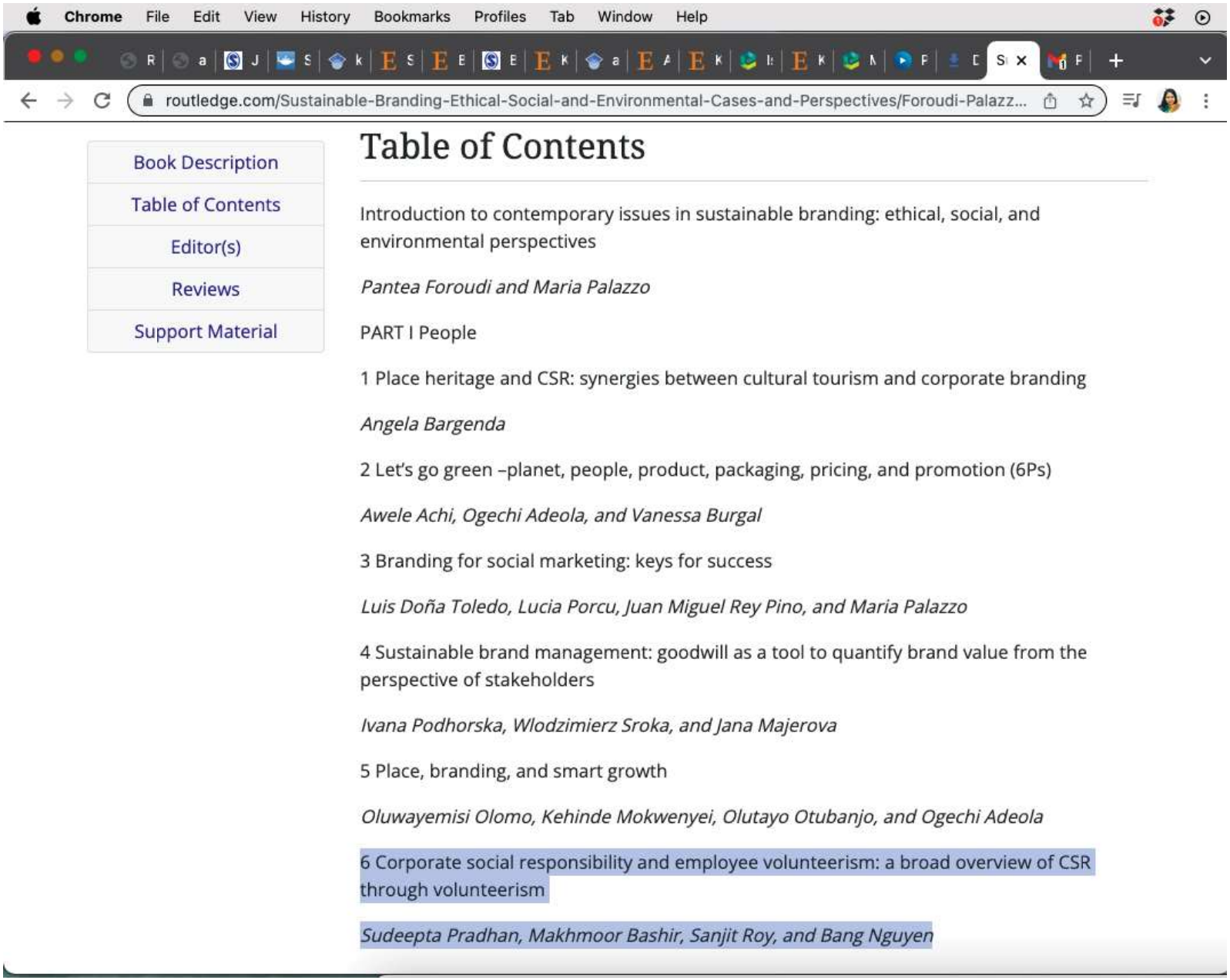
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Digital Transformation

An Overview of The Underlying Technologies



A V Vedpuriswar

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Digital Transformation: An Overview of the underlying Technologies

Author:
A V Vedpuriswar

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Introduction

In the past ten years or so, digital technologies have gained momentum. As a corporate trainer, whose primary role was to help people in middle and senior levels to develop business competencies, I also started to take interest in this area. So, I decided to read various books, articles and white papers and started to make notes in my usual learning style. I also interviewed and listened to various practitioners who were working with clients in implementing digital technologies.

My interest in digital technologies deepened when I returned to the ICFAI Foundation of Higher Education and the world of Academics and found that many courses incorporate digital technologies, especially Analytics. In the academic world, (unlike the corporate world) there are no restrictions on the use of technology. I noticed many of my faculty colleagues using various technologies to their full advantage. My friends at the ICFAI Business School, Hyderabad, Prof Shailendra Singh Bisht, Prof Sanjay Fuloria and Prof Vishal Mishra roped me in as a sponsor and mentor for their newly created Centre of Excellence for Digital Transformation.

This book is an attempt to bring together in one place the various technologies behind the phenomenon that is commonly described these days as digital transformation. It is meant to serve as a primer to get students to start taking more interest in the subject. At the same time, it may also help our IT services industry techies who work on these technologies to talk the language of business when dealing with clients.

Digital is not one technology but a whole range of technologies. A siloed approach does not help. What we need is a holistic understanding of these technologies and how to bring them together to solve business problems. It is a world of Lego blocks. The skill lies in assembling the blocks rather than building each block from scratch. One of the aims of this book is to bring many of these technologies together in one volume.

The focus of the book is more on what the technologies can do rather than how they work. But wherever relevant, some technical aspects have been covered in a simple easy to understand manner. Here is a quick overview of the different sections of the book.

Section 1:

Digital Strategy- How technology is transforming business models

Digital technologies pose a disruptive threat to incumbent leaders. Disruptions can come from unexpected quarters. In industry after industry, technology start-ups are exploiting data, tapping infrastructure available on the cloud, reimagining the customer experience, and leveraging social media to create innovative business models. The Indian start up ecosystem itself is a great example. Think of Byju's. So, for all the incumbent leaders, it is important to understand and anticipate the nature of disruption. This is what we cover in the first section of the book," Digital Strategy".

Digital disruptors can increase supply very imaginatively by exploiting untapped sources of supply and customize their products using deep insights about the market. This can reduce the bargaining power of suppliers and customers. By reducing their dependence on physical assets and using a platform play, the disruptors can cut down the upfront capital investment required and reduce the barriers to entry. In addition, by using ideas that can be applied across industries, the digital startups can increase the substitution effect which Prof Michael Porter covered in his famous Five Forces model. The power of disruption can be amplified as the same platform can be deployed in industry after industry.

The first section of the book addresses various questions like:

- What are the key differences between the leaders and the laggards when it comes to the deployment of digital technologies?
- What does it take to achieve digital mastery?
- How can companies use APIs to generate significant revenues and build new business models?
- What distinguishes platforms from pipeline businesses?
- How can legacy companies convert their products into platforms?
- What are the rules of competition in information markets?

Section 2:

Making machines intelligent with AI and ML

The proliferation of huge quantities of structured and unstructured data and the range of sophisticated technologies available to store and process

this data are leading to a paradigm shift in the way businesses are run. Go to any conference or discussion today. You will hear the terms AI (Artificial Intelligence) and ML (Machine Learning) whether the domain is HR, Operations or Finance or Marketing.

If AI is the destination, ML is the process of getting there. ML, the rapidly evolving discipline, is based on algorithms that can learn from data and change their rules, rather than following fixed rules. In ML, a computer is not programmed. Instead, it learns and develops the program by relentlessly digesting vast amounts of data involving several variables.

At its core, ML is the process of automatically discovering patterns in data. Once discovered, the pattern can be used to make predictions. For instance, if we have information about credit card transactions, such as date, time, merchant, merchant location, price, and whether the transaction was legitimate or fraudulent, ML can identify patterns that predict fraud for future transactions. The more data the computer processes, the better its predictions become. A primer on ML provides an overview of the statistical techniques behind ML.

With algorithms becoming more and more sophisticated and developing newer capabilities, they are going beyond their original role of decision support to decision making. So, we must develop a nuanced understanding of how algorithms are developed and how they work. We should be clear about how we get the maximum out of them while minimizing the unintended consequences. These ideas are covered in the review of the book, "A Human's Guide to Machine Intelligence- How Algorithms Are Shaping Our Lives and How We Can Stay in Control" by Kartik Hosanagar. As Prof Hosanagar mentions, algorithms should be able to inspire trust to gain social acceptance.

While machine learning today has a wide range of applications, the interesting point to note is that a small number of learning algorithms take care of the great majority of these tasks. Work is on to determine how we can combine the best features of different machine learning approaches to come up with the Master algorithm. Using this single, universal algorithm, we can facilitate the most effective learning from the data. These ideas are covered in the review of the book, "The Master Algorithm" by Prof Pedro Domingos, one of the world's leading researchers in ML. He points out that there are 5 main schools of machine learning:

- **Symbolists** view learning as the inverse of deduction and take ideas from philosophy, psychology and logic.
- **Connectionists** reverse engineer the brain and are inspired by neuroscience and physics.
- **Evolutionaries** simulate evolution and draw inspiration from genetics and evolutionary biology.
- **Bayesians** believe that learning is a form of probabilistic inference and have their roots in statistics.
- **Analogizers** learn by extrapolating from similar situations and are influenced by psychology and mathematical optimization.

Various **cognitive technologies** are emerging. They can help us to see, hear, sense, and comprehend the world around us. The technologies covered in this section include **facial recognition, emotion recognition, speech recognition and natural language processing**.

This section also covers in detail how AI is being used in different domains and functions. For example, marketing can gain a lot from artificial intelligence (AI). AI can dramatically enhance a company's ability to understand customer needs, customize products and services accordingly, and persuade people to buy these products and services.

There is a separate article on how Microsoft is evangelizing AI in India. The tech giant has identified problems faced by farmers and the underprivileged and vulnerable sections of the society. Microsoft is working closely with the government, hospitals and NGOs to demonstrate how to tackle these problems with the help of technology.

Proteins are the basis of human life. The more we understand them, the better is for us. Particularly, during the pandemic, we have learnt this lesson. At present, molecular biologists can probe proteins' shapes experimentally, using techniques like x-ray crystallography. But this is time-consuming. Now, things may be about to get much easier. On November 30th, 2020, researchers from DeepMind, an affiliate of Google, presented results on how to predict a protein's shape from just a list of its amino-acid components.

The availability of data is not the real problem for organizations. The real challenge is to collect, store and process this data. A new data paradigm emerging is **Lakehouse**, a combination of "data warehouse" and a "data

lake". The two have historically been kept separate because of technical constraints and because they serve different purposes. Data warehouses are used for dealing with structured data and data lakes for handling unstructured data. The transition from databases to data lakes facilitated the decoupling of business logic from storage as well as the ability to scale compute and storage independently. But in the process, data reliability took a back seat. The objective of Lakehouse is to combine the transactional reliability of data warehouses and the horizontal scalability of data lakes.

Robotic Process Automation (RPA) is being increasingly used to automate processes. RPA software automates repetitive, rules-based processes usually performed by people sitting in front of computer screens. Thus, software robots can open email attachments, complete e-forms, and record and re-key data, and perform other tasks that mimic human action. RPA can eliminate repetitive tasks and offer the IT services companies one more lever to cut costs and create value for clients. An article on RPA explains the potential of RPA and covers various use cases.

Section 3:

Marrying the virtual and physical worlds

This section features articles on Augmented Reality, Virtual reality, IOT, 3D printing and other technologies like Digital twins and Drones.

There is a fundamental disconnect today. While reality is three-dimensional, the data is available in two-dimensional format. As a result, we cannot make full use of the information and insights produced in the world of Internet of Things (IOT).

Augmented Reality (AR), by superimposing digital data and images on the physical world, promises to deal with this disconnect. AR will transform how we learn, make decisions, and interact with the physical world. AR will allow us to comprehend the physical and digital worlds simultaneously, eliminating the need to bridge mentally the two.

Virtual Reality (VR) can complement AR well. While AR superimposes digital information on the physical world, VR replaces physical reality with a virtual environment. One simple way to visualize the two is that VR uses an opaque headset while AR uses a transparent one. Combining AR

and VR will allow us to transcend distance (by simulating faraway locations), transcend time (by reproducing historical contexts or simulating future situations), and transcend scale (by allowing users to engage with environments that are either too small or too big to experience directly).

Digital reality is generally defined as the wide spectrum of technologies and capabilities like AR, VR, MR (Mixed Reality), 360° video, and the immersive experience, that enables the simulation of reality in various ways.

VR enables us to immerse ourselves in artificial surroundings that portray actual places or imaginary worlds. AR overlays contextual information on the actual physical environments we see. MR allows digital content and the real world to coexist. It combines the impact of the AR/VR and the Internet of Things (IoT). MR ensures that digital and physical objects and their data can interact with one another. 360° video allows us to look in every direction. This is achieved with the help of an omnidirectional camera or a collection of cameras. Immersive experience refers to the experience facilitated by combining all these technologies.

One of the most important trends in recent years has been the **Internet of Things (IOT)**. It refers to the networking of physical objects with embedded sensors, actuators, and other devices that can collect or transmit information about the objects. Miniaturization and the declining cost of sensors are making it increasingly easy for devices and physical assets to be instrumented. At the same time, the declining cost of connectivity is making it easy to transmit data. Therefore, data can be collected, analyzed and acted upon, in real time, based on context and business need. IOT allows organizations to manage assets more effectively, optimize performance, and create new business models. IOT also allows us to lead a better quality of life, often at a lower cost. IOT is spawning off new business models that can shift the basis of competition within industries. For example, data and connectivity can be combined to transform the sale of industrial machinery and other goods into a service.

Thanks to IOT, the difference between information and materials is beginning to blur as products are being inextricably linked to "their" information. Ultimately, manufacturers will be able to think through the interdependencies among the machines, the production components, the

manufacturing environment, and the IT that connects it all. "Process and device" will merge. Physical objects will become part of the process.

Additive manufacturing is another important trend that promises to transform supply chains. In traditional manufacturing, we keep removing material from an existing object, by drilling, cutting or shaping in some way. In the world of 3D, we start from nothing and keep adding layer after layer of material very precisely to make the object of interest to us. There is no wastage of material as no cutting or tooling is involved.

Additive manufacturing is useful for rapid prototyping. It is eminently applicable for mass customization, ie making things in small quantities economically. Prosthetics is a good example. The transformational impact of additive manufacturing is because it brings production and consumption together. This is a big advantage for consumers who are in far off, inaccessible places and when immediate delivery is the crucial factor, for example during natural disasters.

A **digital twin** is the exact counterpart (or twin) of a physical thing such as a car, a building, a bridge, or a jet engine. Sensors on the physical asset collect data that can be mapped onto the virtual model. By looking at the digital twin, we can make out how its physical counterpart is faring in the real world. By analysing the data from the connected sensors, along with other sources of information, a digital twin allows us to make predictions.

Drones are being deployed in different domains and contexts. The applications of drones are being increasingly seen in the defence, government, enterprise and consumer segments. For example, drones can carry out aerial crop surveys, and allow farmers to identify risks and opportunities for yield improvements (e.g., disease, nutrient deficiency, pests, moisture deficits/surpluses). Compared to satellite surveys, drones offer improved accuracy and turnaround time.

Section 4:

The Cloud- The foundation for digital transformation

Without a strong foundation, the software that today's digital economy demands, will not be easy to develop, maintain or upgrade. This section looks at how the key issues involved in making the IT infrastructure more robust, agile and responsive. The Cloud is covered in detail along with

related technologies like Microservices and Edge computing. There is also a chapter on 5G and how it can transform the IT landscape.

Cloud enables new and flexible operating models and creates the agility for companies to compete in today's dynamic, evolving world. Businesses are placing huge bets on the cloud. Developers love the cloud for the flexibility and speed it provides. Thanks to the cloud, they do not have to indent for a server and wait for days to get it. They can spin off a virtual machine or container and can get started in no time. Thanks to the cloud, the focus is now on software rather than on the infrastructure. Going a step further, in a serverless environment, there is no need to even provision infrastructure. The cloud automatically provides the necessary resources.

Cloud is the foundational layer for other digital technologies. The other stacks such as Data and IOT sit on top of the cloud. Many of the applications and gadgets we use today, are heavily dependent on the cloud for their effective and seamless functioning. So going to the cloud is no longer an option for companies. Cloud is a technology that has well and truly arrived.

This section covers different forms of the cloud: Private, Hybrid and Public. It also explains the different ways in which the cloud can be implemented: Infrastructure as a service, Platform as a service, Function as a service, Software as a service. The services offered by the major cloud service providers, AWS, Azure and GCP, are covered briefly. These services keep evolving and expanding and practitioners should keep themselves updated on the latest offerings from the hyperscalers.

Once a company decides to move to the cloud, applications must be migrated. A successful migration requires clarity of thought and prioritization to achieve quick wins. The 6 most common application migration strategies are:

- Rehosting, otherwise known as "lift-and-shift."
- Replatforming or "lift-tinker-and-shift."
- Repurchasingor moving to a different product.
- Refactoring / Re-architecting, i.e. reimagining how the application is architected and developed, typically using cloud-native features.
- Retiring, i.e. Getting rid of the application.
- Retaining, meaning "revisit" or do nothing (for now).

The cloud enables applications to be developed in far more nimble and creative ways. It gives us access to a range of computing resources that would be simply impossible to get within the boundaries of any one organization. This section also provides an understanding of virtual machines, containers and microservices.

Edge computing complements cloud computing. In edge computing, data is processed close to the source of data generation and actionable insights are generated in real time. Edge computing speeds up things and minimizes latency. This is critically important in situations such as driverless cars.

Edge computing builds upon earlier concepts in distributed computing, such as content delivery networks (CDN), but allows the delivery of more complex services using the cloud. Edge nodes can be deployed anywhere with a network connection: on a factory floor, on top of a power pole, alongside a railway track, in a vehicle, on an oil rig, and so on. Any device with computing, storage, and network connectivity can be an Edge node.

Cloud computing ensures that elastically scalable services, with enormous storage and computing capabilities are readily available. Edge computing enables the public cloud to permeate away from centralized data centers to interact more fluidly with the devices at the edge of the network.

Organizations today need real time insights even as their operations are running. From a hardware standpoint, data analysis depends on the processor, storage and transfer of data between the two. The latency of storage is today a big bottleneck. Hard disk-based systems unfortunately cannot process the data fast enough. So analytic models often have to reduce the volume of data even for the most basic analysis. In other words, analytic environments are disconnected from operations.

The essence of In-memory computing (IMC) is the storage of information in the main memory or random-access memory (RAM) of dedicated servers rather than in relational databases operating on comparatively slow hard disk drives. A special kind of databases is needed to move data into memory. IMC is not just about hardware. It is also about databases that provide intelligent data processing, data compression and a built-in calculation engine to crunch data speedily and efficiently almost in real time. IMC helps retailers, banks and utilities and other businesses, to

detect patterns quickly, analyze massive data volumes on the fly, and perform their operations quickly.

Software defined networking, hyperconverged and composable infrastructure have emrged as important trends in recent years. Together, they have created a new paradigm in the way infrastructure is visualized, designed and managed.

Software Defined Networking (SDN) is a new approach to networking in which the network hardware can be controlled remotely via software. For many years now, the virtualization of servers has enabled the deployment of computing resources for applications within seconds or minutes. However, the network has remained largely static and manual. This is where SDN comes in.

SDN calls for the separation of the control plane (which determines the path and tells the network what goes where) and data plane (which sends the packets to their destination) that today reside in a switch or router. The control of the network is moved out of individual network elements and centralized. This enables network administrators to automate and centrally manage and configure the various network elements rather than manage each individually.

Hyper Converged Infrastructure (HCI) merges compute, storage, and virtualization in a cohesive way such that it can be scaled up as needed. Customers can buy blocks as they need them and seamlessly plug them in. In early systems, CPU and storage had to be scaled together. More recent versions allow this scaling to happen separately. Hyperconverged solutions give up a little in performance to provide simplicity and ease of use.

The essence of **composable infrastructure** is delivering hardware that is software controlled for a generalized infrastructure for any workload. In contrast, hyperconverged infrastructure (HCI) is better applied to workload-specific installations and can be more cost effective if the type of workload is known beforehand. Composable infrastructure allows IT to operate like a cloud provider to the different lines of business.

Middleware integration has always played an important role in the transformation of internal systems and processes of clients. Today, it plays a particularly important role in digital transformation. As companies grow

and continue to invest in information systems, their IT landscape becomes complicated. In most cases, companies cannot discard old systems and replace them by a state-of-the-art system due to the heavy investments and the risks involved. The goal of enterprise integration is to get these various IT systems in an organization to "talk to each other" meaningfully to speed up information flows, improve agility and efficiency and drive differentiation.

5G promises to be a transformational technology with much higher speeds and reduced network congestion through intelligent network management. 5G opens new vistas across various industry verticals, and leads to the creation of hitherto unimagined services, thanks to much higher broad band speeds, densification and ultra-reliable & low latency.

5G can handle speeds exceeding 10 Gbps. Many of the use cases enabled by the blistering speeds that 5G offers are video-related—3D video conferencing, game streaming, and so on. If 4G can handle hundreds of simultaneous connections, 5G can handle hundreds of thousands of them. This makes 5G most suitable for the world of IOT. Indeed, 5G and IOT go together. Each IOT device requires a small bandwidth but together the signaling and bandwidth requirement is large. 5G can handle this well. The ultra-low latency of 5G (less than 10 milliseconds) makes it suitable for mission critical applications where a latency of even a few milliseconds cannot be tolerated. Use cases include vehicle-to-vehicle communications, robotic surgery, etc.

Section 5:

Blockchain- The Trust Machine

The internet has dramatically reduced the costs associated with finding and exchanging information and collaboration. The Internet has also lowered the barriers to entry in many industries leading to their disruption. However, doing business on the Internet, where most people are strangers, still requires a leap of faith. It is difficult to trust strangers and transfer money and other assets of value without validation from a third party like a bank or government.

The blockchain is essentially a trust machine. It removes the need for a trusted intermediary like say a bank. This technology is well poised to take decentralization and disintermediation to a new level. Blockchain has the

potential to make business transactions simpler and more cost effective. At a macro level, blockchain may make the world more inclusive and reduce the gap between the rich and the poor.

This section examines the implications of blockchain for different domains and industries including Banking, Energy and Utilities, Healthcare, Insurance and Retail.

Section 6:

Modern software development methods.

Technology has become so central today that ultimately it is the quality of software that determines success in any industry. Ever company today is a software company! This section covers key concepts like Design thinking, Customer journey mapping, Agile and DevOps. There is also the review of a very insightful book written by a top practitioner on the road map for digital transformation.

Design thinking is the art of balancing technical, human and commercial considerations while developing a product or service. By achieving this balance, we can create products and services that customers truly enjoy. Design thinking draws from multiple disciplines including sociology, psychology, ethnography and industrial design. At the core of design thinking is empathy for the customer. Therefore, design thinking tries to understand the needs of users genuinely and comprehensively. These include unarticulated needs that can be identified only by careful observation and skilful questioning of end users.

In his insightful book, *Transforming While Performing: A Practical Guide to Being Digital*, Andres Angelani explains that Digital is not about a technology, a project methodology, or a new distribution channel. Digital is more about who, how and why than what. It represents a philosophy. Digital is a way of doing things. It is reimagining entirely new ways to do business and go to market, with customer and technology at the center.

Andres adds that the aim of software should be to provide a great customer experience by humanizing the interaction. Digital transformation cannot be achieved without mastery. We need new ways of working such as pods and gilds to develop mastery. Failure is an integral part of digital transformation.

When it comes to customer experience, it is natural for companies to think of touch points—the individual transactions through which customers interact with the supplier. However, focusing on individual touch points can lead to a siloed approach that takes the attention away from the customer's end-to-end experience. Often, different functions in the company work hard to optimize their own contribution to the customer experience, even as they lose sight of what the customer really wants. Thus, sales personnel may be more focused on closing new sales and not on helping customers choose the lowest-price offer that meets their needs.

Focusing on the **customer journey** rather than individual touch points is a superior approach. Customer journeys include the many events and activities that happen before, during, and after the purchase and experience of a product or service. Often, customers are not unhappy with any one phone call, field visit, or other individual service interaction. However, they may well be unhappy with their cumulative experience across multiple touch points, multiple channels, and over time. Research by McKinsey reveals that across industries, performance on customer journeys is substantially more strongly correlated with customer satisfaction than performance on touch points. This is also the case with business outcomes such as revenue, churn, and repeat purchase.

Agile and **DevOps** are the buzzwords today. In an "Agile" model, requirements gathering, analysis, design, coding, and testing, are carried out iteratively to facilitate more modular software development. A minimum viable product, with the most important features, is produced in initial iterations. Any incremental changes to the existing features, along with addition of new features, are carried out in subsequent iterations. In contrast, in the "Waterfall" model, the different phases of software development are carried out in a linear fashion and the requirements are frozen before the design phase begins.

If Agile focuses on software development, DevOps aims to achieve faster development and roll-out of product features through improved collaboration between the development and operations teams.

In the software development life cycle, the development (Dev) team converts business requirements into product features (functionalities) and then unit (standalone) tests the same. The operations (Ops) team integrates the new feature with the existing product, followed by integration testing.

The Ops team ensures that the new feature is compatible with the old features and does not impact the overall performance. Then the code is deployed in a production (live) environment and continuously monitored for performance. In the traditional software development lifecycle, these activities are carried out in a linear fashion, while in DevOps, this happens in an iterative way. As a result, changes can go live, even many times on a single day.

This section also introduces related concepts like continuous delivery and site reliability engineering. It also covers the importance of culture. Without the right culture, no software delivery organization can be effective.

Section 7:

Digital World- Indispensable essentials

This section has three articles. The first is about cybersecurity. The second is the review of a very insightful book which considers the larger implications of digital technologies for people, society, and government. The third article explains the challenges thrown up by algorithmic biases.

In 2020, more than 22 billion records of confidential personal information or business data were exposed, according to Tenable's 2020 Threat Landscape Retrospective Report. So, security must not be seen as the final step before delivery. It must be integrated throughout the software development process.

Security practices must evolve faster than the techniques used by malicious actors.

The main drivers of the growth of cybercrime include the easy availability of cybercrime tools and services on the deep or dark web, the rapid adoption of new technologies by cyber criminals, the expanding number of cybercrime centers, and the growing sophistication of top-tier cyber criminals. Cyber criminals no longer need deep technical skills to mount attacks. Cyber-attacks are now cheaper and easier than ever before.

Companies have no option but to take cybersecurity more seriously and even the boards are starting to take more interest. We examine some of the key issues underlying cybersecurity and how companies can manage them effectively.

“Tools and Weapons” is a path-breaking book written by two Microsoft executives, Brad Smith, President and Carol Anne Brown, Senior Director of Communications. They explain how technology can be used as a tool for the benefit of mankind and at the same time misused as a weapon by unscrupulous elements.

The book explains how technology is shaping democracy, governance, diplomacy and economic development. At the same time, the rise of technology has raised new concerns like cybersecurity, data privacy, digital crime, government surveillance, job losses, election tampering, etc. The book also draws attention to the sharpening digital divide and how to make the benefits of technology more inclusive. There is also an interesting discussion on the rivalry between the US and China.

Technology companies have a responsibility to address the problems arising out of the misuse of sophisticated technology. At the same time, the tech sector by itself cannot address all the problems by itself. What we need is a mixture of self-regulation and government action.

In the world of AI, a new challenge that is being increasingly discussed is the biases that creep into algorithms. Due to these biases, when we leave it to algorithms to take decisions, there can be unintended consequences. We go back to Prof Kartik Hosanagar’s book, “A Human's guide to Machine Intelligence.” which we reviewed in an earlier section. We also draw from some insightful articles published in Harvard Business Review and a paper published by Brookings.

Section 1
Digital Strategy: How technology is transforming business models

Chapter 1
The rise of Digital

Introduction

Digital technologies pose a disruptive threat to incumbent leaders. Disruptions can come from nowhere, thereby creating a degree of uncertainty, which is unprecedented in modern business. This article draws heavily from the March 2016 McKinsey Quarterly article, "The Economic essentials of Digital Strategy" by Angus Dawson, Martin Hirt, and Jay Scanlan and the March 2015 article," Competition at the Digital Edge: Hyperscale businesses" by Michael Chui and James Manyika.

What causes digital disruption?

In industry after industry, technology startups are exploiting data effectively, tapping infrastructure available on the cloud, reimagining the customer experience, and leveraging social media effectively. So, it is important to understand and anticipate the nature of disruption.

When supply and demand patterns change, new markets can be created. If these markets are approached with a well thought out value proposition and scalable platform, a disruptive attack is likely to happen.

Digital disruptors can increase supply very imaginatively by exploiting untapped sources of supply. This can reduce the bargaining power of suppliers. By offering personalization and a superior customer experience, they can lock in customers and reduce their bargaining power. By reducing their dependence on physical assets and by making the platform their most valuable asset, the disruptors can cut down the upfront capital investment required and reduce the barriers to entry. In addition, by using ideas that can be applied across industries, the digital startups can increase the substitution effect. The power of disruption can be amplified as the same platform can be deployed in industry after industry. Very few people would remember that Amazon started as an online bookstore! Today, its most promising business is Web Services.

Chapter 2

Leading Digital - Turning technology into business transformation*

What are the key differences between the leaders and the laggards when it comes to the deployment of digital technologies? What does it take to achieve digital mastery?

This article is essentially the review of an insightful book, "Leading Digital- Turning technology into business transformation" which was published by Harvard business Review Press in 2014. The book is written by George Westerman, Andrew McAfee of MIT and Didier Bonnet of Capgemini and is based on in-depth research done over a long period of time and covering hundreds of companies across the world. Details of this research and most of the case studies featured in the book can be obtained from the Capgemini website.

Understanding digital mastery

Digital Masters seem to share some key attributes.

- Digital Masters use digital technologies much better than their peers do.
- Digital Masters reap the benefits of digital technologies both in customer interactions and internal operations.
- Digital Masters are far more profitable than their peers.
- Digital Masters generate more revenues from their assets.

The key insight from the book is that Digital Masters surpass their peers on two critical dimensions:

- **Digital capabilities:** Digital Masters effectively use technology to get closer to customers, empower their employees and transform internal processes.
- **Leadership capabilities:** Digital Masters know how to drive transformation through top-down leadership. Leaders of these companies articulate the vision for change, identify critical initiatives and ensure that employee activities and behaviors are aligned with the change.

* (Review of the book by George Westerman, Andrew McAfee and Didier Bonnet)

Chapter 3

From industries to ecosystems: How APIs can transform business models

Introduction

Being digital, is not just purchasing and assembling different technology components. A successful digital strategy requires careful planning and integration of an array of technologies and models. In this article, we will see how clients can improve customer satisfaction and expand their revenue pool by using APIs.

The transformative potential of technology is not new. In the past, technological advances have caused existing industries to disappear, new ones to appear, and others to be merged, but in a gradual way. The ongoing digital revolution is accelerating this process. In virtually every sector, boundaries are being redefined, more rapidly than before. Digital disruption is essentially creating a customer-centric, unified value proposition that extends well beyond what end users could previously obtain. Digital pioneers are bridging the gaps along the value chain, reducing costs, providing customers with new, more engaging experiences, and whetting their appetites for more. McKinsey has carried some very insightful articles on this subject. This chapter draws heavily from the insights provided in these articles.

The emerging world of ecosystems

As boundaries between industry sectors continue to blur, the traditional market leaders will face off against companies and industries they never previously viewed as competitors. They must evaluate their business models not by how they play against traditional industry peers but by how effectively they are competing within the rapidly emerging “ecosystems”. Venkat Alluri, senior partner with McKinsey defines an ecosystem as “a complex network of interconnected businesses that depend on and feed on each other to deliver value for their customers, to the end users, and their key stakeholders.” Such ecosystems will comprise diverse players and will

Chapter 4
Understanding Digital Platforms

Introduction

A successful digital play often demands the existence of a vibrant platform, which can bring suppliers and consumers together. Amazon, Uber, Alibaba and Flipkart have all succeeded because of their platforms. Indeed, today, many the world's most valuable companies by market capitalization, including Apple, Amazon, Alibaba and Facebook are platform companies. Although a few of these companies got into business with platforms, many started with products. Amazon began as a retailer in 1994 and six years later introduced Amazon Marketplace. Apple created the iPod in 2001 but did not move toward a platform until it developed the iTunes Store in 2003 and the App Store in 2008.

The April 2016 issue of Harvard Business Review carries some insightful articles on what it takes to design and build platforms. Here is a summary of the main points covered.

Digital platforms: A primer

Platforms essentially connect various groups of people on both the supply and demand side. Platforms are not a new phenomenon. They have been around for decades. For example, shopping malls link consumers and merchants while newspapers and magazines link subscribers and advertisers.

What has caused a paradigm shift in recent times is advances in technology. These advances have led to falling communication costs, higher speed of computing, larger bandwidth and ease of storage and access to data. As a result, transaction costs have fallen and coordinating the activities of different market participants has become easy and simple. The tools available today also mean that platforms can be built and scaled up in no time, without the need to own dedicated, expensive infrastructure. Technology allows different members to access the platforms easily and seamlessly and enjoy their experience during interactions. Technology also enables platform owners to capture and analyze huge amounts of data very easily leading to a better understanding of what customers are

Chapter 5
Finding the platform in your product

Introduction

Success in today's dynamic business environment is becoming increasingly dependent on the ability to build, scale and partner through platforms. The most valued companies in the world today, Apple, Alphabet, Amazon, Alibaba, Facebook and Microsoft are all platform businesses. The rising stars like Spotify, Uber and Airbnb are also essentially platforms.

Understanding platforms

Platforms essentially connect various groups of people on both the supply and demand side. Platforms are not a new phenomenon. They have been around for decades. For example, shopping malls link consumers and merchants while newspapers and magazines link subscribers and advertisers.

The paradigm shift in recent times has been caused by advances in technology. As a result, transaction costs have fallen and coordinating the activities of different market participants has become easy and simple. The tools available today also mean that platforms can be built and scaled up in no time, without the need to own dedicated, expensive infrastructure. Technology allows different members to access the platforms easily and seamlessly and enjoy their experience during interactions. Technology also enables platform owners to capture and analyze huge amounts of data very easily leading to a better understanding of what customers are looking for. This makes it possible to improve the customer experience and thereby increase the platform's value.

How are platforms different from pipelines, the traditional way of organizing businesses? Pipeline businesses try to create value by controlling the value chain. In the traditional industrial economy, by performing many if not all value chain activities within the organization, firms could achieve better coordination, develop differentiated products and services and thereby generate a sustainable competitive advantage. Value chains have been fragmenting in the last 2-3 decades, as

Chapter 6

Information Rules: A Strategic Guide to the Network Economy*

Introduction

The main thesis of this book is that while technology may change, economic laws do not. The authors, Carl Shapiro and Hal Varian point out that the information economy is driven by advances in information technology and infrastructure. Technology is allowing people to do more with the same information, by improving access and reducing the cost of storing and transmitting information.

Information Rules

The rules of competition in information markets need to be carefully understood.

Information is costly to produce but cheap to reproduce. The fixed cost is high but the marginal cost is close to zero. In this kind of scenario, cost plus pricing does not make sense. What is needed is value based pricing.

Information products are also subject to network externalities. The value of information products depends on how many other users there are. As the installed base of users grows, the value of the product increases. More and more people feel it worthwhile to buy the product. Eventually, the product achieves critical mass and takes over the market.

To minimize dissonance and risk, consumers like to experience information to understand its value, before they would like to actually buy the product. How to give away information to let people know and experience what is on offer and charge them for it to recover the costs is a fundamental problem in the information economy.

To gain critical mass, technology alone is not enough. Consumer expectations have to be shaped. The product that is expected to become

* (Review of the book by Carl Shapiro & Hal R Varian, Harvard Business School Press, 1999)

Section 2
Making machines intelligent with AI and ML

Chapter 7
Machine learning: A primer (Part 1)*

Introduction

Machine learning, the rapidly evolving discipline, is based on algorithms that can learn from data and change their rules, rather than following fixed rules. In machine learning, a computer is not preprogrammed. Instead, it learns by relentlessly digesting vast amounts of data involving several variables. In the process, new actionable insights are obtained.

At its core, machine learning is the process of automatically discovering patterns in data. Once discovered, the pattern can be used to make predictions. For instance, if we have information about credit card transactions, such as date, time, merchant, merchant location, price, and whether the transaction was legitimate or fraudulent, machine learning can identify patterns that predict fraud for future transactions. The more data the computer processes, the better its predictions become.

Applications of machine learning include churn prediction, sentiment analysis, recommendations, fraud detection, online advertising, pattern and image recognition, prediction of equipment failures, web search results, spam filtering, and network intrusion detection.

Machine learning problems fall into various buckets, some of which are listed below:

Name	Description
Regression	Finding a mathematical relationship between inputs and output
Classification	Dividing data into pre-defined categories
Clustering	Grouping data without any pre-defined categories
Dimensionality reduction	Simplifying the problem by reducing the number of variables

* (Based on the book," An introduction to Statistical Learning" by Gareth James, Daniela Witten, Trevor Hastie and Robert Tibshirani.)

Chapter 8

Machine learning: A Primer (Part 2)*

In this chapter, we will cover other important machine leaning techniques.

Classification

In classification, the data is divided into two or more classes. The data is measured in terms of features. Thus, the students of a school may be the data. Their features may include height, weight, age, gender and rank in the class. Based on some combination of these features, we define the classes. The machine must produce a model that assigns unseen inputs to one or more of these classes. Spam filtering is an example of classification. Here the inputs are email messages, and the classes are "spam" and "not spam". Trying to predict whether the stock index will go up or come down, using some independent variables, is again a classification problem. A program that performs classification is called a **classifier**.

Commonly used classification techniques are *Logistic regression, Support Vector machines, K-Nearest neighbors and Decision trees*.

Logistic regression

In logistic regression models, we do not calculate the value of the dependent variable. Instead, we try to calculate the probability of the dependent variable belonging to a particular category. Say a person arrives at the emergency room with a set of symptoms that could be due to one of three medical conditions. Which of the three conditions does the individual have? Based on DNA sequence data for several patients with and without a given disease, a logistic regression model can tell us which DNA mutations cause diseases and which do not.

Support Vector Machines

Consider a classification problem, where the inputs have different features. If we plot the inputs on a graph, each class will correspond to a region in

* (Based on the book," An introduction to Statistical Learning" by Gareth James, Daniela Witten, Trevor Hastie and Robert Tibshirani.)

Chapter 9

A Human's guide to Machine Intelligence*

Introduction

Algorithms are becoming an integral part of our daily lives. About 80% of the viewing hours on Netflix and 35% of the sales on Amazon are due to automated recommendations. Designers in companies like Facebook know how to make use of notifications and gamifications to increase user engagement and exploit & amplify various human vulnerabilities such as social approval and instant gratification. In short, we are nudged and sometimes even tricked into making choices by algorithms. Whether it be the products and services we buy, the information we consume or who we mingle with online, algorithms are playing an important role.

In the world of AI, a new challenge that is being increasingly discussed is the biases that creep into algorithms. Due to these biases, when we leave it to algorithms to take decisions, there can be unintended consequences. "A Human's guide to Machine Intelligence" written by Kartik Hosanagar, an authority on the subject and a professor at Wharton, provides us a nuanced understanding of how algorithms are developed, how they work and what we need to do to ensure that we get the maximum out of them while minimizing the unintended consequences. As the algorithms deployed by tech companies are used by billions of people, the damage caused by any biases can be significant. Moreover, we have a tendency to believe that algorithms are predictable and rational. So we often overlook many of their side effects. Prof Hosanagar is an alumnus of BITS Pilani and did his PhD from Carnegie Mellon.

How today's algorithms are different

In the past, developing an algorithm involved writing a series of steps that a machine could implement again and again without getting tired or without making a mistake. But today's algorithms, based on machine

* (Review of the book by Prof Kartik Hosanagar)

Chapter 10

The Master Algorithm*

Introduction

Not all learning algorithms work the same. Suppose we are at a physical bookstore. Amazon's recommendation engine would take us to the shelves we have frequented previously. Netflix's recommendation engine would take us to unfamiliar and seemingly odd sections of the store and ultimately lead us to stuff that we will end up liking. Netflix's business model depends on driving demand into the long tail of obscure movies and TV shows that cost little and away from the blockbusters which our subscription is not enough to pay for. Amazon is also happy to take advantage of the long tail but it is equally happy to sell more expensive items.

While machine learning today has a wide range of applications, the interesting point to note is that a small number of learning algorithms take care of the great majority of these tasks. These algorithms are also strikingly simple compared to the traditional algorithms they replace.

This book, written by Prof Pedro Domigos, one of the leading researchers in AI is about how we can combine the best features of different machine learning approaches to come up with the Master algorithm. Using this single, universal algorithm, we can facilitate the most effective learning from the data.

Five main schools

There are 5 main schools of machine learning:

- **Symbolists** view learning as the inverse of deduction and take ideas from philosophy, psychology and logic.
- **Connectionists** reverse engineer the brain and are inspired by neuroscience and physics.
- **Evolutionaries** simulate evolution and draw inspiration from genetics and evolutionary biology.

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* (Review of the book by Prof Pedro Domingos)

Chapter 11

A primer on Cognitive Technologies - Part 1

Facial recognition

Introduction

A facial recognition system uses biometrics to map facial features from a photograph or video. It compares the information with a database of known faces to find a match. The technology is mostly used today for security and law enforcement, though its use is spreading to other areas as well.

About the technology

Facial recognition technologies vary, but here are the basic steps:

Step 1. The camera detects and locates the image of a face, either alone or in a crowd.

Step 2. Next, an image of the face is captured and analyzed. The software reads the geometry of our face and identifies facial landmarks that are key to distinguishing our face. Key factors include the distance between our eyes, the depth of our eye sockets, the distance from forehead to chin, the shape of our cheekbones, and the contour of the lips, ears, and chin.

Step 3: The analog information (a face) is digitized (data) based on the person's facial features. The numerical code is called a faceprint. In the same way that thumbprints are unique, each person has her own faceprint.

Step 4: Next the system determines whether the faceprint matches that of an image in a facial recognition system database. Many of us are familiar with face recognition technology through the FaceID used to unlock iPhones. Here, facial recognition simply identifies and recognizes us as the sole owner of the device, while limiting access to others. More generally, the faceprint is compared with a database of other known faces. On Facebook, any photo tagged with a person’s name becomes a part of Facebook's database, which may also be used for facial recognition.

Chapter 12

A primer on Cognitive Technologies- Part 2

SPEECH RECOGNITION

What is speech recognition?

Speech recognition technology processes human speech into a written format. Speech recognition translates a verbal format to text while voice recognition seeks to identify an individual user's voice.

Speech technology had a limited vocabulary when it first appeared. Its adoption has accelerated in recent years due to advancements in deep learning and big data. Today, it is utilized in various industries such as automotive, technology, and healthcare.

Key features of effective speech recognition

Many speech recognition applications and devices are available, but the more advanced solutions use machine learning. They integrate grammar, syntax, structure, and composition of audio and voice signals to understand and process human speech. They learn and evolve with each interaction.

The best speech recognition systems allow customization and adaptation of the technology to their specific requirements from language and nuances of speech to brand recognition. For example, they incorporate:

- **Language weighting**: Weighting specific words that are spoken frequently (such as product names or industry jargon)
- **Speaker labelling**: Transcription that tags each speaker's contributions in a multi-participant conversation.
- **Acoustics training**: Adapt to an acoustic environment (like the ambient noise in a call center) and speaker styles (like voice pitch, volume and pace).
- **Profanity filtering**: Use filters to identify certain words or phrases and sanitize speech output.

Chapter 13

How Microsoft is evangelizing the use of AI

Introduction

On Aug. 8, 2018, I had the opportunity to listen to an engaging and insightful presentation by a senior executive of Microsoft. Here are the highlights.

Microsoft's vision is to empower every person and organization on the planet to achieve more. In this context, Microsoft is trying to democratize AI and make the tools available to the common man in various ways and in different fields- climate change, health care, agriculture, education, etc. Microsoft is using AI to improve the lives of millions of people in India.

AI has three different dimensions:

Understanding: Deriving meaning out of data- text, images, voice.

Reasoning: Forming conclusions from data.

Interacting: Engaging with people in natural ways.

AI is increasing in sophistication, thanks to improvements in all the three areas. In about 5 years from now, we may see Artificial General Intelligence (AGI) when computers will be able to think and act like human beings. (Think of the Rajanikanth movie, Robot.) And as the power of AI increases, it is important that key societal concerns are addressed. As we all know, technology can be used with good and bad intentions. Facial recognition is a good example. That is why, Microsoft is strongly committed to AEther, i.e. AI, Ethics and Effects in Engineering and Research, a framework that tests any technology for ethical compliance.

Note: In an email to Microsoft employees on March 29, 2018, Satya Nadella mentioned: "AEther will ensure our AI platform and experience efforts are deeply grounded within Microsoft's core values and principles and benefit the broader society. Among other steps, we are investing in strategies and tools for detecting and addressing bias in AI systems and implementing new requirements established by the GDPR. While there is

Chapter 14

AI in Marketing*

Introduction

Across different functions, marketing can probably gain the most from artificial intelligence (AI). AI can dramatically enhance a company's ability to understand customer needs, customize products and services accordingly, and persuade people to buy these products and services. AI can be used to handle narrow tasks, such as digital ad placement and broader tasks, like enhancing the accuracy of predictions. AI can also augment human efforts in structured tasks, such as customer service.

Using AI in the customer journey

When potential customers are looking for a product, AI can target ads at them and can help guide their search. AI can strengthen the sales process by using extremely detailed data on individuals, including real-time geolocation data, to create highly personalized products or services. Later in the journey, AI can facilitate upselling and cross-selling and also reduce the likelihood that customers will abandon their digital shopping carts. After the sale, AI-enabled service agents can deal with service requests better than human agents can. They can handle simple queries on their own and can escalate more complex issues to a human agent. In some cases, AI can assist human reps by analyzing the customers' tone and suggesting differential responses.

Some examples of AI in action

In 2017, Nike launched a system that allows customers to design their own sneakers in store. The "Nike Makers' experience" allows customers to put on blank Nike Presto X sneakers and choose their own graphics and colors. Using augmented reality and projection systems, the system then displays the design on the blank shoes. The designs are printed on the sneakers and made available to the customer in about 90 minutes. This

* The Harvard Business Review recently carried some articles on how marketers can leverage AI more effectively. This writes up captures some of the insights conveyed in these articles.

Chapter 15

Understanding protein structure using AI*

Introduction

We cannot understand life without understanding proteins. Actin and myosin, the proteins of the muscles, allow us to move around. Keratin provides our skin and hair. Hemoglobin carries our oxygen. Insulin regulates our metabolism. The spike protein of coronaviruses invades human cells.

Proteins are large complex molecules made up of amino acids. Listing a protein's amino acids is easy. Technology to do this has existed for decades. What a protein does, and how it does it, depends also on how it folds up after its creation, into its final, intricate shape. A protein's shape is closely linked to its function. The ability to predict this shape unlocks a greater understanding of what it does and how it works.

The entry of AI

At present, molecular biologists can probe proteins' shapes experimentally, using techniques like x-ray crystallography. But this is time-consuming. Now, things may be about to get much easier. On November 30th, 2020, researchers from DeepMind, an affiliate of Google, presented results on how to predict a protein's shape from just a list of its amino-acid components.

The idea of using computers to predict proteins' shapes is half a century old. Progress has been slow. The Critical Assessment of Protein Structure Prediction (CASP) is a biennial experiment-cum-competition which started in 1994 and is called the "Olympics of protein-folding". Algorithms are subjected to blind tests of their ability to predict the shapes of several proteins of known structure.

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* (Based on the article in The Economist dt. December 3, 2020)

Chapter 16
Robotic Process Automation 101

Introduction

The offshoring industry has come a long way in the past 20 years or so. The usual levers like offshore and pyramid leverage are rapidly getting exhausted. The new wave of delivery optimization is led by Robotic Process Automation (RPA).

This article draws heavily from the work of McKinsey, Deloitte and a group of outstanding professors, Leslie Willcocks, Mary Lacity and Andrew Craig who work with The Outsourcing Unit, Department of Management, The London School of Economics and Political Science. Researchers at the Outsourcing Unit of LSE aim to assess the current and long-term impact of business services automation on client organizations and have published detailed case studies that are feely available.

Understanding RPA

RPA software automates repetitive, rules-based processes usually performed by people sitting in front of computer screens. Thus, software robots can open email attachments, complete e-forms, and record and re-key data, and perform other tasks that mimic human action.

RPA essentially involves the deployment of software robots or BOTs that interact with existing legacy systems at the presentation layer. Each BOT is assigned a login ID and password enabling it to work alongside human employees. Business analysts can work with business operations specialists to "train" and to configure the BOTs. The deployment can be done fast. A proof-of-concept RPA project may take as little as two weeks. A pilot can be up and running within four to eight weeks, depending on scope and complexity.

RPA is quite different from the traditional approaches to automation, EAI (Enterprise Applicatiion Integration) and BPM (Business Process Management). These approaches are relatively complex and expensive, require a significant investment of time and technology and need IT experts. EAI involves the use of middleware to integrate applications that

Chapter 17

The new data paradigm: From the cloud to the sky

Databricks, which has come up with a new data paradigm, has closed its second billion-dollar funding round of the year. After raising $1 bn earlier in the year, it has recently raised $ 1.6 bn taking its valuation to $ 38 bn. According to Forbes, CEO Ali Ghodsi and two cofounders, executive chairman Ion Stoica and chief technologist Matei Zaharia, are now billionaires based on their stakes in the company. There is speculation of an IPO later this year. Some analysts feel that the asking price for the company may well cross $100bn. Databricks has other options too such as being acquired by Microsoft, which is already a strategic investor.

About Ghodsi

Ghodsi was born around the time of the Iranian revolution in 1978.Within 24 hours, his family fearing for their life, had to flee the country and move to Sweden which was more friendly towards refugees. He started programming a Commodore 64 in the second grade.

The uncertain environment he grew up in and the dramatic change in fortunes (from a rich family to refugees) and his later stint in academics, taught him to appreciate different cultures and functions and empathise with different kinds of people and their viewpoints. At his company, Ghodsi has shaped a culture of customer focus and encouraged people to do what the customers need.

Ghodsi is also a strong proponent of data-based decision making and all functions within his company use data for making decisions. Ghodsi has also done his best to break the silos within the company and promote teamwork. He believes in hiring the best people who can keep innovating.

Ghodsi urges people not to get attached to what they create and keep improving. These are the early days of AI and the paradigm will keep changing in the years to come. If Marc Andressen argued that software will eat the world, Ghodsi thinks that AI will eat software. The name Databricks symbolises the opportunities to innovate brick by brick.

Chapter 18

The power and promise of Quantum Computing

Introduction

In the last 40 years, quantum computing has made considerable progress. It was in 1981 that Richard Feynman, the Nobel prize winning American physicist, spoke about the possibilities of quantum technologies at a computing conference. The first useful quantum algorithm was discovered in 1994 at Bell Labs. Another early pioneer was IBM. Today Google and Microsoft are also playing a big role in developing quantum technologies. Amazon is trying to host quantum computers on the cloud. Many startups too have emerged. Quantum computing, with its incredible speed, has the potential to tackle problems which classical computing cannot. For example, it would take a classical computer a billion years to break today's RSA-2048 encryption but a quantum computer can do it in about 100 seconds. This write up draws heavily from articles published by the Economist, McKinsey, BCG and Accenture. We also draw from some very useful video resources:

https://www.ted.com/talks/shohini_ghose_a_beginner_s_guide_to_quantum_computing?language=en

https://m.youtube.com/watch?v=u1XXjWr5frE

https://www.ibm.com/quantum-computing/learn/what-is-quantum-computing

Background note

Quantum mechanics

Quantum mechanics probably originated from Max Planck's solution in 1900 to the black body radiation problem and Albert Einstein's 1905 paper on the photoelectric effect (Einstein won the Nobel Prize for this work and not for his more famous theory of Relativity.). The early pioneers of quantum theory, who made a significant contribution in the mid-1920s

Chapter 19

Hit Refresh: Reflections of Satya Nadella*

Introduction

Satya Nadella's book, "Hit Refresh" talks about Microsoft's transformation and his own evolution as a leader from a schoolboy in Hyderabad to the CEO of one of the world's most influential tech companies. A large part of the book is about his leadership style and how he has attempted to shape the culture of Microsoft. However, Nadella has also discussed at length about the technologies on which his company is betting. This is what we will look at, in this article.

In its earlier phase of evolution, Microsoft demonstrated that it could leapfrog competition through a fast and smart second mover strategy. (Most of the elements of Windows and Office had been developed by others. However, they failed to create a revenue model, which Microsoft led by Bill Gates did successfully.) However, Nadella realizes that first mover advantages can be significant in the coming years. Therefore, Microsoft is boldly and proactively investing heavily to lead in three technologies that the company believes will shape the future:

- Mixed reality
- Artificial intelligence
- Quantum Computing

Mixed reality

We are all familiar with Virtual Reality (VR) which immerses the user in a virtual world and Augmented Reality (AR) which overlays digital information on the physical world. One simple way to visualize the two is that VR uses an opaque headset while AR uses a transparent one. Mixed reality means that the digital world and the physical world are becoming unified. The data, the apps, the people involved, and the physical location

* (Review of the book by Satya Nadella, the CEO of Microsoft, supplemented by additional information)

Section 3
Marrying the virtual and physical worlds

Chapter 20

Why Every Organization Needs an Augmented Reality Strategy*

Introduction

There is a fundamental disconnect today. While reality is three-dimensional, the data we must act upon is available in two-dimensional format. As a result, we cannot make full use of the information and insights produced by billions of Smart Connected Products in the world of Internet of Things (IOT). Augmented Reality (AR), by superimposing digital data and images on the physical world, promises to deal with this disconnect. AR has the potential to transform how we learn, make decisions, and interact with the physical world. By doing so, AR will also help leverage more effectively, the uniquely human capabilities that machines still struggle to get right.

In the last 20 years or so, the web has transformed how information is collected, transmitted, and accessed. However, we still have to translate mentally 2-D information for use in a 3-D world. AR superimposes digital information, directly on real objects or environments. This allows us to comprehend the physical and digital worlds simultaneously, eliminating the need to bridge mentally the two. That improves our ability to absorb information, make decisions, and execute various tasks quickly and efficiently. Essentially, AR transforms volumes of data and analytics into images or animations that are superimposed on the real world.

AR displays in cars are a good example. Until recently, we had to look at a map and then figure out how to get to our destination. That means we had to shift our gaze between the road and the screen and mentally connect the image on the map to the place to take the exit. AR displays navigational images directly over what the driver sees through the windshield. This

* Why Every Organization Needs an Augmented Reality Strategy: That is the name of a Harvard Business review (November–December 2017) article authored by strategy guru, Michael Porter and IOT expert, James Heppelmann. This chapter captures some of the key points raised in the article.

Chapter 21
Virtual Reality*

Introduction

Despite several false dawns, there are now signs that, Virtual Reality /Augmented Reality technologies are going mainstream. A report in 2019 by PWC predicts that VR and AR have the potential to add $1.5 trillion to global GDP by 2030, by spurring productivity gains across industries.

The use of VR and AR creates a new and far more intuitive way to interact with a computer. The display of information is no longer limited by the size of a physical screen on a desktop or a mobile device but can fill the entire field of vision.

What is driving adoption?

In the past decade, smartphones and video games have made the hardware and software needed for VR much cheaper and more widely available. A crucial moment came a few years ago when consumer devices became capable of generating real-time graphics quickly enough to create a realistic sense of immersion.

Progress in VR technology is now being driven by hardware from the smartphone industry and software from the video-games industry. Modern smartphones, with their vivid color screens and motion sensors, contain everything needed for VR. Indeed, a phone slotted into a cardboard viewer with a couple of lenses can serve as a rudimentary VR headset. Dedicated systems use more advanced motion sensors but can otherwise use many of the same components. Smartphones can also deliver a hand-held form of AR, overlaying graphics and virtual items on images from the phone's camera.

On the software front, VR has benefited from a change in the way video games are built. Games no longer involve pixelated monsters moving on two-dimensional grids but are sophisticated simulations of the real world. Millions of lines of code turn the player's button-presses into cinematic

* This chapter is based on a detailed survey in The Economist, Oct 3, 2020.

Chapter 22
Digital reality

Introduction

Technology transformations are typically about how we interact with and apply technology and data in our daily lives. In case of mainframes, we could not even interact with the machines directly. When we moved from mainframes to personal computers, the interaction was facilitated through the keyboard and keystrokes. The introduction of the graphical user interface (GUI) allowed us to interact with data through the mouse and the pointer. When the internet came, the way we looked for and collected data changed. With the rise of the smartphone, touch and later, voice have become our primary interface. The rise of virtual reality, augmented reality and other related technologies implies that our means of interface will increasingly be our gestures, emotions, and gaze.

Defining digital reality

Digital reality is generally defined as the wide spectrum of technologies and capabilities like AR, VR, MR, 360° video, and the immersive experience, that enables the simulation of reality in various ways.

Technology	Experience
Virtual Reality	Creates a digital environment
Augmented Reality	Overlays digital content on the real world
360° video	Allows us to look in all directions
Immersive	Multi-sensory digital experience
Mixed reality	Blends digital and real world

VR enables us to immerse ourselves in artificial surroundings that portray actual places or imaginary worlds.

AR overlays contextual information on the actual physical environments we see.

Chapter 23

The Internet of things: Understanding the opportunity

Introduction

Many thought leaders are describing the interconnection of billions of devices using digital technologies as today's most important business trend. Called the Internet of things (IOT), this is a huge opportunity for both users and service providers. This chapter provides a primer on IOT and examines how this exciting field is evolving.

In simple terms, the Internet of Things (IOT) refers to the networking of physical objects with embedded sensors, actuators, and other devices that can collect or transmit information about the objects. Miniaturization and the declining cost of sensors are making it increasingly easy for devices and physical assets to be instrumented. At the same time, the declining cost of connectivity is making it easy to transmit data. Therefore, data can be collected, analyzed and acted upon, based on context and business need and in many cases, this can be done automatically.

The impact of IOT is being felt in many fields. Thus, sensors in an electricity grid can help utilities remotely monitor energy usage and adjust generation and distribution. Insurance companies can install sensors in the cars of customers and charge premiums based on actual driving behavior rather than projections. Physicians can use the information collected from wireless sensors in their patients' homes to improve their management of chronic diseases and reduce treatment costs significantly. In the manufacturing sector, using IOT, productivity in the assembly line and the supply chain can be improved significantly. Increasingly, manufacturing processes will be able to govern themselves because smart products can take corrective action to avoid damages and inventory can be automatically managed.

In short, IOT allows organizations to manage assets more effectively, optimize performance, and create new business models. IOT also allows individuals to lead a better quality of life, often at a lower cost. For enterprises, the early applications of IOT may focus on boosting efficiency

Chapter 24

The Internet of things: Where we are today

Introduction

Computing has come a long way in the past six decades. In the early days of computing, it was all about making processing power available to large corporations and governments. The arrival of the personal computer democratized computing. Smart phones took the process of democratization further. The arrival of the cloud has enabled even small enterprises to access processing power and storage at the click of a mouse. Now with the ability to make ordinary objects intelligent by embedding chips and sensors, computing has become ubiquitous. This article focuses on this world of ubiquitous computing, commonly called the Internet of Things. We draw heavily from a special report published by the Economist in its edition dated Sep 14-20, 2019, and various articles published by McKinsey in the last 5 years.

The rise of IoT

The idea of embedding chips and sensors in objects is not new. For many years now, we have been used to water flowing out of the taps when we put our fingers underneath and lights coming on when we enter a conference room. But what has created the impetus in recent times is the falling costs of computing and storage.

In 1956, a megabyte of storage cost $ 9200 ($ 85,000 in today's prices after correcting for inflation). Today, it costs $ .00002. Between 1950 and 2010, the amount of computing possible with a unit of electric power increased 100 billion times. At the same time, the average cost of a sensor has been falling and is today less than $ 0.60. Meanwhile, 51.2% of the world's population has access to the internet, compared to 23.1%, 10 years back. Finally, IoT has been helped by the rise of AI which enables us to extract actionable real time insights from terabytes of data generated by billions of connected devices.

Chapter 25

Additive Manufacturing: An introduction

Introduction

Traditionally, manufacturing has been done in three ways:

Subtractive processes: Material is cut and removed till we get the shape and size we need.

Forming: We apply pressure on something till we get what we need.

Casting: We melt the material and pour it into molds to get the objects/components/ parts we need.

Additive manufacturing is different. We keep adding layer after layer of material very precisely to make the object of interest to us. There is no wastage of material as no cutting or tooling is involved.

Benefits

Additive manufacturing is useful for rapid prototyping. It is useful for mass customization, ie making things in small quantities economically. Prosthetics is a good example.

Additive manufacturing brings production and consumption together. This is a big advantage for consumers who are located in far off, inaccessible places. During natural disasters for example, many things are needed urgently to restore the broken infrastructure and basic services such as water supply. To ship them might take days. 3D printers at the site of the disaster can be very useful here. By bringing producers and consumers together locally, additive manufacturing is leading to a renaissance of the maker movement.

Traditional design and production processes involve various constraints, including expensive tooling fixtures, and the need for assembly for complex parts. In contrast, 3D printing is simpler and like building something with Lego blocks.

Traditional processes can result in up to 90% of the original block of material being wasted. This is not so in case of additive manufacturing. It

Chapter 26
Other useful technologies

Digital twins

In today's digital economy, the way in which we develop, manage and maintain assets is evolving. Digital twins give us visibility into what is happening, or what can happen, with physical assets now and far into the future. A digital twin is a virtual representation of an object or system. The representation keeps getting updated based on real time data. A digital twin enables proactive decision making.

A digital twin is the exact counterpart (or twin) of a physical thing such as a car, a building, a bridge, or a jet engine. Sensors on the physical asset collect data that can be mapped onto the virtual model. By looking at the digital twin, we can make out how its physical counterpart is faring in the real world. By analysing the data from the connected sensors, along with other sources of information, a digital twin allows us to make predictions.

Digital twins are not the same as simulations though there are some commonalities. Simulations usually do not use real-time data. But digital twins are designed around a two-way flow of information. Sensors provide relevant data to the system processor and the insights created by the processor are shared back with the original source object.

History

NASA pioneered the use of digital twin technology during its space exploration missions of the 1960s. Each voyaging spacecraft was exactly replicated in an earthbound version that was used for study and simulation purposes by NASA personnel. The idea of digital twin technology was first introduced formally in 1991, with the publication of *Mirror Worlds*, by David Gelernter. However, Dr. Michael Grieves, then at the University of Michigan, is credited with first introducing the concept to manufacturing in 2002 and formally announcing the digital twin software concept. Eventually, John Vickers of NASA introduced a new term — "digital twin"— in 2010.

Section 4
The Cloud: The foundation for digital transformation

Chapter 27
The Cloud: An overview

Introduction

In mid - 2020, I had the pleasure of listening to a webinar by my good friend and Senior cloud architect, VS Srikanth. Here are some key points he explained.

Cloud enables new and flexible operating models and creates the agility for companies to compete in today's dynamic, evolving world. Businesses are placing huge bets on the cloud. Developers love the cloud for the flexibility and speed it provides. Gone are the days when they had to indent for a server and wait for days to get it. Thanks to the cloud, the focus is now on applications rather than on the infrastructure. In a serverless environment, there is no need to provision for infrastructure or CPU. The cloud automatically provides the necessary resources.

Cloud is the foundational layer for other digital technologies. The other stacks such as Data and IOT sit on top of the cloud. So an in depth understanding of the cloud is important for us to leverage it effectively. Many of the applications and gadgets we use today, are heavily dependent on the cloud for their effective and seamless functioning. Unlike many other technologies which come and go, cloud has arrived and is here to stay.

While the cloud can generate significant cost benefits, it is much more than a cost play. There are various other advantages like scalability, increased uptime, higher reliability, improved collaboration, better customer support, faster go to market, and rapid innovation.

Types of cloud services

Cloud services can be divided into 3 broad categories:

- **Infrastructure as a service:** IaaS is a hosting service and mainly about compute and storage. IaaS instances are similar to virtual or physical servers that an enterprise would normally provision in their own data center.

Chapter 28
AWS: An introduction

Introduction

In mid - 2020, I had the pleasure of listening to a series of webinars by my good friend and Senior cloud architect, Sendil on Amazon Web Services (AWS), the largest cloud services provider. Here are some key points he covered.

This article provides an overview of some of the commonly used features of AWS. For a complete understanding of all the services which keep getting added every week, we must visit the AWS website.

Regions and availability zones

Availability, security and privacy are big concerns today, more so in a cloud environment. AWS has taken various steps to reassure governments and clients all over the world that it will protect their interests. AWS has divided the world into regions. Each region lies within a single country and all the data and services stay within the designated region. Each region has multiple "Availability Zones", which consist of one or more discrete data centers each with redundant power, networking and connectivity, housed in separate facilities.

Availability Zones do not automatically provide scalability within a region, since they are intentionally isolated from each other to prevent outages from spreading between Zones. Several services can operate across Availability Zones while others can be configured to replicate across Zones to spread demand and avoid downtime from failures.

Amazon has data centers in different geographic regions across the world. Based on their preference (taking into account various factors such as business spread), users have to first choose their region(s) and then an availability zone(s). A region is a physically demarcated area. An availability zone is a group of logical data centers. Each region consists of multiple (two or more), physically separate, availability zones. Each availability zone has an independent tower, cooling and physical security. Each availability zone is fault tolerant. Customers can use multiple availability zones to achieve even higher fault tolerance.

Chapter 29
More about AWS

AWS Analytics

Till a decade back, most companies had to be happy using what is commonly referred to as structured data. Both storage and processing capabilities were limited. Today, customers have access to volumes of unstructured data coming from various devices. From this data, they would like to gain the required insights that can address some key questions like:

- How is our marketing campaign performing?
- Why is our most profitable region not growing?
- Who are our top customers and what are they buying?
- What is our product profitability by region?

This is where AWS analytics solutions can be leveraged for both batch updates and real time streaming. All that we need to do is to feed the large volumes of unstructured data coming at high velocity into the AWS environment. After that, we do not need to worry about storage and processing power.

We store the data in S_3, then send it to EMR (Elastic Map Reduce) for initial processing and finally to Redshift, a data warehouse, before the insights can be extracted and the dashboards can be published. In case of real time information and the need for immediate action, the data is fed into Kinesis, the IOT feature, and processed before it is taken to Dynamo DB. It may be noted that compared to Redshift, DynamoDB can process relatively small amounts of data but much faster. Or in other words, DynamoDB is much more about processing and less about storage, compared to Redshift.

In either case, the AWS environment will help us to produce dashboards and reports with rich visual features that will be very useful for senior executives while taking important business decisions. We can use third party business intelligence and reporting tools or Amazon's own Quick sight. For up to 1 GB of data usage, QuickSight services are free.

Chapter 30

AWS: Pricing, Security and Disaster Recovery

Introduction

The two main IaaS (Infrastructure as a service) services are compute and storage. For compute (EC_2), users pay per hour or per minute for a virtual server. These instances are similar to virtual or physical servers that an enterprise would normally provision in their own data center. For storage (S_3), users are charged per gigabyte (GB). This service is often used to serve static content, such as images, used by applications. As the footprint increases, AWS continues to improve the efficiency of the infrastructure in a true "economies of scale" paradigm and thus reduces the prices frequently. On the other hand, infrastructure performance only gets better year after year.

AWS pricing models.

Pay as you go

There are no minimum commitments, and we are not tied to long-term contracts. With no upfront expenses, the variable costs are low. We pay only for what we use.

Pay less per unit by using more

As the usage grows, we get attractive volume discounts.

Pay less when you reserve

We get a bigger discount when we pay more upfront and make a commitment. We get a significantly discounted hourly rate, if we make the entire payment upfront.

Benefits from AWS economies of scale.

Thanks to continuous innovation and a growing number of customers, AWS keeps bringing down the prices.

Chapter 31
Azure Business Essentials

In mid - 2020, I had the pleasure of listening to a webinar by my good friend and Senior cloud architect, Ahmed Moinuddin. Here are some key points he explained.

Azure offers various types of hosting services:

Infrastructure-as-a-Service (IaaS) lets us provision individual Virtual Machines (VMs) along with the associated networking and storage components. Then we deploy the software and applications we want onto those VMs. This model is the closest to a traditional on-premises environment, except that the cloud provider manages the infrastructure. We still manage the individual VMs.

Platform-as-a-Service (PaaS) provides a managed hosting environment, where we can deploy our applications without needing to manage VMs or networking resources.

Software as a service (SaaS) is a model in which a third-party provider hosts applications and makes them available to customers over the Internet. Think of Office 365.

In general, there is a tradeoff between control and ease of management as we move from IaaS to SaaS. IaaS gives us the most control, flexibility, and portability, but we have to provision, configure and manage the VMs and network components. SaaS services automatically manage nearly all aspects of running an application. PaaS services fall somewhere in between.

Infrastructure-as-a-Service (IaaS)

We can divide Azure services into three broad categories:

Infrastructure: Networking, compute, storage, security, identity

Serverless: Various services we can consume without needing to own a server: Databases, analytics, machine learning, IOT, mobile, containers, media

Chapter 32
Google Cloud Platform: An overview

Introduction

Google Cloud Platform (GCP) is a smaller player compared to AWS and Azure. But in the last few years, GCP has come a long way. Google's data centers are located around the globe. Each data center location is in a region. Regions are available in Asia, Australia, Europe, North America, and South America. Each region is a collection of zones, which are isolated from each other within the region.

Computing and hosting services

Google Cloud gives us various options for computing and hosting. At one end of the spectrum (IaaS), the customer has most of the responsibilities for resource management. At the other end (SaaS), Google has most of those responsibilities.

Compute Engine: Compute Engine is essentially infrastructure as a service (IaaS). We must choose and configure the platform components that we want to use. It is our responsibility to configure, administer, and monitor the systems. Google will ensure that resources are available, reliable, and ready for us to use. But we must provision and manage them. We have complete control of the systems and unlimited flexibility.

Virtual machines: When we use Compute Engine, we can use virtual machines (VMs), called instances to build our application, much like we would if we had our own infrastructure. We can choose from a variety of instance types to customize our configuration to meet our needs and our budget. We can choose which global regions and zones to deploy our resources in, giving us control over where our data is stored and used. We can also choose the operating systems, development stacks, languages, frameworks, services, and other software technologies.

App Engine: Google Cloud's platform as a service (PaaS). With App Engine, Google handles most of the management of the resources for us. For example, if our application requires more computing resources because of increased traffic, Google automatically scales the system to

Chapter 33
TensorFlow

Introduction

Created by the Google Brain team in 2011, TensorFlow is an open source library for numerical computation and large-scale machine learning. TensorFlow bundles together various machine learning and deep learning models and algorithms. It uses Python to provide a convenient front-end API for building applications with the framework, while executing those applications in C++. In other words, TensorFlow is a set of APIs that enable programmers who are not machine learning experts to build, train, and run neural networks for machine learning.

Benefits

The single biggest benefit of TensorFlow is abstraction. Instead of dealing with the details of implementing algorithms or figuring out proper ways to transfer the output of one function to the input of another, the developer can focus on the overall logic of the application. TensorFlow takes care of the details behind the scenes.

Python provides convenient ways to express how high-level abstractions can be coupled together. Nodes and tensors in TensorFlow are Python objects, and TensorFlow applications are themselves Python applications.

How it works

The actual math operations, however, are not performed in Python. The libraries of transformations that are available through TensorFlow are written as high-performance C++ binaries. Python just directs traffic between the pieces and provides high-level programming abstractions to hook them together.

The major APIs (application programmer interfaces) are:

- **Keras:** the main API that holds the calls for building models.
- **Eager Execution:** a slightly different way to get the code to run, harder to use, but more flexible.
- **Importing Data:** makes inputs easy.

Chapter 34

A quick comparison of AWS, GCP and Azure

AWS	Azure	GCP	Description
Virtual Private Cloud	Virtual Network	Virtual Private Cloud	Provides an isolated, private environment in the cloud.
Route 53	Azure DNS	Cloud DNS	Hosting service for DNS domains that provides name resolution.
Direct Connect	Express Route	Cloud Interconnect	Dedicated connection from an ODC to the cloud.
Identity and Access Management	Active Directory	Cloud IAM	Allows users to securely control access to services and resources while offering data security and protection.
Elastic Compute	Virtual Machines	Compute Engine	Provides secure, resizable and scalable compute capacity.
Autoscaling	VM Scale sets	Instance groups	Enables users to automatically change the number of instances.
Load Balancer	Azure Load Balancer	Cloud Load Balancer	Distributes a set of tasks over a set of resources to enable efficient overall processing.
Lambda	Azure Functions	Cloud Functions	Serverless computing, enables code to be deployed without provisioning for servers.

Chapter 35
The Private Cloud

Introduction

Private cloud is essentially a cloud like environment within the customer's own data center. Developers can easily and quickly set up the computing environment, just like they can on the cloud. The difference is that the underlying servers, storage and network are wholly owned and dedicated to the organization instead of being "rented" through public cloud service providers like Azure. A private cloud can be within the organization's own physical data center or owned, dedicated (not shared like public cloud) and managed by a third party.

Components and vendors of private cloud

Private clouds require five main components:

- IaaS software (VMware vCloud, Microsoft System Center, OpenStack),
- PaaS software (Cloud Foundry, OpenShift),
- Virtualization software (i.e., VMware vSphere, Microsoft HyperV, Xen, KVM),
- Automation/configuration and orchestration software (Puppet, Chef, Ansible)
- Dashboard and management tools (VMware, IBM, Microsoft).

More about private cloud

Private clouds have five main attributes:

- self-service
- a dedicated environment
- cost allocation
- speed and uniformity
- scale

Chapter 36
The Hybrid and Multi Clouds

The Hybrid cloud

Hybrid cloud is a fuzzy term that can mean many things. Hybrid cloud can be defined at three increasingly demanding levels.

- Level 1 requires a decision at the stage of design as to whether the app will run in-house or in a public cloud. The migration to the cloud may take a relatively long time, say a weekend.
- Level 2 shifts the decision point to run time with migration taking less time, say minutes.
- In Level 3 the same app runs in both the public and private cloud but with three different synchronization levels for the data sets: none, eventual consistency, or instantaneous consistency.

Level 1 Hybrid Cloud

Some applications run on an internal/private cloud with their associated data while other applications run on an external/public cloud with their associated datasets. The user decides where to run the application at the time of provisioning of the virtual machines (VMs) and data stores. The application/data can be moved from internal to external, but migration can be done only over a couple of days, say a weekend.

Level 2 Hybrid Cloud

Like Level 1, some applications run on an internal/private cloud with their associated data and other applications run on an external/public cloud with their associated datasets. However, in this case, the applications are built to allow cloning of the app/data. Usually, the applications will be built on a platform like CloudFoundry that enables this quick cloning. The ability to move an application/data from internal to external is inherent in the application and can take a matter of minutes. However, the application would be running in only one location at a time.

Level 3 Hybrid Cloud

Applications can run both internally and externally. The decision where to run the application is made as requests come in during runtime. Migration

Chapter 37

Enabling more agility: Software defined networking, Hyperconverged and Composable infrastructure

SOFTWARE DEFINED NETWORKING

Software Defined Networking (SDN) is a new approach to networking in which the network hardware can be controlled remotely via software. For many years now, the virtualization of servers has enabled the deployment of computing resources for applications within seconds or minutes. However, the network has remained largely static and manual.

SDN calls for the separation of the control plane (the intelligence that determines the path and tells the network what goes where) and data plane (which sends the packets to their destination) that today reside in a switch or router. The control of the network is moved out of individual network elements and centralized. This enables network administrators to automate and centrally manage and configure the various network elements rather than manage each individually.

Interfaces between the controller and the network elements, as well as those between the controller and applications are open and standardized. This facilitates hardware choice and third-party application development. SDN aims at delivering new services faster and reducing costs. Opex is reduced due to centralized network management and control. Capex is reduced because of less dependence on proprietary hardware and application-specific devices.

In SDN, the network architecture consists of three major layers –

- Underlying Physical or Virtual Infrastructure layer
- Software-based Control layer, where network intelligence is centralized (logically)
- Application layer.

Applications, including network services (e.g. firewalls, load balancers, etc.), communicate their requirements via "northbound" interfaces to the

Chapter 38
Middleware and enterprise integration

Introduction

Middleware integration has always played an important role in the transformation of internal systems and processes of clients. Today, it plays a particularly important role in digital transformation.

Why integration

As companies grow and continue to invest in information systems, their IT landscape becomes complicated. As we all know, systems and applications do not work in isolation and must communicate with one another to share data or orchestrate business processes. The lack of such communication can lead to inefficiencies, data silos and difficulties in automating processes and thereby undermine the agility of the organization.

"IT architecture" describes a company's assembly of IT systems. Modern digital native architectures consist mostly of compact, self-contained software components that are linked with easy-to-configure APIs and hosted on the cloud. This kind of an architecture lets enterprises build solutions by repurposing previously installed software and writing modest amounts of original code. The flexible, scalable software foundations enable the digital natives to bring products to the market quickly and efficiently.

In contrast, many companies have aging enterprise-wide applications running on their own on-premises infrastructure built over the years. Adding features is cumbersome, and the legacy systems cost a lot to maintain. These companies must rewire their enterprise architecture to compete with the digital natives.

In most cases, companies cannot discard old systems and replace them by a state-of-the-art system due to the heavy investments and the risks involved. The goal of enterprise integration is to get these various IT systems in an organization to "talk to each other" meaningfully to speed up information flows, improve agility and efficiency and drive differentiation. Enterprise Integration when properly done leads to various benefits:

Chapter 39

Edge computing and how it complements the Cloud

Introduction

Over the years, computing has oscillated between the centralized and decentralized paradigms. Mainframes represented a centralized approach. The huge computers resided in a central location and the terminals were dumb. Then came the PC era, with decentralized computing and far more powerful individual machines. The client server era restored some amount of centralization but in this paradigm, the utilization of servers was low. That is when the centralized cloud-computing paradigm emerged. Now we have Edge computing (also called micro/fog computing) where decentralization is once again more becoming important. This article examines how in the IOT world, the Edge and the Cloud come together to deliver the optimum levels of storage, computing, analytics and learning capabilities. We draw heavily from two very good reports published by Wells Fargo (Software Rules 2018) and Goldman Sachs (The Cutting Edge of Computing).

Edge and Cloud computing

In edge computing, data is processed close to the source of data generation and actionable insights generated in real time. Edge computing speeds up things and minimizes latency.

Edge computing builds upon earlier concepts in distributed computing, such as content delivery networks (CDN), but allows the delivery of more complex services using the cloud. Edge nodes can be deployed anywhere with a network connection: on a factory floor, on top of a power pole, alongside a railway track, in a vehicle, on an oil rig, and so on. Any device with computing, storage, and network connectivity can be an Edge node.

Cloud computing and Edge computing are thus complementary. Cloud computing ensures that elastically scalable services, with enormous storage and computing capabilities are readily available. Edge computing enables the public cloud to permeate away from centralized data centers to interact more fluidly with the devices at the edge of the network.

Chapter 40
In Memory computing

Introduction

Firms have collected historical information through relational databases that largely focus on improving prevailing workflow efficiencies in the production and selling of products. But in many situations today, the archived information in databases tends to be less valuable than real time contextual information.

I once had the pleasure of listening to Prof Mohan Subramaniam of Boston College. He explained with an example the importance of real time information and the value it can create. Think of airline passengers. What matters more to a passenger is whether the current flight is going to be delayed and if so how she will be helped. For both the passenger and the airline, the past on time record of flights on the route, while valuable for overall flight schedule planning, is less useful in this context. Product-in-use information can offer unprecedented insights into how products are used. In today's connected world, it can also be used to generate new value creation opportunities. If the airline knows the flight is going to be delayed, it can do various things such as booking the passenger on an alternate flight, printing the new boarding pass and handing it over to the passenger in the flight; and providing overnight accommodation if needed. Imagine how happy the customer would be. This is a far better situation than the passenger arriving at the airport, running frantically towards the departure gate, finding out the connecting flight has departed and then going from pillar to post figuring out what to do next. Business class passengers might even be prepared to pay for such a service.

Most companies have figured out how to archive information in databases and data warehouses (and more recently data lakes) and run queries. However, for processing information in real time when the product or service is being consumed, we need technologies such as In memory computing.

Chapter 41

Virtual Machines, Containers, Microservices and Serverless

Introduction

Containers have revolutionized the world of enterprise infrastructure. In this article, we look at the rise of containers and the linkages with other related developments such as microservices and serverless computing. We draw heavily from an excellent report published by Goldman Sachs, "Containers and Serverless computing- Enabling the microservices journey".

Containers are a way of organizing pieces of an application such that each block is modularized with standardized interfaces across the blocks irrespective of what might be contained within. This standardization allows the infrastructure to be abstracted away. Developers can develop code locally or on company servers or the cloud and push the code to production seamlessly. Developers can quickly write, update, and deploy different pieces of code into a system without major disruptions. Essentially, the big advantage of containers is that developers can write the code once and deploy it on many systems. Containers enable higher utilization rates across computers as they do not require the Operating System (OS) for each instance. One machine runs the OS while other machines can carry multiple containers, saving system resources and allowing more containers to be run per machine.

Just like shipping containers facilitate the seamless movement of cargo from one port to another, containers enable applications to move around seamlessly from one environment to another and run with minimal resources. For example, containers can move an application easily from the developer's laptop to a test environment, from a pilot environment into production, and from a physical machine in a data center to a virtual machine in a private or public cloud.

Containers provide a standard way to package an application's code, configurations, and dependencies into a single object. Containers share an operating system installed on the server and run as independent processes.

Chapter 42

Container orchestration and Kubernetes

Introduction

For many years, software developers built applications, with total control and "ownership" of the hardware. Developers needed to be fully aware of the hardware available and how much they used. However, today there is plenty of processing power available. The processor in an iPhone is 150,000 times more powerful than in IBM PC. As computing power continues to increase, and applications become more complex, we are likely to see higher and higher abstraction layers. That explains the rise of virtual machines to begin with, then containers and more recently Kubernetes.

Kubernetes is an open-source container orchestration system. It is a high-level computer language for managing software in containers. Containers are standard holders of all the components of an application including files, libraries, and environment variables.

Orchestration addresses two increasingly important issues: deployment and management. Container orchestrators automate the deployment, scaling, health monitoring and maintenance of containers. Orchestrators can provision container hosts, reschedule failed containers and scale up and down by adding and removing containers.

Four eras of software applications

The evolution of software applications can be divided into four eras:

Monolithic Applications – The application is one big block, and the developer controls the entire computer when running. A monolithic application uses libraries and a file system running on top of an operating system, which controls the hardware (processor, memory, input/output, and storage). While the libraries and file system can sometimes be shared, the application is written to get the most out of the hardware. Complete control is the best method when computing power is expensive or in

Chapter 43
The world of microservices

Introduction

In a world of fast changing technologies, the key question is who can leverage a new technology faster and better. More than predictability, what matters today is preparedness. And that calls for an agile mindset. Agility ensures speed and flexibility. In this scenario, micro services and APIs will play a crucial role. These are the Lego blocks, which will help clients to respond quickly to a changing business environment and consequently changing specs. The norm in yesteryears was a three-tiered architecture: technical capabilities above which lie business capabilities and finally on top is the user interface. This architecture no longer meets the changing demands of business. Modularity, reusability and decoupling have become the need of the hour. My sincere thanks to my fomer colleagues and tech experts, Dinkar Gupta, Vivek Kant and Mrudul Palvankar who explained this topic patiently to me.

A world of modularity and reusability

Top techies in our IT Services industry have always appreciated the importance of modularity and reusability. People who joined the industry in the early days would be familiar with functions and subroutines. However, in the past, we were handicapped by limitations on data storage and computing speeds. Today with the emergence of cutting-edge digital technologies and the cloud, we can take modularity and reusability to an altogether different level.

Microservices have grown in importance in the last few years. At the core of microservices lie two fundamental design principles: **loose coupling** and **bounded context**.

Loose coupling means that we can change the services independently. Changing one service does not require changing any other services.

Bounded context means that the service is self contained for the purpose of software development. We can understand and update the microservice's code without knowing anything about the internals of its peers. This is because the microservice and its peers interact strictly through formalized

Chapter 44
The Power and Promise of 5G

Introduction

5G promises to be a transformational technology with much higher speeds and reduced network congestion through intelligent network management. People who have a Reliance broadband connection at home will appreciate this! 5G provides a superior infrastructure for computing and complements the cloud well especially in edge computing. Before we come to 5G, a quick overview of how the telecom industry has evolved. Before that my sincere thanks to my former colleague and telecom expert, Murali Madhavan who explained to me patiently the subtle nuances of 5G.

Overview

Telecom has come a long way since the telegraph was invented by Samuel Morse in 1837. Voice telephony was propelled by the Bell Telephone Company, founded by Alexander Graham Bell in 1877. The Bell Telephone Company evolved into American Telephone and Telegraph Company (AT&T) in 1885. Following an antitrust suit in 1982, AT&T had to divest its seven local operating companies commonly referred to as "Baby Bells". One of them was Southwestern Bell Corporation, which changed its name to SBC Communications in 1995. In 2005, SBC purchased AT&T, with the merged entity naming itself AT&T. In 2006, AT&T acquired Bell South, the last independent Baby Bell Company.

The telecom industry evolved gradually over time till the 1980s. In the last three decades, the pace of development in the industry has accelerated. Mobile telephony has completely changed the paradigm as far as communication and transmission of data are concerned and consequently how business is transacted.

Five generations of technology

The first generation (1G) mobile wireless communication network, introduced in the late 1970s was analog and used for voice calls only. The technology (Frequency Division Multiple Access or FDMA) supported a small number of users and low speeds of upto 2.4 Kbps.

Section 5
Blockchain – The trust machine

Chapter 45

The Blockchain revolution- Understanding the technology behind bitcoins

Introduction

The first four decades of the internet have brought us email, ecommerce, social media, big data, cloud computing and more recently IOT. The internet has dramatically reduced the costs associated with search for/ exchange of information and collaboration. The Internet has also lowered the barriers to entry in many industries leading to their disruption.

However, even today, as Don and Alex Tapscott and mention in their book, "Blockchain Revolution", doing business on the Internet, where most people are strangers, requires a leap of faith. It is still difficult to trust strangers and transfer money and other assets of value without validation from a third party like a bank or government.

These same "trusted" intermediaries collect data about us, leading to concerns about privacy and data misuse. (The Facebook controversy is a good examplet. In the Equifax hacking incident of 2017, the personal details of some 146 million Americans including their social security numbers and dates of birth were stolen.) Moreover, while the digital economy has created a lot of wealth, that wealth has not spread across society and is limited only to a few institutions and individuals. This growing divide between the haves and have nots is a potential source of social instability.

It is in this context that we need to understand how blockchain technology may change the state of affairs. This chapter is a modest attempt to explain what a blockchain is, how it works and why it looks likely to be a game changer for many industries. In a sentence we could sum up by saying that the blockchain by serving as a trust machine is well poised to take decentralization and disintermediation to a level which could not have been imagined till recently and thereby make business transactions simpler and more cost effective. At a macro level, the blockchain looks likely to

Chapter 46
More about blockchains

In the earlier chapter, we introduced the concept of blockchain, how they work, the key underlying concepts and the building blocks. In this chapter, we cover some more important topics relating to blockchains. My sincere thanks to my former colleagues and experts, Indrani Saha and Lata Varghese from whom I learnt many aspects of blockchain.

Dealing with the Byzantine Generals problem

Suppose the well-known Byzantine (Eastern Roman empire) army, on the attack, has completely encircled the enemy city. The army has many divisions, and each division has a general. The generals can communicate with each other only through messengers. All the generals must agree upon the exact time to attack all at once or the time to retreat all at once if there is fierce resistance from the enemy forces. An attack or retreat done without full strength, would mean unacceptable brutal defeat. If all generals and/or messengers were trustworthy then it is a very simple problem to solve. However, some of the messengers and even a few generals/commanders are potential traitors, spies, or even enemy soldiers. There is a very high chance that they will not follow orders or pass on the incorrect message. In short, there is lack of trust! This is the kind of problem that Blockchain has solved, namely trust in a distributed network.

In computing jargon, **Byzantine fault tolerance (BFT)** is the dependability of a fault tolerant computer system. It becomes particularly important in the context of distributed computing systems. In such systems, components may fail but it is not clear whether a component has failed. In a "Byzantine failure", a component such as a server can appear both failed and functioning, presenting different symptoms to different observers. It is difficult for the other components to declare it failed and shut it out of the network, because they need to first reach a consensus regarding which component is failed in the first place. BFT is important in the context of the blockchain where the different participants are unknown to each other.

Solving the Byzantine Generals problem is about building a reliable network of unrelated people if some cannot be trusted. In case of

Chapter 47

Blockchain Applications - Energy and Utilities

Introduction

We saw in an earlier chapter how the blockchain works. To recap, the blockchain is a shared, distributed database of transactions among parties that is designed to increase transparency, security, privacy and efficiency. Copies of the database are replicated across multiple locations or nodes. Each block contains details of the transaction such as the seller, the buyer, the price, the contract terms and other relevant details. These details are validated by the entire network via encryption by combining the common transaction details with the unique signatures of two or more parties. The transaction is valid if the result of the encoding is the same for all nodes and is added to the chain of prior transactions.

The applications of blockchain go well beyond cryptocurrency. In this article, we will see the application of blockchain technology in a traditionally brick and mortar industry, Energy and Utilities.

Internet of Things (IOT), as we all know, has been a game changer in recent years. There are many more physical objects than human beings in the world. When these objects become "smart" and can be connected together, the network becomes really powerful. And by joining hands, IOT and blockchain further amplify the potential to transform and disrupt many industries.

As Don and Alex Tapscott mention in their book, "Blockchain Revolution", the physical world can be injected with life through sensors. Then these objects can transact with each other. The transactions can be recorded and payments made using the blockchain ledger. When IOT and blockchain come together, physical objects become intelligent and can negotiate smart contracts with each other and complete the loop by making payments. Essentially, the blockchain moves trust from the level of people to the level of objects. The blockchain ensures that only trusted objects participate in the network. Maintenance, ownership, access and responsibility are no longer centralized but instead transferred to a

Chapter 48
Blockchain Applications- Healthcare

Introduction

In earlier chapters, we have seen how the blockchain works and how this technology can be used in the case of Power and Utilities. In this chapter, we will look at how blockchain can be used in healthcare. By healthcare, we mean the payers, providers, pharma companies and of course the patients.

A quick recap

To recap, the blockchain is a shared, distributed database of transactions among parties that is designed to increase transparency, security, privacy and efficiency. Copies of the database are replicated across multiple locations or nodes. Each block contains details of the transaction such as the seller, the buyer, the price, the contract terms and other relevant details. These details are validated by the entire network via encryption by combining the common transaction details with the unique signatures of two or more parties. The transaction is valid if the result of the encoding is the same for all nodes and is added to the chain of prior transactions.

Introduction

Cognizant consultants, Gary Meyer and Fletcher McCraw, in their comprehensive and insightful article, "Healthcare: Blockchain's Curative Potential for Healthcare Efficiency and Quality"

https://www.slideshare.net/cognizant/healthcare-blockchains-curative-potential-for-healthcare-efficiency-and-quality

point out that Healthcare is a great opportunity to leverage the power of blockchain given the pressing need of the industry to integrate data across providers (hospitals and physicians) and payers (health insurance companies). The blockchain can automate manual processes, such as member authentication, speed up processing times and dramatically slash operating costs. Smart contracts can cut the claims settlement time from days to minutes. There is no need to call the insurance company for every

Chapter 49
Blockchain Applications- Retail

Introduction

To recall, a blockchain is a distributed ledger that records transactions among multiple parties efficiently and in a secure, permanent manner. Transactions are verified and recorded through a consensus mechanism. The blockchain provides complete visibility into transactions and ensures security and authenticity. Smart contracts enable automated transactions without any delays and without the need for intermediaries.

Retail is an industry where the blockchain technology can be used to great advantage. Blockchain can improve supply chain visibility, enhance sales forecasting and inventory control while also establishing product provenance and authenticity. By enforcing trust, blockchain can eliminate the need for redundant management systems and databases across organizations and business partners, thereby increasing operational efficiency and reducing costs. Transaction settlement and payments can also become faster and cheaper using smart contracts. Blockchain's strong built-in encryption could also improve data security. In categories such as grocery, fashion and luxury, the value of blockchain is very evident.

Improving supply chain visibility and inventory management.

The effectiveness of a supply chain depends critically on confidence in shared data. The blockchain is a trust machine. By making trusted data available in real time, blockchains can remove uncertainty out of each step of the process. As a shared ledger, blockchain allows the retailer, suppliers and transport companies to work with the same data. As each partner updates the block, the trusted, real-time data can be used to optimize forecasting and transportation planning. Across the supply chain, sudden bottlenecks, such as parts that do not pass certifications and quality tests, can be quickly detected and dealt with. A blockchain solution that provides a single source of truth and uses smart contracts to enable the automatic execution of payments and orders can dramatically improve visibility across the supply chain. The improved visibility can increase

Chapter 50
Blockchain Applications- Insurance

Introduction

The Insurance sector is core to any modern economy. By enabling individuals and businesses to manage risks efficiently, insurance creates a better business environment for risk taking, improving productivity and generating wealth. To function efficiently, the insurance industry depends on the sharing of timely, reliable and accurate information among various entities such as the insurance company, customers, underwriters, reinsurers, agents, brokers and data intermediaries. Blockchain can facilitate the seamless transfer of data among these stakeholders as well as automate many currently manual tasks. This can cut costs, speed up transaction processing, improve data quality, reduce fraud and increase customer satisfaction. In the long run, the blockchain will also disrupt insurance markets, create new business models, such as Peer to Peer insurance and disintermediate some of the incumbent players.

Faster claims Processing

Claims processing currently presents various challenges. Approvals are slow, transaction costs are high due to paper-intensive processes and fraud is common. With blockchain, payments can be approved and processed quickly using smart contracts. Blockchain would eliminate the need for reconciliation, improve audit quality and reduce the potential for fraud. Smart contracts would check publicly and privately available information to determine if a triggering event, such as a flood, has occurred and then automatically settle the claim in near-real-time up to a specified threshold.

For example, many passengers covered under flight insurance policies do not claim their travel insurance for delayed flights since filing a claim with all the information and evidence is a cumbersome process. A smart travel insurance contract would eliminate the claim notification step by the insured and automatically initiate and pay out claims when a flight is cancelled, using information (such as flight schedule and the weather) stored on block chains.

Chapter 51
Digital Currencies

Introduction

The recently featured annual survey of banking by the Economist magazine (The future of Banking, May 8, 2021) has focused on central bank digital currencies. Before we come to this topic, a quick look at the major trends in banking today, as covered in the survey. We will also briefly cover recent developments in cryptocurrencies.

THE BANKING ECOSYSTEM TODAY

Traditional banks vs the digital players

The banking ecosystem can be broadly divided into traditional banks, the tech companies (start-ups and Big Tech) and non-bank financial firms.

Traditional banks face existential threats today in view of digital disruption. A bank's advantage lies in having a license and consequently deposits to exploit, but banks often struggle to decide whom to lend. The customers they prefer are not looking for loans. The customers who approach the bank are not the ones a bank prefers. This is called the principle of adverse selection. The reason to put it in one sentence is that banks, despite having plenty of data, are not good at data analytics.

Tech firms know whom to lend to, as they are exceptionally good at data analytics. However, most do not have a license and consequently have no access to funds. Many tech firms are attacking the creamy, unregulated layers. "Core banking", the heavily regulated, capital-intensive activity of banks, generates around $3 trn in revenue worldwide and a 5-6% return on equity. On the other hand, payments and product distribution, the focus of the tech firms, yields $2.5 trn in sales but a much higher return on equity of 20%. Some platforms like Grab have acquired a banking licence. But this is an exception rather than the rule.

Big banks spread the fixed costs of branches and marketing over many customers. Similarly, payment platforms spread costs over many users. The value proposition for a customer to join a bank scale with size. For

Chapter 52
The world of decentralized finance

Introduction

The rise of a blockchain based ecosystem of financial services, known as decentralised finance (DeFi) is a trend that must be understood carefully. DeFi has the potential to rewire the financial system and remake the architecture of the digital economy.

DeFi, Tech "platforms" and government digital currencies are three alternate paths being envisaged for the monetary system. DeFi could lead to a financial system that is quicker, cheaper, more transparent and less dependent on powerful centralised institutions such as central banks. It could also prevent domination by a handful of tech giants such as Google, Facebook and Apple.

What is DeFi?

DeFi is an umbrella term for financial services offered on public blockchains. Like traditional banks, DeFi applications allow users to borrow, lend, and trade assets and derivatives, among other things. But there are two key differences between DeFi and traditional banks: All services are for digital currencies instead of government-issued ones such as the dollar. There is no intermediary or centralized system through which transactions are processed. Users typically access DeFi platforms through decentralized apps. Functions handled at a traditional bank by a loan officer or teller are automated.

Agreements in the world of DeFi are enforced by code, transactions are executed in a secure and verifiable way, and legitimate state changes persist on a public blockchain. The result is an immutable and highly interoperable financial system with unprecedented transparency and equal access rights. There is little need for custodians, central clearing houses, or escrow services, as these roles can be assumed by "smart contracts."

Blockchain: A quick recap

A **blockchain** is a database that contains the history of the information it is designed to store. It is made up of "blocks" of information that build on

Section 6
Modern software development methods

Chapter 53
Becoming a design thinker

Introduction

A lot of buzz has been created in recent times about design thinking. What is design thinking? How do we encourage design thinking?

California based Ideo is considered the most influential design firm in the world. Among Ideo's stellar achievements are the first mouse for Apple and the Palm V. Tim Brown, the CEO of Ideo is one of the leading design thinkers in the world. He is an advisor to several Fortune 500 companies. His book, **Change by Design** is a must read for people wanting to know more about this important topic.

For those who want to get a quick understanding of the topic, there is an excellent Harvard Business Review (June 2008) article written by Tim Brown on Design Thinking.

We can also watch Tim Brown's TED talk on this link:

http://www.ted.com/talks/tim_brown_urges_designers_to_think_big

What is design thinking?

Design thinking is the art of balancing technical, human, and commercial considerations while developing a product or service. By achieving this balance, we can create products and services that customers truly enjoy. Design thinking is a holistic approach that draws from multiple disciplines including sociology, psychology, ethnography and industrial design.

At the core of design thinking is empathy for the customer. Therefore, design thinking tries to truly understand the needs of users and genuinely involve them in the design of the product. These needs also include unarticulated needs that can be identified only by careful observation and skillful questioning of end users.

Design thinking embodies an "and" approach; not an "either or" approach. It emphasizes collaboration among many individuals and yet tries to amplify individual creativity. It is focused and yet responsive to

Chapter 54

A practical road map for embracing the digital transformation journey*

Introduction

In early 2020, I had the opportunity to listen to Andres Angelani, CEO, of Cognizant Softvision. Originally, from Argentina, Andres is one of the foremost experts and thought leaders in the world today in the field of Digital Engineering. His areas of expertise include product development, agile transformation, and gaming. In his webinar, Andres explained the building blocks of digital transformation. He illustrated with several examples, the importance of developing mastery, building guilds and communities, humanizing the experience and fostering a culture of experimentation and fail fast. This chapter draws heavily from his book, *"Transforming While Performing: A Practical Guide to Being Digital"*

Software to tackle big problems

It has now become a fad to say that every business is a software business. Andres emphasised that we must use software to solve some major, pressing problems we face today. He illustrated with the help of some striking visuals, roads clogged with traffic, people travelling on overcrowded buses, expensive education with little focus on outcomes, uncomfortable air travel, with passengers pushing each other and trying to retrieve their luggage from overhead bins in a cramped space. He also referred to businesses being disrupted by tech companies like Amazon.

Understanding Digital and Digital transformation

In his insightful book, Andres explains that Digital is not about a technology, a project methodology, or a new distribution channel. Digital is more about who, how and why than what. It represents a philosophy and the DNA at the heart of an organization. Digital is a way of doing things.

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* A review of Andres Angelani's book, "Transforming While Performing: A Practical Guide to Being Digital"

Chapter 55
Redesigning the Customer Journey

Introduction

The aim of digital technologies is to improve the customer experience. Indeed, customer experience is the holy grail of marketing. These days, more than the product/service, how it is actually served to customers has become more important. We are indeed living in the experience economy. When dealing with a company, if the experience is good, customers are happy, continue to buy from the company and spread the word around. On the other hand, a frustrating customer experience can lead to attrition.

The core of Digital is transforming the customer experience. While designing applications, a lot of thought must go into how customers choose a product or service and how they consume it. This is where customer journey mapping becomes important.

This article draws heavily from some very good articles published by McKinsey in 2016 and 2017. In particular, the compendium, Customer experience: Creating value through transforming customer journeys is a rich reference from which we can all benefit.

https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/customer-experience-creating-value-through-transforming-customer-journeys

From touch points to customer journey

Transforming the customer experience is not as easy as it sounds. When it comes to customer experience, it is natural for companies to think about touch points—the individual transactions through which customers interact with the supplier. However, focusing on individual touch points can lead to a siloed approach that takes the attention away from the customer's end-to-end experience. Often different functions in the company work hard to optimize their own contribution to the customer experience, even as they lose sight of what the customer really wants. Thus, sales personnel may be more focused on closing new sales and not on helping customers choose the lowest-price offer that meets their needs.

Chapter 56

The principles of Agile software development

Agile and DevOps are the buzzwords today. In this chapter, we cover the basics of Agile, what it implies for both customers and service providers and how team management (including performance appraisal) differs in Agile projects. The chapter is written from the perspective of the IT services companies and how they must engage with clients.

Introduction

In an “Agile” model, requirements gathering, analysis, design, coding and testing, are carried out iteratively to facilitate more modular software development. A minimum viable product, with the most important features, is produced in initial iterations. Any incremental changes to the existing features, along with addition of new features, are carried out in subsequent iterations. In contrast, in the "Waterfall" model, the different phases of software development are carried out in a linear fashion and the requirements are frozen before the design phase begins.

Agile comes in different flavours like scrum, which emphasizes adaptive teamwork in solving complex problems; lean development, which is essentially the continual elimination of waste; and kanban, which tries to reduce lead times and the amount of work in process.

Scrum

Scrum is the most common Agile development method. In scrum, software is developed in a series of "sprints". The duration of a sprint is mostly two weeks and usually not longer than a month. The key reference document based on which work gets done is the "Product backlog" which contains the list of pending requirements. At the end of each sprint, there is a "sprint review", during which the product backlog is updated, based on what has already been completed and the new requirements. Thus, the backlog keeps evolving.

Chapter 57
The Principles of DevOps

Understanding DevOps

If Agile focuses on software development, DevOps aims to achieve faster development and roll-out of product features through improved collaboration between the development and operations teams.

In the software development life cycle, the development (Dev) team converts business requirements into product features (functionalities) and then unit (standalone) tests the same. The operations (Ops) team integrates the new feature with the existing product, followed by integration testing by deploying it in a test environment. The Ops team ensures that the new feature is compatible with the old features and does not impact the overall performance. Then the code goes "live" and is continuously monitored for performance. In the traditional software development lifecycle, these activities are carried out in a linear fashion, while in DevOps, this happens in an iterative fashion. As a result, changes can go live, even many times on a single day.

Agile vs DevOps

Agile focuses only on product development, while DevOps focuses on deployable business solutions. Agile development begins with a minimum viable product. Team sizes are usually small. DevOps teams are relatively large and include multiple agile teams.

Implementing DevOps

DevOps project planning starts with the various stakeholders coming together. These include the customer, business analyst, software architect and DevOps expert teams. The customer, business analyst and the architect(s) agree on the feasible product features and the expected timeline of delivery. The architect then decides on the methodology and the frameworks to be used for application development. To support continuous integration and delivery, the DevOps expert decides on the infrastructure needed. Once the requirements are frozen, the work on building infrastructure to support continuous integration and delivery also

Section 7
Digital World:
Indispensable essentials

Chapter 58
Cybersecurity 101

Introduction

On Wednesday, Aug 15, 2012, a shadowy group linked to Iran targeted the computer network of the world's most valuable company, Saudi Aramco. The virus labelled Shamoon was designed to wipe out the memory of Aramco's computer system. Not only did the virus delete all the files, but it also ensured that the files could not be recovered. Whenever someone tried to open an infected file, all they could see was the icon of a burning American flag.

Shamoon also overwrote Saudi Aramco's Master Boot Record, which prevented the computers from restarting. The attackers even collected the IP addresses of all the affected computers and posted them on the Internet as "Proof of work". The entire computer network of the energy company had to be shut down and all the infected computers (30,000 out of the total of 40,000) had to be replaced. It took 15 days for things to come back to normal.

The Iranians presumably wanted to disrupt Saudi oil production. Fortunately, that did not happen. The Americans were relieved because an abundant flow of oil from Saudi Arabia was needed to maintain the sanctions against Iran. The incident earned Iran a place in a small group of countries with sophisticated capabilities in the cyber domain- USA, China, Russia, Israel, UK.

In April 2013, the Syrian Electronic Army hacked into the Twitter account of Associated Press (AP) and posted a story: "Breaking news: Two explosions in the White House and Barack Obama is injured." Between 1: 08 and 1: 10 pm, the NYSE plunged by 150 basis points or a market impact of $ 136 billion. The Syrians could launch the attack very easily with a seemingly innocuous email with what looked like a harmless link. An AP staffer clicked on the link without realizing the implications.

In May 2017, Zinc, a group associated with the North Korean government launched a sophisticated cyber-attack that started in the UK and Spain and within hours spread around the world, affecting 300,000 computers in

Chapter 59
Tools and Weapons*

Introduction

"Tools and Weapons" is a path-breaking book written by two Microsoft executives, Brad Smith, President and Carol Anne Brown, Senior Director of Communications. The book explains how technology can be used as a tool for the benefit of mankind and at the same time misused as a weapon by unscrupulous elements. The book explains how technology is shaping democracy, governance, diplomacy and economic development. At the same time, the rise of technology has raised new concerns like cybersecurity, data privacy, digital crime, government surveillance, job losses, election tampering, etc.

Human civilization essentially began when people could speak. The progress made by mankind gathered momentum when people learnt to write. There was more progress when people could store and keep track of what they wrote. The arrival of Johannes Gutenberg's printing press resulted in a knowledge revolution. Then came the computer. Today, we have powerful digital technologies and data is like the air we breathe.

The more powerful a tool, the greater the benefits and damage it can cause. Today, Information technology can be used as a powerful enabler and as a formidable weapon. Technology companies have a responsibility to address the problems arising out of the deployment of the sophisticated technology. At the same time, the tech sector by itself cannot address all the problems by itself. What we need is a mixture of self-regulation and government action. Governments need to get to get their act together. They must move faster and catch up with the pace of technology and collaborate with the tech companies.

Surveillance

The US National Security Agency (NSA) often demands access to emails, chats, videos, photos and social networking details from the tech companies like Microsoft, who store this information on their servers in

* (Review of the book by By Brad Smith and Carol Anne Brown)

Chapter 60
Addressing algorithmic biases

Introduction

In the world of AI, a new challenge that is being increasingly discussed is the biases that creep into algorithms. Due to these biases, when we leave it to algorithms to take decisions, there can be unintended consequences. Prof Kartik Hosanagar of Wharton has explained this elegantly in his book, "A Human's guide to Machine Intelligence." Other sources for this article include:

- Michael Li, "Addressing the biases plaguing algorithms" Harvard Business Review, May 2019
- Boris Babic, Glenn Cohen, Theodoros Evgeniou, Sara Gerke, "When machine learning goes off the rails", Harvard Business Review, January-February 2021
- Nicol Turner Lee, Paul Resnick, Genie Barton, "Algorithmic bias detection and mitigation: Best practices and policies to reduce consumer harms", Brookings, May 22, 2019

In the past, developing an algorithm involved writing a series of steps that a machine could implement again and again without getting tired or without making a mistake. But today's algorithms, based on machine learning, do not follow a programmed sequence of instructions. Rather they ingest data and figure out for themselves the most logical sequence of steps. They then keep improving this sequence as they consume more and more data.

Unintended consequences: Some examples

In March 2016, Microsoft developed a Twitter chatbot named Tay, built by mining public conversations. The bot would learn and adapt based on its conversations on Twitter. But in less than 24 hours, Tay began to spew out offensive tweets. What began as a fun chat bot designed to engage in "casual and playful" conversation turned into a PR nightmare.

Facebook developed a feature called "Memories", highlighting to users what happened on this date in previous years. It could remind people of

The road ahead

Digital transformation is ultimately about the ability to leverage data, generate insights and increase revenues or cut costs.

The New Innovator's dilemma

In their insightful book, "Incremental to exponential", Vivek Wadhwa, Ismail Amla and Alex Salkever call for a reframing of the famous Innovator's Dilemma introduced by Prof Clayton Christensen in his seminal work. Prof Christensen's main argument was that startups could enter the lower end of the market with simple, cheap, good enough products and start grabbing market share in segments ignored by the market leaders. Over time, the startups would improve their products and move into the higher end of the market. But today, disruption can come from anywhere, from above, from adjacent fields, from unrelated fields and not just the lower end of the market. So, disruption can happen much faster and in a more impactful way, causing a more existential threat to incumbent leaders. Prof Christensen focused more on the change in mindset needed to cope with the innovator's dilemma. In many of the case studies he covered, the disruption took years to play out. But today, speed has also become critically important.

Scale, scope and learning

Scale, Scope and Learning are the critical success factors for any business. Digital technologies are exceptionally good at leveraging scale, scope and learning.

In their insightful book, "Competing in the Age of AI", Harvard Business School professors, Marco Iansiti and Karim R Lakhani point out that scalability is possible because a digital representation can be replicated and transmitted at virtually zero marginal cost. Increased scope is possible because digital activities can easily connect to other complementary digital activities. Rapid learning is possible because the digital representation can embed processing instructions which can be fine-tuned and improved over time as new data comes in and the algorithm keeps learning.

This book is an attempt to provide an overview of the various technologies behind digital transformation. It is meant to serve as a primer to both students and practitioners. The focus of the book is more on what the technologies can do rather than how they work. But wherever relevant, some technical aspects have been covered in a simple, easy to understand manner. Digital is not one technology but a whole range of technologies. It is a world of Lego blocks. The skill lies in assembling the blocks rather than building each block from scratch. The book tries to bring together many of these technologies in one volume.

A V Vedpuriswar (Ved) is Professor, IBS Hyderabad, ICFAI Foundation for Higher Education. He has a B Tech (Honours) from IIT Kharagpur, an MBA from IIM Calcutta and a PhD from Osmania University. He has over 34 years of experience, 11 in Academics and 23 in Industry. His work experience spans various industries including paints, steel, engineering, banking, and IT Services. Currently, Ved is involved in the oversight of key academic and governance processes at ICFAI Foundation For Higher Education.

During his 11 years in Cognizant, Ved was closely involved in the development of thousands of executives in the middle management cadre with 15 - 20 years of experience. Earlier, he was with UBS and Tata Steel.

Ved's passion is in simplifying complex and abstract concepts and making them relevant to students and practitioners. Ved also has a deep interest in the use of storytelling in various aspects of leadership and management. As an academic, Ved has been an enthusiastic proponent of the use of case teaching.

Ved lives in Hyderabad with his mother K. Lakshmy, wife, Ananthalakshmi and two grown up children who have recently started their careers: Vishwanath (Qualcomm) and Lakshmy (Microsoft).

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Proceedings of National Conference

On

"Recent Trends in Human Resource Management"

on

24-10-2021

Editorial Committee

Dr. Memendu Showry
Dr. Namrata Chatterjee

Organized by

Department of Human Resource Management

A constituent of the ICFAI Foundation for Higher Education (Deemed to be University u/s 3 of the UGC Act, 1956)

Message from the Vice-Chancellor

Greetings!



It gives me immense pleasure to inform you that the Department of Human Resource Management is organizing its **conference on "Recent Trends in Human Resource Management" (Virtual)** on **24-10-2021** at IBS Hyderabad on the theme "**Contemporary HR Practices**"

The conference aims at bringing together scholars to discuss deliberate and analyze the changing face of human resource practices and their impact on employee and organizational outcomes. The disruptive technological changes across the industries have paved the way for HR professionals to adopt various contemporary approaches with respect to the changing business paradigms. Hence, the HR leaders need to relook into the HR practices such as recruitment, training, performance, and competency management. This shift has led to several opportunities for creating new processes and tools to achieve sustainable competitive advantage.

The contributions came from a diverse spectrum of representatives from academicians and practitioners researching in the HR domain. The submissions have captured diverse issues in the field of Human Resources and Organizational Behavior.

Prof. J. Mahender Reddy
The ICFAI Foundation for Higher Education, Hyderabad.

Message from the Dean-Academics, IBS Hyderabad



Greetings!

ICFAI Business School, Hyderabad takes pride in organizing the conference on "**Recent Trends in Human Resource Management" (virtual)** on 24-10-2021 IBS Hyderabad is one of the most leading and prestigious B Schools in India accredited with AACSB. The school endorses its three-pronged mission which is to provide 'Right Knowledge', develop 'Right Skills', and build 'Right Attitude' for the students. The school's research orientation along with the enriched industry-oriented pedagogy incorporated into the various courses provide students, faculties, and executive participants with a rich learning experience.

Globally the organizations are undergoing a paradigm shift in the current times. Therefore, the role of HR has become extremely crucial in the way businesses need to perform. The shift has brought about the adoption of disruptive technologies leading to radical changes further impacting organizational performance and the well-being of individuals and society. The conference aims to explore the contemporary approaches towards HR challenges and how such approaches help achieve business outcomes. We, at IBS Hyderabad, have a vibrant Department of HR, which constantly strives to bridge the gap between practice and academia. This conference is another such attempt to address the various HR trends and bring forth possible solutions to cater to future HR issues, and challenges. The conference on Recent Trends in Human Resource Management has been organized around the theme "**Contemporary HR Practices**". Academic research and practitioners' insights have been collated into this conference's proceedings.

It gives me immense pleasure in inviting all of you to the conference on Recent Trends in Human Resource Management, and hope each participant will reap the maximum benefit from the event.

Prof. C.S. Shylajan
ICFAI Business School (IBS)-Hyderabad

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About IBS Hyderabad

ICFAI Business School (IBS) is a constituent of The ICFAI Foundation for Higher Education. Established in 1995, IBS has been accredited by AACSB making it one of the premier business schools in India. The programs offered at IBS include Ph.D., MBA, and BBA. IBS is the only business school in India to have AACSB accreditation for undergraduate and doctorate programs along with its flagship MBA program. IBS is one of the consistently top-ranked business schools in India. The school has been re-accredited by South Asian Quality Standards (SAQS), rated A** by CRISIL, EB2 IN by ICRA, and as an Excellent Business School by Eduniversal. IBS's MBA program is one of the largest in Asia with a student intake of around 1,200 per annum. In addition, over 60 scholars are pursuing PhD programs. The BBA program of IBS has an annual intake of around 1000 students. IBS faculty members have published around 500 research papers in reputed International and National journals. IBS has dedicated research and content development centers (ICMR & CDC) which are managed by a team of knowledge workers having years of academic and corporate experience. Case studies developed by IBS Hyderabad are used by the elite B-schools and premier consulting firms around the world. The institution has regularly won many awards and recognition in some of the most prestigious global Case Writing Competitions such as EFMD Case Writing Competition, Oikos Global Case Writing Competition, John Molson Case Writing Competition, Dark Side Case Writing Competition, Baylor-USASBE Student Case Research Competition, etc. Some of the cases have also been regularly featured in the list of The Case Centre's best sellers.

About HR Department

The Department of Human Resources plays a significant role in grooming the students for pursuing their chosen careers. The department has a diverse pool of faculty who has rich industry and academic experiences. In addition to core courses such as Organizational Behavior and Human Resource Management, the department offers specialization courses in Competency Mapping & Assessment, Employment Laws, Global HRM, HR Analytics, Positive Psychology, Agile HRM, Human Resource Planning, Organization Development: Diagnosis & Interventions, Performance Management & Reward Systems, Strategic HRM, Training and Development, etc. Faculty members of the department have published research papers in reputed peer-reviewed national and international journals, which are Scopus abstracted and listed in ABDC, such as The Qualitative Report (Nova University, USA), Journal of Management Development (Emerald, UK), Advances in Developing Human Resources (Sage, USA), The Service Industries Journal (Taylor and Francis, UK), Evidence-Based HRM (Emerald, UK), International Journal of Social Economics (Emerald, UK) and others. The major thrust areas in which research activities are being pursued are Organizational Citizenship Behavior, Positive Psychology, Emotional Intelligence, Career Management, High-Performance Work Practices, HR Outsourcing, Competency Mapping & Assessment, Employer Branding, Work-life Integration, and HR Outsourcing.

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Attuning Professional Mothers to Work: Establishing the Significance of Workplace Family Support in Improving New Mothers' Work Performance

Dr. Neha Gahlawat
(Dept. Of HR, ICFAI Business School, Hyderabad, IFHE)

Abstract: Despite receiving significant attention from sociological scholars and a growing discourse in popular culture, relatively little psychological research has investigated the work and non-work experiences of new mothers. In the current study, we have developed and empirically tested a multiple mediation model of the effects of perceived workplace family support on the work performance of new mothers. Drawing on signalling theory and the work-family enrichment model, we have explored how perceptions of workplace family support shape new mothers' work and family-related attitudes and behaviours. We establish that the relationship between workplace family support and work performance of new mothers is complex and is further shaped by three mediators, in series and parallel, namely childcare anxiety, psychosocial adjustment to motherhood, and maternal confidence. Findings from this study have the potential to inform policymakers about new mothers' challenges balancing work and family responsibilities and build the evidence needed to better support these policies.

Keywords: workplace family support, work performance, psychosocial adjustment to motherhood, and maternal confident

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Back Office to the World: India and HRO

Dr. Md Abdul Nayeem
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Abstract: Traditionally Human Resource function was performed internally in most organizations. But the advent of outsourcing in HR in the past decade has produced phenomenal changes in how the HR function delivers services. There is an overwhelming demand for reduced costs for the delivery of HR services. HR Outsourcing (HRO) decisions are the outcome of this demand. It is also argued that outsourcing provides the HR department, strategically, a measure for producing a competitive advantage for the firm. Although human resource management (HRM) outsourcing is an international trend little has been written in the Indian literature about HRM outsourcing choices. The research aims to determine first which HRM areas are most likely in India to be initiated during the financial crisis. Many questions shall be asked from the respondents about the use of HRO and the degree to which they vary using the Qualitative Interview method. Data shall be collected from the CII database. Theoretical and managerial implications will be drawn from the study.

Keywords: Human Resource Management, HR Outsourcing, Make or Buy Decisions in India, Corporate Strategy

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Human Trafficking- An Inexcusable Violation of Human Rights

Kolachina Ramaraju, K. Bhavana Kalyan,
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Abstract: Human rights have always been discussed and debated across wherein the measures taken to safeguard them are always diluted in their intensity of execution. The intellectual strength and the strength of the teeth of many eminent speakers and theorists about human rights have been more unattached to the objective to be accomplished. The efforts of few social activists have partly safeguarded all those humans whose rights are being ignored and exploited in the form of human trafficking. Human trafficking can be understood as a process through which individuals are exposed to some exploitative situations for some economic gain. Poverty, violence and discrimination are some of the factors that increase the vulnerability to trafficking. The article conceptually addresses the peril of human trafficking with an alignment towards woman and child trafficking exploring the reasons for the same, possible measures that can be taken to control human trafficking quoting few instances and individual experiences on the same.

Keywords: Trafficking,Rights, Safeguard, Human, Exploitation, Woman, Child

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Impact of Environmental Comfort on Employee Performance and Engagement-The Mediating Role of Well Being

Prof. Smita Kulkarni
(Dept. Of HR, ICFAI Business School, Hyderabad, IFHE)

Abstract: There is substantial research on how the physical environment influences both how tasks are accomplished and other behaviors of employees. Several researchers have also documented several ill-effects ills of an unhealthy physical work environment like stress, absenteeism, and turnover intention. But there are several other influences and relationships to be explored in this area.

Keywords: Physical environment, employee health, performance

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Career Decisiveness: The Role of Motivational Factors and Career Planning Attitudes

Dr. Prerna Chhetri
(Dept. Of HR, ICFAI Business School, Hyderabad, IFHE)

Abstract: Drawing from the Motivational Systems Theory (Ford, 1992), this study investigates the mediating role of career planning attitudes (career optimism, career adaptability, and perceived knowledge of job market) on the relationship between motivational factors (goal, emotion, context belief and capability belief) and career decisiveness. The study tested two research models, one hypothesizing the mediating role of individual dimensions of career planning attitude, and, the other hypothesizing the mediating role of collective career planning attitude (operationalized using career future inventory scale) between motivational factors and career decisiveness relationships. The findings of the study suggested that individual components of career planning attitudes, as well as the collective career planning attitudes, fully mediate dimensions of motivational systems theory and career decisiveness relationship. The theoretical and practical implications of the finding of the study are discussed.

Keywords: career decisiveness, motivation, career optimism, career adaptability, capability beliefs, goals, emotion, perceived knowledge of job market

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Determinants of Smart Speaker Adoption: An Extension of UTAUT2 Model

Dr. Kranthi Kumar
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Abstract: The SSP market in India has witnessed tremendous growth and as noted by the Forbes (2019) report. It is observed that in the report that utility of SSP is mostly seen in Indian English-speaking families. The TechArc Analytics Report (2021), further added, in the year 2020 over 1 million SSP devices were sold in India. The growth projected growth in India according to Statista (2020), stood at a CAGR (compound annual growth rate) of 9.9% with expected revenue at 750 million US dollars by the year 2025. Thus, it becomes necessary to explore determinants of a smart speaker while adopting it. The theoretical underpinning for the present study is the UTAUT2 model. To pursue the research objective data is collected through a self-administered questionnaire, which was distributed to students of private universities in south India. Structural Equation Modelling is used to understand the causal relationships.

Keywords: Smart speaker adoption, UTAUT2 model.

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Employee Engagement and Commitment: Analysing the Role of Spiritual Leadership

Dr. Asha Binu Raj
(Dept. Of HR, ICFAI Business School, Hyderabad, IFHE)

Abstract: With the growing realization of the significance of positive workplaces, institutions emphasize HR processes and practices resulting in a range of positive emotions and attitudes among employees. Cameron et al. (2003) state that positive organizational scholarship (POS) factors lead to positive outcomes, processes, and attributes of organizations and their members. In the contemporary organizational perspective, POS emphasizes positive workplace processes that create a positive employee/organizational outcome. This approach provides a scope to examine positive work-related attitudes such as employee engagement and organizational commitment through workplace practices. Relating to emerging patterns of workplace spirituality, leaders who can support and enhance positive expressions among employees at work may lead to positive employee outcomes such as engagement and commitment. In this context, spiritual leadership may result in proactive employee behavior (Chen et al., 2019) by encouraging the meaning and purpose of life/work at the individual and organizational levels. This can further elevate organizational commitment and productivity (Fry et al., 2005; 2010) through engaging the employees. Various conceptualizations of employee engagement establish its linkage with positive emotions at the workplace, which is a fundamental element of positive psychology and POS. Spirituality at the workplace is responsible for employees' subjective happiness (Rajesh et al, 2019) and hence their well-being. Happiness being perceived from a POS angle can potentially improve the emotional and affective quotient among employees. Engagement strategies of organizations trigger positive emotions, thereby influencing their connectivity to their jobs and organizations. Hence from a contemporary perspective, there is a need to investigate employee engagement and commitment dimensions and how they are influenced by spiritual leadership in organizations.

Keywords: Employee engagement, Positive psychology, Spiritual leadership

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Exploring the Relationship between OC Components and OCB types

Dr. Niraj Chimote
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Abstract: The purpose of this study is to explain the two concepts namely OC and OCB in an organizational context through their components and types. The vast Literature reveals a positive correlation between the two but only as a whole. Many studies have been conducted on School teachers, restaurant employees, bank employees, part-time and full-time employees, public and private sector employees, etc. However, the research gap here is that the 3 component OC model (Affective, Continuance and Normative-Meyer and Allen,1991) can be individually tested on each type/factor of OCB to find out the component-wise impact on each OCB type (Altruism, Conscientiousness Sportsmanship, Courtesy, and Civic Virtue-Organ-1988) (Only after their conversion into factors). It may also help to understand whether OC can be considered as an antecedent of OCB. The objectives of this study are to explore the actual factors of OCB and to find which of these explored factors are significant in determining the type of OC. The questionnaire has been designed based on the items defined by the Smith et. al framework and Podsakoff et.al-1990 scale. The sample respondents will be University employees. Factor analysis will be used to group the OCB items into principal components. These factors will be regressed with the individual OC component model given by Mercutio-2015 as an extension to Meyer and Allen's 1991 three-component model. The results may help the researchers find the commitment level of employees towards their organization and it will also indicate whether this commitment/loyalty is the one that makes them behave in a discretionary manner over and above their actual job description to result in Organizational effectiveness. I will be discussing four papers that summarize that benevolent sexism negatively impacted participants' self-efficacy in mixed-sex interactions. The research also talks about self-efficacy as a mediating mechanism in the relationship between benevolent sexism and workplace performance.

Keywords: Organizational citizenship behavior, Models of OCB

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Antecedents and Outcomes of Work-Life Integration in IT Sector

Dr. Kalaa Chenji
(Dept. Of HR, ICFAI Business School, Hyderabad, IFHE)

Abstract: Work-life integration is a logical evolution of 'work-life balance' implied that work and life competed, but integration connotes the real-world experience where employees are committed to managing both work and family priorities simultaneously. The proposed study aims to identify the antecedents and outcomes of work-life integration of employees in the IT sector with reference to a specific theoretical framework drawn by work-family boundary dynamics. Boundary theory (Nippert-Eng 1996) holds that individuals vary on a continuum in the extent to which they prefer to either segment or integrate their work and family roles. The implications of the study aim to improve the performance, health/well-being, and enrichment of employees contributing to the employers' competitiveness and profitability.

Keywords: Work-life balance, Work-life integration, Boundary theory, work-family boundary dynamics, well-being

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Impact of Covid-19 Second Wave on Indian Stock Market

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Department of MBA, CBIT,

Abstract: From United States to Japan, over 180 geographies have reported a confirmed case of coronavirus and almost everyone on this planet is adversely affected by this virus. An event of this scale would bring along many catastrophic consequences- social and economic. Many pundits have already declared COVID-19 as the "Black Swan" of 2020 with global economies starring at one of their worst recessions ever. There is something strange happening in the stock markets across the globe, especially India. It states that the markets are either not paying adequate seriousness to the pandemic or anticipating the discovery of a vaccine more optimistically when compared to the rest of the world. The bounce back to pre-COVID levels has left many investors in ambiguity. This piece is not about predicting what will happen to the markets going forward rather it talks about what could be a possible explanation to the path markets followed since the announcement of lockdown in India. In this context, the paper tries to examine the impact of covid 19 on Indian stock market.

Keywords: Indian market, Covid, lockdown, impact

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Executive Coaching Intervention

Dr. KN Viswanatham
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Abstract: The efficacy of leadership training has been subjected to extensive criticism by scholars due to the lack of effective outcome measures and questionable return on investment. As a result, executive coaching has emerged as a leadership development practice in the west in the past two decades. Executive coaching has the appeal of an effective leadership development imperative though there are many speculations. The paucity of empirical research into the effectiveness of executive coaching has also been documented. The executive coaching industry is yet to mature in India and coaching interventions are still used sparingly in Indian organizations. This is partly because of the huge budgets involved, the lack of qualified and certified professionals in the country, and also matters related to organizational mindset. The objective of this seminar is to offer an experiential account of the domain of executive coaching through a consulting intervention carried out during the years 2017-18 with an Indian manufacturing company.

Keywords: Executive Coaching, Consulting

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Implementation of Entrepreneurship Education in Higher Secondary Schools at Tiruvallur District of Tamil Nadu

Dr. Akbar Jan
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Abstract: Entrepreneurship is increasingly recognized as an important generator of economic development and innovation (Bakotic & Kruzic (2010). As many firms respond to the growing competitive pressure by reducing their workforce or relocating their businesses, hence country like India needs new, innovative and growth-oriented enterprises that can withstand the competitive pressures and create new jobs. Moreover, it has been estimated that every third entrepreneur will retire within the next ten years and the number of successors is low. Therefore, young people with entrepreneurial skills have the intention to take over or launch new Startups. To reach this goal, strategic measures are needed that increase the entrepreneurial intention (i.e. the number of people considering self-employment option) of young people. One feasible strategy is to implement Entrepreneurship Education in higher secondary schools (Fuchs et al. (2008). It is largely agreed among experts that it should no longer just be an extra-curricular activity, but instead should be embedded in the curriculum of the higher secondary schools. Tamil Nadu Start-ups & Innovation Policy 2018-2023, which proposes a new approach to inculcate innovation & entrepreneurship from the high-school level which is the indicator for the research proposal. The research proposal focuses on the geographical location of the Tiruvallur district of Tamil Nadu which is economically backward and has a high unemployment rate. Moreover, the school dropout rate in secondary education is very high at 7.16% which is more or less the same among girls and boys. Where this district has nearly 340 Government higher secondary schools. Therefore, this research study plans to explore the role of various stakeholders (State government of Tamil Nadu, Educators, Parents, and Students) of higher secondary education towards the implementation of entrepreneurship education as part of the curriculum. In the course of identifying best practices for implementation of Entrepreneurship Education in secondary schools, the study focuses on policy regulations from Tamil Nadu State Government, curriculum development, teaching standards, and methods.

Keywords: Entrepreneurship Education, Higher secondary schools, Tamil Nadu

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Toxic Positivity and Wellbeing: The Role of Recovery

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Abstract: Trying to keep a positive attitude isn't a bad thing. It is not healthy, however, to try to hide your anxiety, stress, and depression behind an insincere and forced veil of positivity. Toxic Positivity is defined as "the tendency to portray oneself as happy regardless of circumstances" (Quintero, S. & Long, J., 2019). Forcing someone to express only positive emotions can stifle communication and make them feel bad about themselves for having negative thoughts. Toxic positivity encourages people to ignore difficult emotions, potentially amplifying their power. Although there are advantages to being an optimist and engaging in positive thinking, toxic positivity rejects difficult emotions in favor of a cheerful, often falsely positive, façade. Toxic positivity deprives people of the genuine support they require to cope with their circumstances, negatively impacting their well-being. The study aims to examine the relationship between toxic positivity with wellbeing and the role of recovery strategies to cope with the negative impact of toxic positivity.

Keywords: Interpersonal transgression, well-being, recovery

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High Performance Human Resource Management Operations and Organizational Performance

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Abstract: Recently, significant attention has been given to high performing universities — those Universities that consistently out-perform their competitors — in an attempt to determine what factors contribute to their success. The challenges of market saturation, changing mind set of students, and the economic downturn of India may require Universities to adopt human resource management practices capable of improving the Effectiveness of Universities. Adopting the validated scale of Sun et al., (2007) and an adapted scale of Chand and Katau, (2007) , a sample of 100 employee from a state of India were surveyed to ascertain the best HR practices capable of high performance of the university. The result of the survey suggested that clear and transparent job description, incentive based reward, promoting internal mobility, encouraging team work, and assuring employment security can enhance effectiveness of the university. However, the bureaucratic organizational culture along with the expected role of a 'model employer' for both faculties and students will make the journey of the universities towards designing a HPHRP more difficult and challenging.

Keywords: High Performing Human Resource Practices; Organizational Effectiveness; Higher Education Industry; Clear Job Description; Incentive Based Reward

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Emotion Regulation Strategies and Job Search Behaviour: The Role of Job Search Anxiety and Job Search Self-esteem

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Abstract: The job search is a stressful process, especially for the job seekers having involuntary job loss and for the ones in the phase of the school-to-work transition. The university leavers' anticipation of difficulties due to perceived internal and/or external barriers in transition to work has been shown to lower feelings of control over career and trigger anxiety (Monteiro & Almeida, 2015). Past studies have also reported the adverse impact of economic macro events like recession on the psychological well-being and career-related behavior of university graduates. However, it has been argued that the impact of the economic crisis situations would be much stronger on the emotional reaction and behavior of the job seekers; due to sudden and unexpected changes in work preferences and shrinking job prospects as a result of the global economic downturn. The upcoming uncertainty associated with career and job attainment may therefore lead to feelings of anxiety. This is consistent with psychological theories of stress, which show an association between anticipation of difficulties and emotional wellbeing (Lazarus & Folkman, 1984). In this regard, the present study intends to examine the influence of emotion regulation strategies on the job search behavior of university graduates via job search-related anxiety and job search self-esteem as perceived by the new entrants to the job market.

Keywords: Job search behavior, Self-esteem, emotion regulation strategies

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Bibliometric Study on The Last 30 Years of Research on Workplace Bullying and Harassment

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Abstract: In recent times, workplace bullying, an ingrained part of workplace behavior, has become very relevant, both in academia and the industry. Largely, people have begun to realize the 'dark sides' of employee behaviors that effectively tend to have a severe effect in terms of employee productivity, resulting in organizational losses. Possibly the biggest loser in such instances, is the affected employee, who loses out on his/her career prospects, suffers from mental health issues, while trying to still be relevant in terms of long-term resilience and survival. This study attempts to uncover the underlying intellectual structure of the existing discourse while identifying and suggesting areas of extensive future research.

Keywords: Bibliometric analysis, workplace bullying, harassment

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Investigating Conflict-Intention to Resign Relationship Among Dual-Career Couples

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Abstract: Using data from 406 dual-career coupled employees in the Indian context, the current study has indicated that favorable perceptions of workplace support variables like work-family balance actions, supervisor support, co-worker support, work autonomy, and role clarity lead towards heightened life satisfaction among dual-career couples. However, this relationship is not as simple as it seems. Interestingly, none of the five workplace support initiatives is directly related to life satisfaction among employees. Bootstrap results via serial mediation model establish that job satisfaction, career satisfaction, and family satisfaction mediate individually and serially the relationships between various workplace support variables and life satisfaction. The study has the potential to prove beneficial in improving the lives of employees if thorough consideration is given to workplace support about various types of employees' satisfaction.

Keywords: Dual career couples, workplace support, life satisfaction

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Factors Effecting Volatility in Indian Stock Market with Reference to NSE Nifty

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Abstract: Stock Market is one of the most versatile sectors in the financial system, and it plays an important role in economic development. Stock Market is a platform for trading various securities without any barriers. In stock market various companies are listed to their business venture through public issues. In the current scenario, long term investors are investing in the companies through Stock Market to attain profit. The study confines to selected securities in National Stock Exchange (NSE), this largest turnover in Indian capital market. Volatility is a statistical measure of the dispersion of returns for a given security or Market Index. Commonly, the higher the volatility greater the risk associated with the security. Volatility estimation is important for several reasons associated with different people in the market. Developed markets continue to provide over long period of time with higher returns constituting low volatility. The study covers factors and cause impact of volatility in selected stocks in NSE using statistical measures. The study would facilitate to understand the past, current and future aspects of Indian Stock Market.
Keywords: Stock markets, NSE, Volatility

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Exploring the Antecedents of Household Waste Separation Behavior among Urban Residents in India

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Abstract: Growing urbanization has led to an intense increase in household waste generation causing a significant impact on the environment. Household wastes include garbage such as paper, electronic equipment, food wastes, plastic and glass, metal cans, and clothing discarded from homes. To tackle the problems of household waste generation, researchers have suggested methods such as recycling, remanufacturing, and converting the wastes to energy and compost. However, the effectiveness of such methods largely depends upon household wastes separation. Waste separation is the process by which waste is classified into different elements operated manually in the household. Past researches have shown that household waste separation has not been successful enough due to the lack of participation from the residents. In India, the government has taken initiatives such as "Swach Bharat Abhiyan" that aims at waste management at a large scale, but mostly the household wastes are submitted without much segregation and lead to piling up the landfills. To bridge this gap, it is critical to explore the factors that influence urban resident's waste separation behavior, to facilitate public participation in the waste separation programs and also provide insights to policymakers to design suitable strategies considering the factors that strongly influence resident's attitudes, intention, and behavior towards waste separation. Prior studies on household waste separation have considered Schwartz's Norm Activation Model, Theory of Reasoned Action, and Theory of Planned Behavior as some of the behavioural theories to investigate the factors influencing waste separation behavior. The current study considers the Model of Goal-Directed Behavior to explore the factors and additionally test the roles of Perceived moral obligation and Environmental Self- identity in explaining urban Indian resident's waste separation behavior.

Keywords: Household waste separation behavior, Theory of planned behavior, Recycling

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Echoes of Workplace Incivility: A Moderated Mediation Model of Job Burnout and Turnover Intentions

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Abstract: The objective of this paper is (i) to examine the mediating role of personal and work-related burnout in the relationship between workplace incivility and turnover intentions and (ii) to find the moderating role of inter-generational differences between workplace incivility and turnover intentions. To achieve these objectives, the data is proposed to be collected from academicians in India. Data analysis will be done using multiple regression analysis. The results are expected to augment Fredrickson's Broaden-and-build theory. The results are expected to benefit academic organizations in general and academics in particular.

Keywords: Workplace incivility, job burnout, turnover intentions

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The Danger in Danger – A study on the Psychological Impact of COVID-19 Lockdown on people in the Indian context

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Abstract: Novel Coronavirus disease (COVID-19) was declared a pandemic on the 11th of March,2020 by World Health Organization (WHO) as by then it had already infected 114 countries, India notwithstanding (WHO, 2020a). To stop the rapid spread of coronavirus, the governments of various countries have mandated extreme social distancing in the form of lockdown. Today around 2.6 billion people around the globe are under lockdown. The psychological effect of lockdown will result in anxiety which will lead to a secondary epidemic by the end of 2020 (WEF, 2020, WHO, 2020b). In a survey by Kaiser Family Foundation in mid-March, 2020, 32% of respondents were worried and stressed about Covid-19 which negatively affected their psychological health, which increased to 45% by March-end. Failing to anticipate the approaching psychological-related epidemic may take a toll shortly. Against this background, it is prudent to understand the factors that may result in anxiety among people under lockdown. The study adopts the grounded theory approach to collect, analyze, and code the data elicited from 37 semi-structured interviews.

Keywords: COVID 19, the psychological impact

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Labor Strife and Hostility at Pricol

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Abstract: In Dec 2019 Supreme court upheld the High Court verdict of awarding life sentence for two of the Pricol workers and acquitting the seven accused in the famous labor violence that took place at Pricol, which resulted in the death of VP HR of Pricol Mr George. The case study on Labor strife at Pricol, a global manufacturer of automotive components and accessories, focuses on the intense Employee problems and industrial unrest that have plagued the company. The case study discusses the causes and accentuating circumstances leading to one of the most bitter industrial disputes between the management and employees of Pricol resulting in violence and unfortunate killing of Human Resources Vice President Roy George as well suicide of workers. It traces the cause of incidents, which triggered a strike at the company due to ongoing hostility between the management and employees. The lack of proper understanding and implementation of employment laws and the management's inefficiency in anticipating the consequences while dealing with the problems not only resulted in the loss of productivity but also incorrigible damage to human life. Besides, the company and nation as a whole attracted global attention spreading a violent and damaging image about the Indian employees. The case study also dwells in detail on the causes of prevailing tension between the employees and the management often aggravated by rampant violation of employment laws due to rigid management and agitating militant trade unions.

Keywords: Labor strife, Industrial disputes, Hostility, Case study

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Does Workplace Wellbeing Mediate the Relationship Between Workplace Spirituality and Job Satisfaction?

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Abstract: Due to the increased organizational expectations of high employee performance and productivity, workplaces are experiencing rising stress, burnout, and negative psychological, emotional, spiritual and physical outcomes due to high performance-related pressure. These work-related issues faced by individuals and organizations affect the overall well-being of employees and communities. In this context, workplace spirituality offers alternatives to employers and employees which help balance between performance and wellbeing. Almost all areas in organizational behavior and human resource management can be effectively managed through spiritual practices involving compassion, meaningful work and transcendence at the workplace. This is relevant from a positive organizational perspective as it facilitates positive emotions among employees resulting in internal and physical wellbeing and further positive employee outcomes such as job satisfaction.

Keywords: Does workplace wellbeing mediate the relationship between workplace spirituality and job satisfaction?

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Teachers' Satisfaction with Life During the Pandemic

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Abstract: Throughout the COVID-19, teachers, school counsellors, and other faculty members have been providing services to students that include remote teaching, supporting students to learn, counselling them to be emotionally and mentally strong. This kind of support help students to maintain their mental health and wellbeing but little or no emphasis has been given to maintaining the mental health and wellbeing of teachers. On the flip side, teachers are trying to balance the new way of living with the pandemic, face the challenges of remote teaching like learning new technical skills to do their job and other personal life issues. The professionals like teachers who help others often experience stress, which may lead to depression, burnout, and in more severe cases post-traumatic stress disorder. The current study aims to explore the teacher's satisfaction with life during the pandemic.

Keywords: Pandemic Teachers' Satisfaction, Depression, Burnout

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The Entrepreneurial Hexagon- A Theoretical Framework

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Abstract: The success of any business organization depends on the way it is being managed. There are several factors that make an entrepreneur to be perceived as successful that includes a list of personality or individual traits that can influence the entrepreneurship behaviour. There can be a possible difference of opinions regards the perceived significance of these attributes from person to person. The article aims at exploring six such dimensions of entrepreneurship that can be instrumental in running a business with least possible confusions and uncertainties coming across with an emphasis on the behavioral and administrative dynamics of the entrepreneur. Research on dynamics of entrepreneurial personality across decades has revealed that every successful entrepreneur possess a set of personality traits that are unique and are instrumental in differentiating self from others. Six such dimensions as explored and stated by Howard Stevenson, A Professor Emeritus at Harvard University, from one of is his article for Cambridge are discussed in the article.

Keywords: Business, Behavior, Dimension, Entrepreneur, Performance, Success.

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A study of the Impression Management Strategies used by Women

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Abstract: This proposed study attempts to understand the impression management strategies used by women in Indian organizations. The extant research on gender differences in impression management, primarily conducted in Western cultures, has been inconclusive. This may be a result of attempting to generalize across cultures. India provides an interesting context with high power distance culture, low social status of women as well as an emerging women's movement. These factors set the context for the choice of impression management strategies by women in Indian organizations. The nature of the job role and the attitude towards gender stereotypes provide a conceptual framework to understand the impression management strategies of women in Indian organizations. The proposed framework is explained and relevant hypotheses are suggested.

Keywords: Impression Management Strategies, Gender differences, power distance culture

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Determinants of Mobile Shopping App Adoption: An Extension of UTAUT2 Model

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Abstract: Mobile shopping is seen a significant rise in its contribution to m-commerce. The growth is predicted to be at 72.9% by 2021. To further substantiate, more than half of the internet traffic comes from mobile devices. The reach of the internet and its usage through mobile has empowered buyers to purchase items virtually from any retailer in the world. Thus it becomes necessary to explore patterns of mobile shopping and its determinants while adopting them. The theoretical underpinning for the present study is the UTAUT2 model. To pursue the research objective data is collected through a self-administered questionnaire, which was distributed to undergraduate and postgraduate students of private universities in south India. Structural Equation Modeling is used to understand the causal relationships. The results, implications, and conclusions are discussed.

Keywords: UTAUT2 Model, Mobile shopping, Structural Equation Modeling

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An Evaluation into Buffett's Investment Philosophy, Recent Stock Picks, Leadership Succession, and the Way Ahead: Will Buffett's philosophy leads the Future of Berkshire Hathaway?

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Abstract: The Oracle of Omaha, as Warren Buffett was fondly called, had undoubtedly set the benchmark of performance at a stellar level. Buffett's performance had convincingly topped all the U.S. stocks and mutual funds that had traded for at least 40 years since 1929. A study conducted over the four decades - from 1976 to 2017- showed that Berkshire Hathaway's Sharpe ratio was almost double that of the overall market. However, in the last decade, the comparative analysis of Berkshire and the S&P index showed a not-so-impressive performance. It clearly showed a sub-par performance of BH's stock as compared to the S&P's. Though Buffett had not made any clear announcements about the successor, it was a matter of concern among the shareholders whether the four-decade dream-run would continue for Berkshire. The shareholders who were patient and confident under Buffett's leadership were now seen raising concerns about the future of the organization.

Keywords: Leadership succession, Shareholders' concern, Performance benchmark

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Sustainable Human Resource Management: Making Human Resources More Responsible

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Abstract: Literature on human resource management (HRM) in general, and strategic HRM in particular, focuses on a firm's business strategy and architecture for matching HRM with organizational strategies, creating HR strategy and HR systems. The need to respond to the sustainability of organizations requires a paradigm shift in all aspects of HRM. Thus the debate is on human resources playing critical roles in addressing sustainability concerns. This paper is a response to the demands of sustainability of organizations, society, and environment; of which the role of human resources is critical.

Keywords: HR strategy and HR systems, Paradigm shift, Sustainability concerns

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Surveying the Determinants of Empowerment Climate in Indian Higher Education

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Abstract: The majority of research on empowerment has focused on the individual's psychological experience of empowerment and linking this with various job-related outcomes. Job context capable of promoting empowerment has been neglected by researchers**.** Extensive literature survey explored Information sharing, autonomy through boundaries, team responsibility, reward system, workplace independence and flexibility and skill acquisition and development as Job context (managerial structures and practices) and conceptualized as empowerment climate construct. Regression analysis indicated autonomy through boundaries has the greatest influence on empowerment, followed by team accountability, workplace independence and flexibility, Reward system, information sharing and then skill acquisition and development.

Keyword: Psychological Empowerment, Empowerment Climate

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A study on Influence of managerial and employee attitudes on Physical, Safety and Welfare at Work in times of Covid

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Abstract: For long organizations, managers, and individuals including researchers have been more concerned about employees' mental health than their physical health owing to the growing complexity at work. The exceptional developments on account of Covid brought the focus back to the key issues about the health, safety and welfare of employees at work. Until recent times it is only industrial workers who have been exposed to the health hazards at work, because of unhealthy conditions at the workplace, pollution, occupational diseases, and even industrial accidents. However, Covid 19 has not only created insurmountable challenges to the economy but has been posing a serious threat to employees' lives causing virulent diseases. As prevailing gloom or fear or anxiety about Covid 19 envelops the world and especially the workplaces there is a need to discuss or deliberate about provision for physical health, safety and welfare of employees at work to create healthy conditions at work. In the light of the increased threat to health and safety of employees on account of covid, managers and public should raise the question of revisiting the factories act-1948 that regulate the working condition in factories with a need to amend it to prevent health hazards and ensure the safety of all at workplaces. This study proposes to focus on understanding the working conditions to examine the health, safety and welfare of employees at work. The primary objective of the study is to examine working conditions in factories and workplaces in terms of provision for health, safety and welfare of those who are employed at factories and offices and analyze how the attitudes of managers and employees contribute to better working conditions to protect the employees from dangers posed.

Keywords: COVID 19, Employee attitudes, Employee safety

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Rising Concerns towards Healthcare in India

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Abstract: The term healthcare refers to the set of services provided by a country or an organization for the treatment of the physically and the mentally ill. Healthcare has become one of India's largest sectors, both in terms of revenue and employment. Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance, and medical equipment. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services, and increasing expenditure by public as well private players. Indian healthcare delivery system is categorized into two major components public and private. The Government, i.e. public healthcare system, comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of primary healthcare centers (PHCs) in rural areas. The private sector provides the majority of secondary, tertiary, and quaternary care institutions with a major concentration in metros and tier I and tier-II cities. India's competitive advantage lies in its large pool of well-trained medical professionals. India is also cost-competitive compared to its peers in Asia and Western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe. The objective of the work acknowledges the recent developments Indian healthcare sector, initiatives that are taken by the government of India for the development of healthcare, growth drivers of Indian healthcare, and highlights the competitive advantage that the healthcare sector in India enjoys. Meanwhile, this workshop helps better for the faculty to understand the six rising concern factors towards healthcare such as (i) to fight lifestyle diseases, (ii) to safeguard the family, (iii) to counter inadequate healthcare coverage, (iv) to deal with medical inflation, (v) the newer the technology, the more expensive, (vi) to protect the savings from unexpected medical expenses. The outcome of the workshop emphasized the need for rising concern towards the quality healthcare sector in India. The faculty members understood the need for quality healthcare which is one of the basic needs of every individual. But unfortunately, most individuals do not afford to receive quality medical treatment promptly because of its cost hence it affects their livelihood badly. Therefore, it is high time to ensure the reach of quality healthcare at the doorsteps of every individual through technological advancement, and public-private collaboration.

Keywords: Healthcare, Public-private collaboration, Technological advancement

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Blow Whistle, Should I or Shouldn't I: A Study on Moderating Effect of Perceived Organizational Support on Intention to Blow the Whistle Among Indian Government Employees

Dr. Preshita Neha Tudu
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Abstract: The present paper attempts to understand an employee's intention towards whistleblowing by analyzing Ajzen's (1991) Theory of Planned Behavior (TPB) and Graham's Principled Organizational Dissent (POD). It also seeks to find the moderating effect of Perceived Organizational Support (POS) on whistleblowing intention (BI). 220 usable data, collected from government employees of India, were analyzed using SEM. For developing a questionnaire, items were adopted from literature and were measured on a five-point Likert-type rating scale. Results revealed that attitude, perceived behavior control (PBC), subjective norm (SN) and perceived responsibility of reporting (PRR) positively influence whereas the perceived cost of reporting (PCR) negatively influenced whistleblowing intention. It was further found that POS negated the effect of attitude, PBC, PCR, and PRR on BI and strengthen the effect of SN. The present study adds to the list of academic literature on topics such as corporate governance and whistleblowing and provides new avenues to academicians and researchers for research. It provides a comprehensive understanding of the whistleblowing concept, factors that influence whistleblowing intention, and reasons to promote whistleblowing culture in organizations. The findings may help government institutions to understand the factors that hinder whistleblowing practices and to devise strategies to foster a culture of whistleblowing. It may also offer insights to managers to mold human resource practices so that it includes policies of moral behavior. This study is one of the initial studies in the Indian context to explore the moderating role of perceived organizational support on employees' intention to blow the whistle.

Keywords: Whistleblowing, perceived organizational support

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Job Crafting Perspectives: A Conceptual Framework for the Process Model of Job Crafting

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Abstract: Job crafting has been defined as employees proactively changing the boundaries that comprise their jobs. Job crafting as behaviour was highlighted by Wrzesniewski & Dutton (2001) as a means of experiencing meaningfulness by employees. Since 2001 there are several studies (both qualitative and quantitative) that have highlighted the significance of job crafting. However, the literature on job crafting highlights the emergence of two different perspectives- role crafting and resource crafting, and studies that examined job crafting have adopted one or the other perspective. The existing studies have mostly paid attention to determining the antecedents and consequences of job crafting. The process of how job crafting takes place has not been paid much attention to. This seminar proposes a conceptual framework based on the process model developed by Lazazzara, A., Tims, M., & de Gennaro, D. (2019).

Keywords: Job crafting, Meaningfulness, Role crafting and resource crafting

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Antecedents of Customer Advocacy in Healthcare Sector: Evidences from Emerging Market

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Abstract: This paper aims to investigate the impact of work engagement and PsyCap on customer advocacy. A dyadic study was conducted, comprising 200 nurses and 200 patients from different healthcare service providers of India. Structural equation modeling was used to analyze the responses collected from nurses and the patients whom they served. The findings also confirm a positive impact of PsyCap on customer advocacy, but the effect of work engagement on customer advocacy was not significant. The present study is one of only a few preliminary studies examining the predictors of work engagement of liquid workers.

Keywords: Work engagement, Psychological capital, Customer advocacy

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Exploring the Factors of Wearable Activity Trackers Adoption among Youth in India Using Technology Acceptance Model

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Abstract: The sedentary lifestyle has led to an increase in several health hazards across the globe. The World Health Organization reports state that physical immobility is exposing people to a higher risk of developing obesity, diabetes, cardiovascular diseases, etc thus resulting in around 3.2 million death rates annually worldwide. Studies have projected that in India, around 34.4 percent of the population represents the youth between the ages of 15 to 35 years who are constantly under the threat of sedentary lifestyle diseases. Such conditions have led to an increase in the adoption of fitness wearable activity trackers among the youth who are keen to monitor their self-physical activity level and maintain a healthy lifestyle. Wearable activity trackers are devices that help users to track quantitatively, their daily fitness activity status in real time such as counting the number of steps, distance covered, calories burnt , pulse rate and intensity of the workout. Such trackers help a person to set and adjust their personal health goals standards that keep them motivated to achieve better results. Several academic researchers in the global context have attempted to understand the outcomes and functionality of using wearable health devices such as the accuracy and reliability level, benefits and impacts of usage, post-adoption behavior, trust and safety issues of wearable activity trackers. Remarkably, academic research into understanding the intention to use wearable activity trackers is still in an explorable stage and has been openly demanded, especially in context to emerging markets for wearable activity trackers like India, which accounts for a good percentage of the youth population. Hence, this study proposes to examine critical factors from technological, health and security perspectives that can be used to explain the adoption- intention behavior of users of wearable activity trackers. The conceptual model of the present study examines the technology acceptance model and extends it with the health behavior variable and privacy concern variable as additional constructs. Past studies have claimed that extending the TAM with additional factors help the study to fit into a particular context and enhances its specificity and generalizability. The study contributes to the existing literature in the healthcare sector and information technology and human behavior area. Also, the study gives insight to the wearable activity tracker producers and marketers in the healthcare technology sector about the users' attitude and behavior for adopting wearable activity trackers precisely.

Keywords: Wearable Activity Trackers, Physical immobility, Sedentary lifestyle

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An empirical analysis to study the factors influencing the perceived effectiveness of electronic recruitment programs for (University) post-graduate students (MBA) in Hyderabad

Dr. Niraj Chimote
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Abstract: This study deals with understanding the relevance of Electronic Recruitment that includes placing job advertisements, receiving resumes, and building human resource databases with candidates and incumbents through company websites, job boards, job portals, etc. Campus Placement of MBA students of Universities has been taken into consideration for conducting this study. The Literature review conducted reveals that electronic recruitment is perceived to be effective for University students majorly in terms of user-friendliness of the website, information provision provided and website usability only. However, the research gap is that the perception cannot be restricted to these aspects only. The perceived effectiveness may go beyond these features and can also be affected by the traditional factors affecting Recruitment like Organizational Factors and Environmental Factors that may be considered big time by students from all over the places for starting their career journey with their first job after MBA program. Thus, the objectives of this study are: To explore the factors affecting electronic Recruitment programs based on the perception of University post-graduate students waiting for placements and to check which of these explored factors would be significant in determining the perceived effectiveness of electronic recruitment programs. The sample chosen will be University students pursuing MBA from Hyderabad. The Likert scale has been used to prepare the questionnaire on electronic recruitment. A pilot study will be conducted to calculate the actual sample size. A factor analysis will be applied to the independent variables (Recruitment Factors) to convert them into principal components (Factors) and they will be regressed with the dependent variable (Perceived Effectiveness of Recruitment). The study will reveal significant factors affecting the effectiveness of electronic recruitment from the perspectives of students and may help them in making the right choice while applying for a job in this situation of crisis.

Keywords: recruitment, electronic recruitment programs, job boards, job portals, human resource databases

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Can the Humble Khakhra Crackle Be a National Snack

Dr. Kalaa Chenji
(Dept. Of HR, ICFAI Business School, Hyderabad, IFHE)

Abstract: This case outlines the success story of HSM Foods International which made its mark with a turnover of Rs.25 crore in the year 2015-16 in making Khakras, wheat flour-based staple Gujarati snack. The company aims to make a brand out of a commodity. A family-run business started its operation in 2001 with meagre capital and 25 women to roll handmade Khakras. Gradually, the company employed 350 women who used lathe machines to roll 7 lakh Khakras. Renowned as the world's leading manufacturer of Khakras, HSM Foods caters to domestic as well as foreign markets with a variety of flavors, hygienic packing, and competitive pricing. The company aims to make Khakras a national snack, essentially what brands like Lijjat did with papad, Aashirvaad did with atta and Bisleri did with water.

Keywords: brand, commodity, national snack

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Delivering Basic Healthcare- Empowering Women- Elevating Lifestyles: Chuck Slaughters' Living Goods in Uganda

Dr. KBS Kumar
(Dept. Of HR, ICFAI Business School, Hyderabad, IFHE)

Abstract: Living Goods is a social enterprise with an exclusive focus on child healthcare, operated in Uganda since 2007. Started by Chuck Slaughter (Slaughter), Yale alumni. During his stint with an organization involved in providing essential medicines in developing countries, he witnessed how the lack of healthcare facilities in Africa resulted in high mortality, especially among children. He was of the view that the amount spent on a cup of coffee could save a child's life. By 2018, Living Goods started operating in three more countries and Slaughter was looking at replicating the model and scaling it to improve the health of over 34 million people across the world by 2021. This called for the building of supply chains, the development of a huge network of Community Health Workers (CHEs), help from funding agencies, support of local NGOs, that too in countries where Living Goods has little or no presence. Looking ahead, Slaughter had lofty plans for Living Goods. He was looking at providing life-saving healthcare to 34 million people in six countries in East and West Africa by 2021. To expand as planned Slaughter needed more than 50,000 CHEs. Observers said that this could make a huge difference to the lives of people in those countries through job creation, expansion of lifesaving healthcare, and also transform the community health system and delivery of healthcare through digital technology. This also called for funding of up to US$ 50 million.

Keywords: Leadership; Innovation; Strategy; Business Model; Supply chain issues; social impact

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Generational Differences and Intergenerational Climate at the Workplace

Swati Hans
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Abstract: With the changing demographic profile within organizations, the role of generational diversity on performance is becoming an important area of study among human resource professionals and scholars. There has been considerable research on several forms of diversity such as gender, ethnicity, and race and their work-related consequences, studies related to generational diversity and its influence on knowledge sharing and group performance are scanty. In this direction, the present study aims to investigate the influence of generational diversity on knowledge sharing behaviors of employees and group performance. The study also explores the moderating effects of intergenerational climate, boundary-spanning leadership, and respect. The present study is the first of its kind to explore these relationships to the best of the researcher's knowledge.

Keywords: Generational differences, intergenerational climate, boundary spanning leadership

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Longitudinal Analysis of Welfare and Social Security Measures and their Impact on Financial Performance of Singareni Collieries Company Ltd (SCCL)

Dr. Radhamohan Chebolu
(Dept. Of HR, ICFAI Business School, Hyderabad, IFHE)

Abstract: Welfare programs have special importance in India aimed at addressing the poverty among the working-class population in the firms. Since poverty is being transmitted to them across the generations there is a vital necessity for the organizations to address it in all possible means. Hence, organizations need to provide Welfare facilities, which include not only some basic facilities for individual workers but also the provision of a pleasant work atmosphere. The provision of welfare facilities undoubtedly improves the standard of living of workers which in turn could enable them to easily adjust to the work environment. It is a known fact that many problems, which arise in the area of industrial relations, are due to the lack of adequate welfare facilities and social security measures that are tuned to changing times. The SCCL is taking up all possible measures to provide welfare amenities to its employees, particularly in the fields of health, sanitation, residential accommodation, education to workers' children, supply of drinking water, laying of roads, improving health awareness among employees and their families through communication cell, sports and games to provide recreation in addition to various Social Security Schemes. The proposed study is aimed at bringing to the limelight the dynamics of work culture promoted through welfare and social security measures at Singareni Collieries Company Ltd, the leading public sector coal mining company in the state of Telangana. Though the study of this phenomenon may not be unique the Longitudinal Analysis followed here in studying their impact on the employee satisfaction leading to the better financial performance of the firm.

Keywords: Singareni Collieries Ltd, Longitudinal analysis, employee welfare

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Factors Motivating Students to Attend Guest Lectures: A Comparative Study Across Different Disciplines

Dr. Chetna Priyadarshini
(Dept. Of HR, ICFAI Business School, Hyderabad, IFHE)

Abstract: The paper examines the student's motivation in attending the guest lectures and comprehends the factors that influence students to attend guest lectures across different disciplines. Qualitative data was collected by conducting focus groups across different disciplines to generate themes and in the quantitative method questionnaire about themes was prepared on a five-point Likert scale. The factor analysis of the themes resulted in identifying three factors viz., Knowledge, Skills, and Attitude. The ANOVA results indicate that knowledge is significantly important across all disciplines; Skills improvement is the main motive for medical and pharma students to attend the guest lecture. Attitude Improvement is the key reason for management, medical and pharma students to attend such guest lectures. The study helps academicians to understand the relative importance of knowledge, skills and attitude in conducting guest lecturers across different disciplines. This study is the first of its kind research that seeks to comprehend the student motivations behind attending guest lectures within the context of higher education.

Keywords: Student motivation, guest lectures, Qualitative research

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A Study On Construction of Optimal Portfolio Using Sharpe's Index Model

Dr. R V Prasad Kandi & M. P.Ramesh
Assistant Professor, HBS, GITAM, Hyderabad, Telangana

Abstract: The main aim of this study is to construct an optimal portfolio using Sharpe's Single Index model. For this purpose, monthly closing prices of 10 companies from banking sector IT sector, Pharma sector, FMCG and Automobile sector listed in the Bombay stock exchange (BSE) were selected. Share prices for the period of January 2015 to December 2019 had been considered. Using all the collected data a "cut-off "rate had been calculated and that rate had been considered for the construction of optimal portfolio. The finding of the study is very useful for investors, policy makers, corporations and their financial market participants

Keywords: cut-off rate, beta, market return, Sharpe's single index model.

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Organizational Climate Survey

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Abstract: The development of technology has brought about sudden shifts in the workforce composition. It becomes important therefore that human resource managers in the organizations need to design policies, procedures and strategies if they have to ensure a proper organizational climate that propels employees' behavior. OC is characterized by a set of norms, values, expectations, policies and procedures that decisively influence employee motivation, commitment, and performance. Employees have definite expectations from the organization and the extent to which these expectations may be met depends upon the perception of OC. This study was undertaken to measure employees' perception of several organizational climate dimensions prevailing in a Pharma company at Hyderabad. The sample comprised 197 employees across the company. The study makes use of the research instrument developed by TV Rao and Uday Pareek, to measure the employee perceptions about the organizational climate to understand whether there are any significant differences among the perception across various groups. Data for the study were gathered through a self-administered questionnaire. The data collected were analyzed using the Statistical Package for Social Scientists (SPSS) to produce the mean, standard deviation and ANOVA. Several hypotheses were put forward and tested to determine whether there was any difference between perceptions of employees across Age, Gender, Department, Qualification, and Experience. It was concluded that there are no significant differences between the two parameters

Keywords: Organizational climate, Employee perceptions, Survey method

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Advertising Impact in Students Choosing a Private Deemed Universities in Telangana And A.P.

Dr.K.Anusha

(Department of MBA, CBIT)

Abstract: Publicizing is a type of advertising correspondence utilized by organizations to advance or sell items and administrations. Generally, promoting is one of the parts or subsets of showcasing. The essential objective of publicizing is to impact the purchasing conduct by advancing an item, administration or organization. Advertisements are important for students to enrol/enrolled in AP private deemed universities. Most of the students are influenced by recommendation by family/friends/campus visits. Advertisements are playing a crucial role to enrol the students in private deemed universities.

KEYWORDS: Advertising, Private Deemed Universities in A.P, Primary survey.

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The Mediation Effect of Psychological Capital in the Relationships of Perceived Organizational Support, Engagement, and Extra-Role Performance

Dr. Musarrat Shaheen
(Dept. Of HR, ICFAI Business School, Hyderabad, IFHE)

Abstract: Organizations become vulnerable to the loss of tacit and explicit knowledge when employees leave the organization. To mitigate this loss, organizations adopt a flexible labour model, where employees are managed as flexible workers. But, engaging these workers becomes another challenge for the organization, as due to limited interaction they are less attached to the organization. Data is collected from 212 insurance agents of India and structural equation modeling (SEM) was done to analyse the responses. The results obtained indicated a significant positive influence of perceived organizational support (POS) on work engagement level and the extra-role performance behaviors (ERB) of the flexible workers. Personal resources of employees (i.e., psychological capital) that AIDS in the positive evaluation of a situation is found mediating the influence of POS on work engagement and ERB. The present study is among the few studies that provide avenues to keep flexible workers engaged and motivated towards ERBs in knowledge-intensive organizations. © 2018, IGI Global. Copying or distributing in print or electronic forms without the written permission of IGI Global is prohibited.

Keywords: Psychological capital, perceived organizational support, employee engagement

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Antecedents and Outcomes of work-life integration of women entrepreneurs

Dr. Kalaa Chenji
(Dept. Of HR, ICFAI Business School, Hyderabad, IFHE)

Abstract: The objective of this research is to explore the impact of e-learning solutions on management education. The research study adopts an exploratory research design. The proposed respondent of the study is the students, faculty, top management representative, and campus recruiter of various management educational institutions located in Southern states of India such as Andhra Pradesh, Karnataka, Kerala, Telangana, and Tamil Nadu. The outcome of this study may provide a sound base for the administrators to develop policies related to e-learning solutions of management education.

Keywords: E-learning, Management education

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Egypt's Experience with Roche- An Ethical Perspective

Dr. KBS Kumar
(Dept. Of HR, ICFAI Business School, Hyderabad, IFHE)

Abstract: Healthcare in Egypt is predominantly driven by private hospitals, owing to the precarious conditions that crippled the government healthcare system. Poor penetration of insurance coverage had prompted Egyptians to pay out of their pocket for health care. More than a quarter of the Egyptians are poor and food insecurity is rampant in the country. The pharmaceutical companies, in the name of drug trials, had been found exploiting these vulnerable classes of people, to volunteer for trials and in the process evaded some legal and ethical norms. The proposed case study is about the MNC pharma major Roche, which had resorted to gross ethical violations in the process of conducting drugs trial on humans. The case study is proposed as a teaching case for the courses of Business Ethics and Corporate Governance.

Keywords: Healthcare, Corporate governance, Business ethics



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Proceedings of National Conference

on

"Recent Trends in Operations Management"

Organized by:

DEPARTMENT OF OPERATIONS & IT

On

Dec 10-11- 2021



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Message from the Vice Chancellor

Greetings!



It gives me immense pleasure to inform you that the Department of operations& IT is organizing its **conference on recent trends in operations management (Virtual)** on **December 10-11- 2021** at IBS Hyderabad on the theme "**changing the context of operations then, now and hereafter**"

The conference aims at bringing together academics and scholars to discuss deliberate and analyze the changing face of **Operations function** and the **execution strategies**. The distinctive Covid-19 pandemic has unfurled new-fangled approaches for businesses and how they operate, manage their supplies and deliver the products to the communities. While 2021 was a year of reinventing operations strategy and solidifying its new role, 2022 & the years ahead are going to be all about pushing the boundaries of how core operations can add capabilities and creates value. The shift to remote work means that strategic and operational leaders will be responsible for regularization of their internal capabilities along with external resources.

The contributions came from a diverse spectrum of representatives encompassing faculty members, research scholars and students from India and abroad. The submissions have captured diverse issues in the Field of Information technology and Operations Management. The Department of operations & IT **is releasing the Book of Proceedings with ISBN containing 42 abstracts.**

Prof. J. Mahender Reddy
The ICFAI Foundation for Higher Education, Hyderabad.

Message from the Dean-Academics, IBS Hyderabad

Greetings!

ICFAI Business School, Hyderabad is proud to organize its conference on recent trends in operations management on **December 10-11-2021**. IBS Hyderabad is one of the most prominent and premier B Schools in India accredited with AACSB. Espoused to its three-pronged mission: To provide 'Right Knowledge', develop 'Right Skills', and build 'Right Attitude', the school's research orientation coupled with industry focused pedagogy and courses provide students, faculties and practitioners with a rich learning experience.



Organizations today are undergoing a paradigm shift in the way it is functioning and the role of operations has become more pertinent. These changes include a higher dependency on technology, transformation to work-from-home and hybrid work models, to name a few. These changes further impact community well-being and company performance. The conference aims to explore the changing role of operations and its processes in helping organizations transition during and beyond the pandemic. We, at IBS Hyderabad, have a vibrant department of operations & IT, which constantly strives to bridge the gap between practice and academia. This conference is another such attempt at opening the thinking minds around operations, supply chain and IT and bringing forth numerous potential solutions to the future operations issues, and challenges.

The conference on recent trends in operations management has been organized around the theme “changing context of operations, then, now and hereafter”. Academic research and practitioners' insights have been collated into this conference Proceedings.

I take immense pride and pleasure in inviting all of you to the conference on recent trends in operations management, 2021 and hope each participant will reap the maximum from the event.

Prof. C.S. Shylajan

ICFAI Business School (IBS)-Hyderabad

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Industry 4.0 digital Transformation Journey

Ved Prakash Gulati
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Abstract:

Industrial Revolution has begun at the end of the 18th century and today we are in the 4th Digital Industrial evolution and moving forward with Information and Communication Technologies components being integrated into almost all the walk of humane work known as Digital Transformation. In today's seminar, we will try to understand this journey and prospect for Education and Research in this Digital Transformation.

Keywords: Industry 4.0; Industry Transformation

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Factors Affecting Post-Harvest Wastage of Food

P Sashikala
(Dept. Of Operations & IT, ICFAI Business School, Hyderabad, IFHE)

Abstract:

Despite the advent of technologically advanced mechanisms to reduce the wastage of fresh fruits and vegetables, farmers are concerned about the wastage of products during the post-harvest supply stage. The study analyses the factor affecting food wastage in the post-harvesting of fruits and vegetables at three stages. When the fruits and vegetable items are with farmers, procurement and storage phase and with wholesaler/retailer. The study empirically analyzes the impact of productivity and quality standards, awareness linked knowledge, Quantity related aspects, efficiency and wastage related aspects and transportation linked aspects on the post-harvest loss of fruits and vegetables in the state of Telangana agricultural supply chain.

Keywords: Agriculture; Food Wastage; Post harvesting technique

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Performance Evaluation of Trucking Industry Using BSC and DEA Approach

Krishna Kumar Dadsena
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Abstract:

Successful human resource management is always one of the key units in organizational success. One of the main issues facing the trucking industry at present is the shortage of efficient truck drivers. This study aims to identify the performance measurement criteria and the factors that may influence truck drivers' efficiency. In doing so, we have focused on their job satisfaction criteria and strategies that may encourage them to stay with their job. An integrated approach using the Balance Score Card (BSC) and Data Envelopment Analysis (DEA) model is developed to measure efficiency. BSC is used to extract the inputs, and the outputs and efficiency are measured by the DEA model. Integration of the BSC and the DEA helps to identify where there is an opportunity for improving organizational performance and points out the reciprocal learning considering internal process factors. This approach is applied in the Indian trucking industry to evaluate truck drivers' efficiency. The findings could be used in assessment processes and strategic implementation to improve the overall performance of the Indian trucking industry.

Keywords: Trucking Industry; Performance Evaluation; Balanced Score Card; Data Envelopment Analysis

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An Integrated Supply Chain with Uncertain Demand and Random Defect Rate Under Carbon Cap Trade Policy

Arindam Ghosh
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Abstract:

In this work, a vendor-buyer integrated supply chain with uncertain demand and random defect rate under carbon cap-and-trade policy has been studied. It is assumed that the lot sent by the vendor to the buyer in each shipment contains a random fraction of defective items, and a fraction of those defective items can be repaired. The defective items get screened by the buyer and sent back to the vendor, and the vendor sorts out the repairable items. At the end of each production cycle, the accumulated repairable items at the vendor are repaired in a single lot. We have taken into account the carbon emissions from all the major sources, i.e. production, inventory, transportation, repairing, and scrapping. Shortages at the buyer are partially back-ordered. A mathematical model is formulated to minimize the total expected cost of the supply chain by optimizing the order quantity, reorder point, and the number of shipments between the vendor and buyer under carbon cap-and-trade policy. An algorithm is proposed to solve the model. A numerical example and sensitivity analysis are presented to get some managerial insights.

Keywords: Integrated Supply Chain; Carbon Cap; Trade Policy; Environment

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Testing Market Efficiency with Non-Linear Methods

KVSSN Murthy
(Dept. Of Operations & IT, ICFAI Business School, Hyderabad, IFHE)

Abstract:

Market efficiency has been analyzed through many studies using different linear methods. However, studies on financial econometrics reveal that financial time series exhibit nonlinear patterns because of various reasons. This paper examines market efficiency at Borsa Istanbul using a smooth transition autoregressive (STAR) type nonlinear model. I develop nonlinear ARCH and STAR models, a linear AR model and a random walk model for 10 years' weekly data and then an out-of-sample forecast next 12 weeks' return. Comparing forecast performance powers, I find that the STAR model outperforms random walk, that is Borsa Istanbul returns are predictable at the given period. The results show that the shareholders may earn abnormal returns and identify the direction of the return change for the next week with at least 66% accuracy. Contrary to the linear level studies, these findings show that the Borsa Istanbul is not weak form efficient at a nonlinear level within the studied period.

Keywords: non-linear methods; Smooth transition autoregressive

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High Performance Human Resource Management Operations and Organizational Performance

Mr. GRK Prasad
Department of Hyderabad Business School, GITAM

Abstract

Recently, significant attention has been given to high performing universities — those Universities that consistently out-perform their competitors — in an attempt to determine what factors, contribute to their success. The challenges of market saturation, changing mindset of students, and the economic downturn of India may require Universities to adopt human resource management practices capable of improving the Effectiveness of Universities. Adopting the validated scale of Sun et al., (2007) and an adapted scale of Chand and Katau, (2007), a sample of 100 employees from a state of India were surveyed to ascertain the best HR practices capable of high performance of the university. The result of the survey suggested that clear and transparent job description, incentive-based reward, promoting internal mobility, encouraging team work, and assuring employment security can enhance effectiveness of the university. However, the bureaucratic organizational culture along with the expected role of a 'model employer' for both faculties and students will make the journey of the universities towards designing a HPHRP more difficult and challenging.

Keywords: High Performing Human Resource Practices; Organizational Effectiveness; Higher Education Industry; Clear Job Description; Incentive Based Reward

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Capacity Management, Sourcing and Location Decisions

Prince Vijai
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Abstract:

In this seminar, I will present a mathematical model to examine the capacity investment, sourcing and location decisions for a multi-market manufacturing firm concerning Lu & Van Mieghem (2009). We analyze a firm that manufactures two products to serve two geographically separated markets using a common component and two localized final assemblies. We examine a key strategic question for the firm that has to decide the location of its component manufacturing facility in the multi-market production network. Based on the location of a component manufacturing facility, we develop four possible production network configurations such as hybrid, market-focused, and centralization (onshore and offshore). We show under deterministic demand situation that it is optimal to centralize the component manufacturing facility in the low-cost market (i.e., offshore) when manufacturing cost outweighs the transportation cost of centralization. However, under a stochastic demand situation, it depends on price and cost differentials, demand size and uncertainty.

Keywords: Capacity Management; Sourcing; Decision Support Systems

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Goal Disbursement in Management School

Siva Gabbita
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Abstract

Goal displacement is a term used to describe the tendency of organizations to be diverted (displaced) from the goals the organization was established to serve. In line with the vision-mission statements of an organization, organization goals provide direction and serve as a reference point for organizational activities. Why and how would an organization involve in activities that cause it to deviate from its stated objectives? Counter-intuitive though it might seem, excessive pursuit of the original goals and values itself can result in an organization losing sight of its goals. Over the period, employees are provided incentives for such behaviour and/or penalized for not doing so. In some organizations, it is deliberate, either due to a principal/agent problem or because of organization leaders lacking, losing or not having the focussed vision required to stay on track. A focus on local optima rather than on global optima, i.e. not having a systems view is often the cause.

Keywords: Goal disbursement; Management Education

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Development and Ageing Population: An Evaluation of Financial Autonomy

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Abstract

Increased life expectancy is not only our greatest conquests but also one of the greatest challenges. It is a demographic phenomenon that has socioeconomic and political consequences across the globe. Economies are globalising, technology is evolving rapidly and people are more likely to live in cities. Of late, developing countries, like India, are experiencing the challenge of these developmental discourses, in the form of changes in the demographic scenario and family structure, leaving older people alone with/without financial support. Hence, the real issue is how older people can sustain themselves, remain healthy, be an integral part of society and enjoy a good quality of life, without impeding the pace of development. The study makes sincere efforts to find out sustainable ways of taking care of financial obligations in the darker phase of life.

Keywords: Financial Autonomy; Aging Population

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A Needs Analysis Based ESP Syllabus Design for Architecture Students in ESL Context

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Abstract

Needs Analysis is one of the essential elements for any type of syllabus design. Need Analysis is carried out by all the syllabus designers so that the syllabus design meets the requirements of students for both academic and professional purposes in terms of language use. The current study is carried out with this perspective of Needs Analysis. The study aimed to understand the English language skills requisites of the architecture learners at ICFAI School of Architecture - Hyderabad, with respect to the Target Situation Analysis and Present Situation Analysis. The data for the current study was collected using the tools of questionnaires, semi-structured interviews with the students and the faculty members at the institute along standardized English language tests for the students. The analysis of the data revealed that the receptive skills of English, reading, and listening were important in academic fields and the productive skills of writing and speaking in English were important in both academic and professional fields of architecture. Based on these findings the study outlined certain parameters for the designing of English for Specific Purposes syllabus for the architecture students and a syllabus was designed.

Keywords: ESP, Needs analysis, Productive skills, Receptive Skills.

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Supply Chain Integration and Performance

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Abstract

The importance of supply chain integration has been well documented in the literature. Some of the studies have shown that supply chain integration helps in improving accuracy, operational effectiveness, cost efficiency, technical innovation and overall business performance (Leuschner et al, 2013; Zsidisin et al, 2015; Skipworth et al, 2015; Lii and Kuo, 2016; Kim and Chai, 2016; Yuen and Thai, 2017; Ayoub, et al. 2017). While other studies have found that supply chain integration does not directly lead to improved financial performance but the relationship is mediated through some immediate performance outcomes such as customer Service or manufacturing capabilities or inter-organizational learning (Vickery et al., 2003; Rosenzweig et al., 2003; Zhu et al., 2018). These two streams of research, one advocating direct linkage between supply chain integration and firm performance and the other stream advocating the indirect linkages between these constructs highlights the need to analyze the literature and understand the reasons behind such inconsistent findings and contribute to theory building.

Keywords: Supply Chain; Performance; Supply chain Integration

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Assessing Management Students' Employability Using Fuzzy

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Abstract

Assessing the accurate employability of the student is a critical task. The research on competitiveness analysis and employability assessment is more popular in many industries. In the Educational Industry, placements of the students after the completion of their studies have become the most essential criteria. Placements become the judging means for these institutions to attract more students for admission. In earlier days, academic performance was the only criteria for evaluating the employability of the student. At present, the trend has changed, due to globalization and liberalization, the work environment had become a more dynamic duo, in which the workforce is selected using multiple selection criteria wherein the students are expected to be equipped with multiple skills. As of now, no research work is carried out to reveal the employability of the management student. This gap insists the researchers measure the employability of the management student considering his or her multiple skills into account. This research work proposes a model for assessing Management Students' employability (based on the general skills required) based on Fuzzy based approach using Triangular Fuzzy Numbers.

Keywords: Fuzzy; Employability; Assessment

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Supplier Selection Using Multi-Criteria Decision-Making Methods

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Abstract

Supplier selection is one of the important strategic decision-making problems for purchasing managers. It includes both quantitative and qualitative factors. We propose a model for supplier selection using Multi-Criteria Decision Making in two phases. In phase one, we identify the criteria and sub-criteria based on the previous literature, then calculate criteria weight values and give priorities. Whereas, in phase two, we evaluate alternatives (List of suppliers) by Technique for Order Preference by Similarity to Ideal Solution (TOPSIS) method.

Keywords: Supplier Selection; TOPSIS Method; Multicriteria Decision Making

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Challenges in Conducting Online Examinations

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Abstract

During pre-COVID times, online examinations used to be a preferred option for certain reasons specific to the situation or the individual. Even at this time, the option is to appear for the examination at a central place, which has the facilities and infrastructure to examine as per required standards. During the COVID times, which is continuing, it became the ONLY option that too to conduct online examinations at the place of the student, using the local infrastructure of the student. How effective is it concerning standards expected of an examination is a million-dollar question? There are various factors, circumstances, practices, technology which influence the effectiveness in such cases. They may be broadly classified into concerns of students, challenges of the organization, issues expected to be faced by faculty while setting the paper, invigilating the examination and then evaluating the papers. Technology has a major role to play in making the whole process feasible and acceptable or treating it as a colossal waste. The process of re-engineering is a must to present ways of conducting online examinations at a central controlled place to make them effective at the place of students with infrastructure having limitations or constraints. It is important to know and appreciate all the loopholes in the planned new process to even attempt to think of corrections. In the present discussion, the effort is made to present the possible loopholes in the complete process and suggest some remedial measures to reduce the unwanted effects of these loopholes. The risk could be through intended means and practices or/and from limitations of technology and infrastructure. Recognizing and analyzing these is important to plan, implement and improve the process of conducting online examinations to award degrees or certifications.

Keywords: Covid-19; online examinations; education

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Exploring Antecedents of Wearable Activity Trackers Adoption Among Youth in India: Extending TAM Model

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Abstract

The sedentary lifestyle has led to an increase in several health hazards across the globe. The World Health Organization reports state that physical immobility is exposing people to a higher risk of developing obesity, diabetes, cardiovascular diseases, etc thus resulting in around 3.2 million death rates annually worldwide. Studies have projected that in India, around 34.4 percent of the population is constantly under the threat of sedentary lifestyle diseases. Such conditions have led to an increase in the adoption of fitness wearable activity trackers among people who are keen to monitor their self-physical activity level and maintain a healthy lifestyle. Wearable activity trackers are devices that help users to track quantitatively, their daily fitness activity status in real-time such as counting the number of steps, distance covered, calories burnt, pulse rate, and intensity of the workout. Such trackers help a person to set and adjust their personal health goals standards that keep them motivated to achieve better results. Several academic researchers in the global context have attempted to understand the outcomes and functionality of using wearable health devices such as the accuracy and reliability level, benefits and impacts of usage, post-adoption behaviour, trust, and safety issues of wearable activity trackers. Remarkably, academic research into understanding the intention to use wearable activity trackers is still in the explorable stage and has been openly demanded, especially in the context of emerging markets for wearable activity trackers like India. Hence, this study proposes to examine critical factors from technological, health, and security perspectives that can be used to explain the adoption- intention behavior of users of wearable activity trackers. The conceptual model of the present study examines the technology acceptance model and extends it with the health behavior variable and privacy concern variable as additional constructs. Past studies have claimed that extending the TAM with additional factors help the study to fit into a particular context and enhances its specificity and generalizability. The study contributes to the existing literature in the healthcare sector and information technology and the human behavior area. Also, the study gives insight into the wearable activity tracker producers and marketers in the healthcare technology sector about the users' attitudes and behavior for adopting wearable activity trackers precisely.

Keywords: Technology Acceptance Model (TAM); IoT Devices; Wearable Trackers

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Reinventing ICTM for Sustainability and Growth- An Interdisciplinary Approach

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Abstract

Abstract. In dynamic business environment sustainability and growth of the manufacturing industry is highly dependent on the integration of various disciplines of business. This research identifies three important constructs and their items or variables which belong to three different disciplines namely marketing, operations and ICT. Later hierarchical relationships among the interdisciplinary items have been established with the help of the ISM technique. After this items are classified into various classes based on their driving and dependence power by using MICMAC analysis. This research identifies ICTM variables as a critical variable in the integration process because of their higher driving power.

Keywords: ICTM; Sustainability; Interdisciplinary Approach

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Adoption of Mobile Payment Services by Millennials: Role of Smartphone Addiction, Compatibility and Relative Advantage

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Abstract

Today, there is an app available for each service, and the payment industry is not an exception. Though the adoption of mobile payment service (MPS) has become a ubiquitous payment option in all point-of-sale, theoretical and empirical evidence shows that compatibility and relative advantage exert a critical role in its actual usage behavior. Moreover, given the increase in non-substance engagement (e.g. smartphone addiction), the popularity of mobile apps augmented enormously. The study highlights the role of smartphone addiction influencing compatibility and further on behavioral intention through relative advantage in the context of MPS. The findings of the study would enable the marketers to capitalize on the, potentially, smartphone addiction driven MPS adoption behavior to sustain long-term usage behavior by appropriately understanding the context which drives the MPS to user behavior.

Keywords: mobile payment; smartphone addiction; compatibility

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BlockChain Theories and their Applications

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Abstract

Stuart Haber and W. Scott Stornetta introduced blockchain in 1991 but real utilization of this technology came into view during the year 2008 in the form of cryptocurrency application by Santoshi Nakamoto. To foster digital trust, blockchain technology plays a vital role. At the early stage, this technology was used for financial transactions only. In application areas where we found the need for data storage, blockchain will add value. Blockchain technology adds verified data by the user in the form of uneditable blocks. These blocks are of fixed size structures that keep on adding in chronological order to form a public ledger in the network. Decentralized, distributed working, robustness, and auditable registry of all the transactions make this technology trustworthy and popular. This encourages the utilization of blockchain technology worldwide. It supports improving the performance and reliability of various business transactions. This chapter focuses on the working of blockchain technology along with its applications. Financial applications –blockchain provides traceability and transparency to financial transactions, which makes it a unique technology to take care of financial applications. Financial applications in the area of banking services, insurance sectors such as health insurance, economic business applications, financial auditing, cryptocurrency payment and exchange are part of the discussion. Non-financial applications like healthcare – in which blockchain technology helps stakeholders to maintain and share patient records with stakeholders in a secure way. Governance –blockchain technology can be turned into a path changer for the local and central governments to take care of governance. This will help in fixing accountability, for providing automation, and safety to the various governance transactions, which ultimately support overcoming corruption. Business and industrial applications – in the area of business and industry applications, blockchain will improve the credibility of business transactions. Blockchain technology will provide visibility, optimization, and demand across the supply chain management effectively. These are the certain areas under consideration to discuss as part of blockchain applications.

Keywords: BlockChain; Applications

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Assimilation in Missing: An Optimality Theoretic Perspective

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Abstract

This abstract outlines the establishment of the framework Optimality Theory. An investigation and demonstration have been made of the relevant positional markedness and positional faithfulness constraints considered throughout the work to show the positional asymmetry through the process of assimilation. This paper further investigates the direction of assimilation and discusses regressive assimilation and progressive assimilation as repair strategies. Nasal assimilation is shown as a trigger of progressive assimilation in the paper. Onsets are stronger and privileged by nature and resist assimilation. Onsets trigger the process of assimilation in regressive assimilation. Progressive assimilation is cross-linguistically rare as stated by researchers. Mising is one of those languages which prefer progressive assimilation in the language. During progressive assimilation, the coda resists a change and triggers the assimilation, while the onset of the following syllable gets triggered by the assimilation. Nasal assimilation in Mising shows opposite characteristics of the universal process of nasal assimilation. Universally, nasals undergo the process of assimilation by acquiring the place or manner feature of the neighboring consonant. But in Mising, nasals play the role of assimilator rather than an assimilee. Even the universal concept of nasal-obstruent cluster preferring regressive assimilation and marked cluster, obstruent-nasal preferring progressive assimilation in nasal assimilation is also reversed in Mising. AGREE constraint plays a pivotal role in analyzing the process of assimilation in Mising in the light of Optimality Theory.

Keywords: Optimality Theory, Assimilation, Markedness, Faithfulness, Repair Strategy.

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Consumer Intentions to Buy Counterfeit Products

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Abstract

According to Webster's New World Dictionary, Original has been defined as initial, earliest and something which has never existed before and something which is never copied, while Counterfeits has been defined as the products that are the imitation of the original products that have a significant brand value and has a large market share. Counterfeiting causes a massive loss of revenue to the manufacturers worldwide. It distorts brand loyalty and destroys brand equity. It develops a black market and impacts thousands of jobs. This has become a global phenomenon. Several factors lead to the general tendency of people to buy counterfeit products. Some of the factors could be lack of purchasing power, brand attachment, past purchase experiences and perceptions of personal or hedonic benefits. Fake products give an illusion as if the consumer is buying an authentic product. From its labelling to the core product, the counterfeit product resembles the original product to a large extent. (Grossman & Shapiro 1988a; Grossman & Shapiro 1988b; Bush et al., 1989) The "Global Brand Counterfeiting Report, 2018 " report states that "The amount of total counterfeiting globally has reached to 1.2 Trillion USD in 2017 and is bound to reach 1.82 Trillion USD by the year 2020 which includes counterfeiting of all equipment/products from defence equipment's to counterfeiting of watches." According to business standard, 2019, Counterfeit products cause over Rs 1 trillion loss annually in India. The study identified the consumer intentions to buy the counterfeit products as against their originals in context with the Indian market. Counterfeits have been flooding the Indian markets exponentially; the study started with the introduction of the difference between counterfeits and the original products and analyzed the intention of the consumers to buy the counterfeit products. Research also focused on examining the monetary and non-monetary benefits associated with the purchase of counterfeit products and also their impact on different personality traits or characteristics of consumers such as social status perception and self-image. As people do not want their non-affordability of the prime products to be a reason that they are considered inferior in society. This phenomenon leads to the buying of fake products. The study analyzed the effect of characteristics either positively or negatively on the buying behaviour of people to buy counterfeit products later. How do various measures affect the intention of buyers? Does it affect positively or negatively?

Keywords: Intention to purchase; Counterfeit Products.

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Assessing the firm's performance through IT-business alignment in a cloud computing environment

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Abstract

Strategic Business-IT alignment is gaining popularity among researchers and practitioners because of its potential impact on organizational performance. Currently, large numbers of enterprises are moving to cloud computing as they do not want to implement significant parts of their information systems (IS) in-house. The objective of this study is to analyze the firm performance concerning the processes and operations supported by cloud computing through its alignment to the business. Therefore, this study used the Strategic Alignment Maturity (SAM) model as a framework to validate the evolution of IT-business alignment in a cloud computing environment. A questionnaire-based survey method was employed for data collection. The respondents are IT and non-IT executives of cloud computing adopter firms in India. Simple random sampling was used to select the sample from the sampling frame of 2500 adopter firms of India. The structural equation modelling technique is used to statistically validate the model. From the results, it is found that all the constructs contribute significantly to business alignment with cloud computing except partnering and skill maturity. The contribution of this study is the application of the SAM model as a tool to leverage the alignment of cloud computing with business effectively. IT Consultants can make use of this study to help a client in strategic alignment with cloud computing and its subsequent consequences.

Keywords: IT Business Alignment; Cloud Computing; IT Capabilities; Firm Performance

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Artificial Intelligence for Knowledge Management: A Bibliometric Study

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Abstract

This study will utilize two bibliometric analysis methods and a text mining method to provide a systematic and holistic review of artificial intelligence for knowledge management related academic literature. A variety of publications related to artificial intelligence for knowledge management would be identified from various sources including the Scopus database. Google Scholar, Web of Science and other sources would also be considered. Citation analysis would be used to identify the foundations of this area of research. The study would then employ keyword analysis to identify themes in this area of research. Different themes would be identified. The emerging trends in the area of artificial intelligence for knowledge management would be identified. Text mining would be employed to identify additional themes. The additional themes would be analysed and reported. Cluster analysis would be employed to group themes. This would lead to a better definition of themes. Finally, the study would call for a future research agenda on artificial intelligence in the knowledge management area.

Keywords: Bibliometric analysis; Artificial Intelligence; Knowledge Management

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Factors Influencing Consumer Adoption of Internet of Things and its Application: Empirical Evidence

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Abstract

Today, the network connection and information system have become a platform for evolving innovations. In the digital era, one such innovation is the 'Internet of Things also known as IoT. It is a complex system of interconnected devices which constitute sensors for the transfer of information through the internet. The purpose of the study is to identify the factors impacting behavioral intention to use IoT for personal purposes. To perform the research, among various adoption models, the unified theory of acceptance and use of technology 2 (UTAUT 2) model has been identified. The factors identified are performance expectancy, effort expectancy, social influence, facilitating condition, hedonic motivation, price value, habit, behavioral intention to use and actual usage. Structural equation modeling will be used to perform data analysis. The contributions of IoT have several underpinnings in academics as well as in business. This would open numerous research areas which are still unexplored such as the scope of IoT and its application in various fields, its acceptance among people, in what ways the maximum benefits be reaped, and its impact on society. Further, these would help the administrative bodies to frame guidelines for the effective functioning of IoT and its implementation.

Keywords: UTAUT; Internet of Things; Adoption

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A Review Study On Consumer Perception Towards E-Shopping

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Abstract

Recent research has shown an interest in investigating consumer motivations that affect the online shopping behaviour. It is yet to understand what factors influence online shopping decision process. The objective of this study is to provide an overview of online shopping decision process by comparing the offline and online decision making and identifying the factors that motivate online customers to decide or not to decide to buy online. It is found that marketing communication process differs between offline and online consumer decision. Managerial implications are developed for online stores to improve their website. A quantitative method is used in this research in order to investigate the impact of consumer perception in E-shopping on buying behaviour. The data of 111 respondents is collected through questionnaire and results were analysed through the SPSS. The students of different universities as respondents has been taken to know their perception regarding the E-shopping and its attributes and the impact of online on their buying behavior . It is concluded that consumer of online are more attractive than their retail outlets. Moreover, the tested attributes of online show positive

Keywords: Online Shopping, Perception, decision making process

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Understanding the Need for Long-Term Care Insurance In India

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Abstract

Some recent theoretical works suggest that Indian parents are willing to purchase long-term care insurance and do not want to depend on relying on child-provided care in old age. This conceptual framework explains the need for long term care insurance products with special reference to 'geriatric care' in the Indian insurance market. Our study is based on a panel discussion among retired people, young professionals and insurance company representatives. Age is not always a determining factor in needing long-term care. About 70 percent of individuals over 65 will require at least some type of long-term care service during their lifetime. About 40 percent of those receiving long-term care today are between 18 and 64. Once a change of health occurs, long-term care insurance may not be available.

Keywords: Insurance; Long term care; need analysis

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A Conceptual Model for Assessing the Antecedents Influencing Degree of Servitization in Product-Centric and Service-Centric Organizations

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Abstract

"Servitization" has been the major focus of product-centric organizations since the term was first coined by Vandermerwe and Rada (1988), due to issues related to the easy imitation of the manufacturing processes, the commoditization of specialized products, the changing customer profile and demand and the advanced information dissemination and communication mechanisms. Prior studies in servitization have focused on disjointedly analyzing challenges and determinants involved in the process of servitization. However, this paper has focused on proposing an exhaustive conceptual model based on the majority of the previous research done in the domain and has attempted to identify and extract the major determinants influencing the degree of servitization. The model might serve as the basic framework for future empirical analysis related to the assessment of the validity of the constructs identified.

Keywords: Servitization; Service-Centric Organization

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Presentation of Power BI: Introduction and Analysis of the data

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Abstract

Power BI is a simple and fast Business Intelligence platform for business users with tools such as collecting, analyzing, visualizing and sharing the data. It has the capability of creating quick insights from an Excel spreadsheet or a data warehouse. It is strong and enterprise ready for widespread modeling. It can also be widely used as real-time analytics for decision making for organizations.

Keywords: Business Intelligence; Power BI; Analytics

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Devops – Scaling Ideas and Implementing Cloud Automation

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Abstract

The automation and cloud have independently taken things in a very fluent and smooth way like never before. Employing cloud platform has changed the outlook on the utilization of data in everything. The number of individuals who are employed to perform a single task is now reduced with the help of automation getting implemented. In order to achieve cloud automation, DevOps is the new methodology that the software circle is adapting to. DevOps enables speed along with quality and risk management in cloud. Only knowing the programming or only working on the operational knowledge base will not accomplish today's need of automating the cloud procedures but a bit more dwelling up and integrating the development and operational pools will make it and that's what the DevOps will be radiating. This culture of DevOps is an approach to introduce new methods and bring all the ideas and different wings of work under one roof. Cloud technology is the revolutionary phase the industry is going through and many major organizations have seen profits as well as fast growth adapting to this. The various industries like Genetic, manufacturing, construction, service, and many more but, these are using automation in and out by deploying cloud at some end in it. DevOps uses various tools and technologies like Git, Jenkins, Docker, and many more, improving the security concerns thus giving the best result. In the perspective of companies offering cloud as a service, they really have a lot that can be automated. Though we have taken the services up to the cloud, the ratio of the dedicated employees and the manpower needed to maintain it has increased very much and thus become very expensive. Therefore, automating the workflow in cloud will result in better cloud architecture and service to be delivered promptly.

Keywords: Devops, Cloud, Automation, Git, Docker, Jenkins

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Adoption of eSCM and TOE framework: Impact of firm size

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Abstract

eSCM refers to "IT enabled support in implementing SCM process" (Wu and change,2010). Adoption of eSCM promises improvement in performance by enabling collaboration and flexibility in the supply chain. eSCM helps the firms to serve the markets faster i.e. to attain agility in the supply chain. It is important to understand the factors that influence the adoption of eSCM by both large enterprises (LEs) and SMEs as both groups have unique characteristics. For example, SMEs are more flexible and LEs have more resources. There exists a need in this area to conduct holistic research on the factors affecting the adoption of eSCM in the agile supply chain besides examining the moderating effect of firm size. An extensive literature review is conducted and a theoretical model is proposed based on the transaction cost theory, institutional theory and TOE framework to examine the adoption of eSCM in agile supply chain and to analyze how those effects are moderated by firm size, SMEs (vs) LEs. Propositions are formulated and future research directions are discussed.

Keywords: eSCM; TOE Framework; Information Technology

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Influence of social capital on knowledge sharing

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Abstract
Social capital is put forward as a suitable theoretical framework to explain knowledge sharing in organizations and communities. This paper aims to summarize the different contexts where social capital dimensions have been used to explain information and knowledge sharing. A literature review is done for social capital in the contexts of business organizations, virtual worlds, and higher education institutions. The dimensions of social capital have been found useful when exploring knowledge sharing practices. The studies illuminate important aspects of how the combination of structures, relations and contents support sharing of knowledge. They also underline the importance of the contextual dimension. The role of the social capital dimensions is focused differently depending on the context.

Keywords: Knowledge Sharing; Social Capital

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Basics of Digital Image Processing

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Abstract

Digital Image processing is having a very vast scope from biometrics, medical applications, Database indexing, traffic monitoring to target recognition. This topic explores the basics of digital image processing which is the foundation for all above mentioned applications.

Keywords: Image Processing; Data Analysis; biometric

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Advertising Impact in Students Choosing a Private Deemed Universities in Telangana and A.P.

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Abstract

Publicizing is a type of advertising correspondence utilized by organizations to advance or sell items and administrations. Generally, promoting is one of the parts or subsets of showcasing. The essential objective of publicizing is to impact the purchasing conduct by advancing an item, administration or organization. Advertisements are important for students to enroll/enrolled in AP private deemed universities. Most of the students are influenced by recommendation by family/friends/campus visits. Advertisements are playing a crucial role to enroll the students in private deemed universities.

Keywords: Advertising, Private Deemed Universities in A.P, Primary survey.

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Identical image retrieval using DCTLIM image signature verification

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Abstract

Image retrieval and mining is an energetic research area due to rapid enrichment in the volume of digital image databases. Currently, huge information is stored in image form and there is a necessity to search the images using its content. Image mining has diverse applications in biology, remote sensing, medical diagnosis, space research, forensic, etc. This research work is to retrieve identical images from an image database by proposing a unique approach for mining images using DCTLIM based image signature verification. This process is autonomous and no need for many parameters setting to generate a healthy solution. It is designed and tested with images of various collected image databases. Suitable measures were devised to evaluate the performance of the algorithm. The performances were noteworthy and comparable. The expected system performance level will be appropriate for several simple days today image mining and multimedia database applications.

Keywords: Image retrieval; Identical Images; Signature Verification

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Mobile Service Economics in India- user and service provider perceptions

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Abstract

Mobile communication has become an essential component of everybody's life, be it professional front or personal front. The two parties directly involved are the Mobile service provider (MSP)and the mobile user. It is a service provided at a cost. The service provider looks at return on investment which is through the payments done by users. Users want the service at the lowest possible rate. In the present paper the factors considered and the other influencing factors which determine the mobile service charges are discussed. An insight is attempted to appreciate the network planning as such and the influencing parameters of planning by the service provider. Also, the role of TRAI(Telecom Regulatory Authority of India) is briefly discussed in deciding the charges to be levied on mobile services provided to the users.

Keywords: Mobile Services; Mobile Service Providers

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Application of Analytic Hierarchy Process in Project Management

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Abstract

This paper presents the Analytical Hierarchy Process (AHP) as a potential decision making method for use in project management. The contractor prequalification problem is used as an example. A hierarchical structure is constructed for the prequalification criteria and the contractors wishing to prequalify for a project. By applying the AHP, the prequalification criteria can be prioritized and a descending-order list of contractors can be made to select the best contractors to perform the project. A sensitivity analysis can be performed to check the sensitivity of the final decisions to minor changes in judgements. The paper presents group decision-making using the AHP. The AHP implementation steps will be simplified by using the `Expert Choice' professional software that is available commercially and designed for implementing AHP. It is hoped that this will encourage the application of the AHP by project management professionals

Keywords: AHP; Project management

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Understanding the challenges of Serialization in the Indian Pharmaceutical Industry

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Abstract

Typically, pharmaceutical supply chains connect the laboratories to the marketplace. One of the major challenges they face is to ensure the integrity of the products in transit at different points in the value chain from suppliers to manufacturers to wholesalers to pharmacies/dispensaries and finally to the end consumer. This becomes even more critical as products move across international borders. Preventing theft and counterfeiting has therefore become a key focus of the industry. Early approaches included tamper-proof packaging and 3-D holograms, but these are now considered too easy to manipulate, so these methods are no longer considered sufficient. These days, Serialization is considered to be an effective mechanism to counter theft and counterfeiting of drugs. Serialization is governed by regulatory mechanisms which differ from one country to another. This paper is an attempt to explore the challenges of serialization in the Indian Pharmaceutical Industry.

Keywords: Pharma Supply Chain; Serialization;

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NIRF: A Study on Ranking of Management Institutes in India

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Abstract

The Indian education system is the third largest in the world only after China and United States. The education system is in the need of improvement of quality and direction in the path of building a world class education system. In this direction, new benchmarks have to be evolved to assess the research in educational institutions and rank them to provide an opportunity for the institutions to strengthen their quality at the institutional level and improve the education system at the national level per se. Though many ranking mechanisms are operational at the global level and national level by renowned media houses, a ranking framework developed by the state is the first of its kind in India through the National Institutional Ranking Framework (NIRF). NIRF aims at ranking universities using parameters designed and developed by the Ministry of Human Resource Development (MHRD). The present study attempts to explore the latest trends in the ranking system and compare the performance of private and government funded institutes imparting management education in India.

Keywords: NIRF Ranking; Management Education

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Service Innovation using Systems Thinking

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Abstract

The service concept refers to the view of some authors as a new value proposition or a new service. Others address reorganizing afresh to provide solutions to hitherto unmet customer issues (as opposed to problems). Achieving intended outcomes using either existing, modified or new processes are often hampered by how the service delivery process is designed and the interaction between the service provider and client across the customer interaction interface. Service firm internal organizational arrangements which determine the rules for employee job performance can also have conflicting goals. The problem is therefore compounded in scale as well as complexity when service must be delivered by multiple firms functioning together. Van Ark et al. (2003)[1] describes service innovation as a "new or considerably changed service concept, client interaction channel, service delivery system or technological concept that individually, but most likely in combination, leads to one or more (re)new(ed) service functions that are new to the firm and do change the service/good offered on the market and do require structurally new technological, human or organizational capabilities of the service organization.

Keywords: Service innovation; System Thinking

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Developing Supply Chain Evaluation Framework Through Performance Assessment Approach

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Abstract

This paper is an effort to develop the supply chain evaluation framework by assessing the performance of the supply chain in its operational environment. This is a conceptual paper, which includes extensive literature review, environmental analysis and brainstorming with experts of this field. It gives an insight into various aspects of the supply chain and the issues associated with it which include: supply chain performance and its benefits, the need for a good evaluation system for the supply chain, existing frameworks/models and a framework for the evaluation of supply chain performance measurement systems. We propose a framework for supply chain evaluation in dynamic business settings. Our work is confined to the development of a framework for making a system to evaluate the supply chain. The development and execution of this system and its success will decide the adaptability of the framework proposed to meet the needs of the industry. The proposed framework is a noble approach to the development of a supply chain evaluation system that considers supply chain functional issues, issues associated with its partners and environmental issues in which it operates.

Keywords: Supply chain evaluation; Framework; Performance Assessment

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System Dynamics Perspective for Adoption of Internet of Things: A Conceptual Framework

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Abstract

Internet of Things (IoT) is the group of interconnected computing devices over the internet and implanted in the objects used in daily life for sending and receiving data. IoT helps businesses and society in many ways such as it improves public safety, transportation and healthcare by providing better information and faster communications. The adoption of IoT is going to create a persistent impact on society and business. This paper develops a model based on system dynamics and identifies the factors influencing IoT adoption. The dominant factors of IoT adoption are communication, control and automation, efficient business processes, self-configuration and cost savings. IoT adoption is also affected by negative factors including privacy risks and security risks, interoperability, reliability, poor infrastructure, less skilled IT professionals etc. Businesses can reap the potential benefits of IoT by solving the issues related to its adoption. This study is, therefore, a significant contribution towards understanding the factors that influence the adoption of IoT in businesses. In addition, this paper attempts to derive a framework for the successful adoption of IoT in organizations.

Keywords: System Dynamics; Internet of Things; Conceptual Framework

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Determinants of the Merchant's Adoption of Mobile Payments. A Study of Unorganized Retailers in India

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Abstract

Enabling payments using mobile devices is one of the key innovations in information and communication technologies. An overview of academic and popular literature shows that in addition to increased convenience, mobile payments result in greater efficiency and also contribute to financial inclusion. While great attention has been paid in the literature to individual adoption and usage of mobile payment, little is known about organizational adoption. The present study is an attempt to investigate this gap. We utilize grounded theory to study unorganized retailers in a large metropolitan city in India, a developing economy. Using semi-structured interviews of merchants, we propose a framework to explain the mobile payment ecosystem and factors that influence the adoption of mobile payment by these businesses.

Keywords: Mobile Payment; Merchant Adoption; unorganized Sector

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Exploring the Effects of Social Media Overload on Academic Performance

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Abstract

Social media has deeply penetrated graduate students' daily lives, persuading excessive usage that can result in social media overload. However, only a few studies have explored the adverse consequences of social media use from a pedagogical perspective in different countries. This paper aims to investigate the effects of social media usage on students' academic performance and the underlying mechanism in the Indian context. The proposed model is built to investigate the direct effect of Excessive Social Media Usage, Communication, Overload, Social Overload and Social media exhaustion on the academic performance of the student. This study deepens social media literature by identifying a more inclusive classification of social media-related overload among graduate students and investigating the exact mechanism of excessive social media use in an educational environment.

Keywords: social media; Academic Performance

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Human Competencies for Disaster Relief Management: A Study

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Abstract

The effectiveness of humanitarian assistance often depends on the effectiveness of the resources utilized such as predictive logic, relief partners, logistics technology and relief personnel. Analysis of the most recent yet more vulnerable disasters has pointed out that the relief workers often created a difference. Lack of appropriate access to standardized models to train the relief workers has created a need to develop a competency model which can further be validated with the relief organizations to create a standard. The current study aims to develop and test a hypothetical model that proposes a relationship between the competencies of the emergency relief workers, job performance and job satisfaction through empirical analysis of primary data. The study reveals a good relationship between competencies, job performance and job satisfaction and shows a significant impact of the three variables on each other. The study culminates in recommending the key findings of the personnel to be able to improve the efficiency of the relief operation.

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Factors Influencing the Gold Prices: An Empirical Investigation in Indian Context

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Abstract

The most precious metal is Gold, for a long and its value has been used as the standard for many currencies also known as the gold standard. The consumption of gold has increased drastically with strong economic growth and promising movements in gold prices in the 1990s during the liberalization of gold import policy. The gold prices in India are continuously increasing due to domestic demand based on security, liquidity and diversified portfolio. There would be various factors that influence the prices of gold. This study aims at understanding and analyze the various factors which influence gold prices in the Indian context.

Keywords: Gold Prices; Empirical Investigation;

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Business Strategy and Dynamic Capabilities to Manage Pharmaceutical Projects – An Exploratory Study In India

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Abstract

Dynamic capability views extended resource-based views to examine the influences of dynamic markets. In a dynamic environment, along with other industries, the pharmaceutical industry has to update and upgrade capabilities to meet the demands and maintain a competitive advantage. A survey was performed in India to assess the influence of various factors on pharmaceutical projects. It was observed that both business strategy and dynamic capabilities are necessary to manage pharmaceutical projects successfully.

Keywords: Business Strategy; Dynamic Capabilities; Pharmaceutical Project

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Mobile Technologies and Digital Social Media Platform as Major Enablers of Immunization Awareness: An Exploratory Study

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Abstract

Child immunization in the twentieth century remains a buzzword in India. According to UNICEF-India report 2015, approximately 62% of children received full immunization while 7.4 million remains un-immunized, the largest in the world. Even though India has achieved a considerable increase in child immunization rate since the year 2000, it remains far from achieving 100% immunization. Technologies and Digital social media since the last decade have played a pivotal role in spreading awareness for child immunization in India. This study conducted in the rural context across three Indian states aims at 1. investigating and identifying the major enablers of immunization awareness and further elaborates.2. How communication technologies, digital media adoption and mobile penetration (Internet/telephony) in rural India and to what extent has helped in spreading immunization awareness. Uniqueness: Practical goal-oriented research, simple methodology and impactful managerial insight.

Keywords: mobile Technologies; Immunization; Social Media

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Factors influencing Customer Satisfaction towards after Sales Service of Automobiles and the impact of Lockdown due to COVID- 19

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Abstract:

Automobiles speak to opportunity and financial development. Vehicles enable individuals to live, work and travel in manners that were unbelievable a century back. Cars give access to business sectors, to specialists, to occupations. Domestic automobile production increased by 9.84 percent during April 2018-January 2019 to reach 26.26 million vehicle units. There is a need to capture the customer satisfaction towards the after sales service provided by service centers. This is carried out to analyze current requirements and know customer expectations towards service centers and the various factors which affect satisfaction. In the automobile industry, after-sales service plays an important role. The main crucial evaluation criteria for customer satisfaction is the availability of after-sales service. The after-sales service quality can be measured by a customer satisfaction survey. The purpose of this paper is to study the impact of lockdown due to COVID 19 on after sales service and understand the problems faced by the customers and their loyalty towards their service provider.

Keywords: Customer satisfaction, after-sales service, loyalty

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Progression towards Society 5.0: Internet of Things (IoT) based Wireless Sensor Network for Tracking & Monitoring Wetlands of Odisha

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Abstract

Today we live in a world with increasingly complex societal problems and only sustainable development goals can be a trade-off which Society 5.0 talks about. Ageing society with huge industrial advancements, improper wealth distribution, increased carbon footprint, and inadequate Artificial intelligence-based approaches in the agriculture domain and urbanization accomplishments have hugely impacted the level and quality of natural groundwater resources around the globe. Here, we especially address - Odisha, an eastern state of India. It has about 78,000 wetlands which have a huge impact on the socio-economic activities in the region. Water from these wetlands is used for agriculture and domestic use as well. Wetlands are important for carbon sequestration, flood control, groundwater recharge, and biodiversity maintenance. They directly impact society in terms of employment and the quality of livelihood. The state of Odisha has two important wetlands, namely - Bhitarkanika Mangroves and Chilika Lake that are extensively monitored. However, there is no mechanism to monitor the entire wetland system as a whole. An Internet of Things (IoT) based heterogeneous wireless sensor network can be deployed in an economically viable manner for monitoring these water bodies. The huge amount of data generated by these sensors can be collated into a cloud system. A software system is modeled here, which can use the data collected by sensors and efficiently report the changes in the salinity, pollution levels, groundwater level, and the changes in biodiversity of the state. When the change in the values reaches a certain threshold as per the proposed system design, necessary alarms would be raised that could aid in taking effective decisions for agriculture-related activities.

Keywords- Society 5.0, Internet of Things (IoT), Wireless Sensor Network (WSN), Wetland Monitoring

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Factors Affecting the Food Wastage in The Long-Distance Export of Perishable Products such as Fruits and Tomatoes and the Impact of COVID- 19

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Abstract:

The demand for fresh agricultural products is increasing and there is a worldwide socio economic development improving the shelf life of perishable products. The main challenge for the companies is to manage the supply chain of the perishable food whose value deteriorates significantly over time and is highly dependent on the environment and mostly temperature and humidity are the key factors in the process. Transportation is the important factor that influences the supply chain of these perishable products especially during the Pandemic COVID 19. Some of the categories of fresh food are fruits and tomatoes which are fragile, time-sensitive and are susceptible to deterioration and useless if the delivery is delayed. The cargo for these perishable products may require refrigerated warehousing and transportation to extend its commercial life. Another main concern in the food production and distribution system around the world is the supply chain of perishable food is susceptible to economic shocks, environmental change or even management errors. It is a major concern especially in the case of long distance export of perishable products. Air transportation is considered to be the best mode of transport for long distance export of perishable products. The purpose of this paper is to study the challenges in the transport of the long distance export of perishable products in response to the increasing demand for fresh food and further investigate the factors affecting the food wastage in the long-distance export of perishable products such as fruits and tomatoes during the Pandemic COVID 19.

Keywords: Perishable products, long distance export, transportation, refrigerated warehousing

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Optimization of a Supply Chain Considering Uncertain Demand and Constraints on Emissions

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Abstract:

A strict carbon policy is one of the major carbon policies proposed by regulatory bodies. In this work, we have considered a strict carbon cap policy to determine the optimal order quantity, reorder point and number of shipments in a two-echelon supply chain under random demand considering partial backorders and loss of sales. All the major sources of emissions such as setup, production, inventory, and transportation have been considered. The objective is to optimize the total expected supply chain cost while satisfying the carbon emission constraint.

Keywords: Supply chain; Carbon Policy; Emission



ERM

Concepts and Cases - Vol.1

A V Vedpuriswar

ERM - Concepts and Cases: Volume - 1

Author:
A V Vedpuriswar

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Section 1: Concepts

Chapter 1
Risk Management: A historical perspective[1]

Introduction

Risk management has become more important than ever before. Not only should we be able to identify and anticipate risks but we must also have the tools necessary to manage them. This book provides a conceptual framework for managing risk in a systematic and coordinated way across an organization.

Over time, we have learnt to deal with risk and developed various tools**.** Indeed, as Bernstein puts it, "The revolutionary idea that defines the boundary between modern times and the past is the mastery of risk…Until human beings discovered a way across that boundary, the future was a mirror of the past or the murky domain of oracles and soothsayers who held a monopoly over knowledge of anticipated events."

This chapter explains how risk management has evolved in the past few centuries.

The Renaissance

Till the time of Renaissance, the common man took most of his decisions by instinct and believed in luck. The Renaissance, a time of discovery, encouraged investigation experimentation and demonstration of knowledge. Mathematical advances took place, gradually allowing risk management to evolve as a science.

In 1494, Luca Paccioli wrote a remarkable book which covered the basic principles of algebra and also provided multiplication tables all the way up to 60 X 60. Paccioli drew attention to the problem of dividing the stakes between two players after an unfinished game of cards. This was one of the earliest attempts to quantify risk.

A sixteenth century physician Girolamo Cardano published a book Ars Magna (The Great Art) in 1545. The book covered advanced topics such as quadratic and cubic equations and square root of negative numbers. Cardano wrote another book Liber de Ludo Alea (Book on Games of Chance),

[1] The quotes in this section are drawn from Peter Bernstein's book, "Against the Gods," unless otherwise mentioned.

Chapter 2
Enterprise Risk Management: An Introduction

"A business has to try to minimise risks. But if its behaviour is governed by the attempt to escape risk, it will end up by taking the greatest and least rational risk of all: the risk of doing nothing."

– Peter Drucker[4]

Introduction

On September 11, two airplanes hijacked by terrorists crashed into the World Trade Centre (WTC) in New York and another into the Pentagon building in Washington. The incident sent shock waves through the US and indeed the rest of the world. The unprecedented terrorist attack on the soil of the world's most powerful nation was an event which few had anticipated. The tragedy seriously affected the US economy, which was already teetering on the brink of recession. Consumer confidence was severely eroded. Airlines suffered a sharp decline in profitability due to reduced demand and increased spending on security measures. The insurance industry was hit hard. In the currency markets, many traders were hit. With the Federal Reserve cutting interest rates three times between September 11 and November, calculations of treasurers were upset. Thousands of talented employees who were in the twin towers at the time of the strike lost their lives. Even 20 years later, the memories of September 11 are sill vivid.

More recently, we have been going through the pandemic, described as a once in 100 years phenomenon. In its January 30, 2020, edition, the Economist under the title "Will the Wuhan virus become a pandemic?" reported that a new coronavirus, had been detected in China. The number of reported cases had grown from 282 on January 20th to almost 7,800 just nine days later. In that time four reported cases outside mainland China had multiplied to 105 in 19 territories. When the article was written, the fundamental nature of the disease had not been established, including how it was passed on and what share of infected people died. The Economist article raised some key questions: Will the new virus become a global disease? And how deadly will it be? The magazine recommended that while

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[4] Managing for Results

Chapter 3
Strategic Planning and Risk Management

Introduction

According to Arie De Geus, a former Shell executive, a scholar and an expert in strategic planning, most corporations are unable to survive long enough because they are unable to manage risks effectively. Enduring organizations excel simultaneously on various fronts. They are sensitive to their environment. They do not hesitate to move into uncharted areas when the situation so demands. They use money in an old-fashioned way, keeping enough of it for a rainy day. In other words, long lasting companies manage the risks they face in a flexible way, backed by expertise across functions.

Strategic planning is all about positioning an organization to take full advantage of opportunities in the environment while simultaneously reducing the vulnerability to threats. It becomes easier to do this if an organization is prepared for various eventualities. Then, as events unfold in the environment, it is in a better position to decide which strategy would work best. Strait-jacketed thinking, on the other hand, makes an organization impervious to external developments. When changes do occur, it is taken by surprise.

A recent example

Since the pandemic broke out, the global auto industry has found itself in a peculiar situation. While demand for cars has recovered smartly after the initial days of the pandemic, and indeed been robust, an acute shortage of semiconductor chips has forced auto companies to close production lines. But two companies have done spectacularly well while many others have struggled.

Tesla was able to better forecast demand than its larger competitors like GM who were surprised by how quickly the car market recovered from a steep drop early in the pandemic. They had simply not ordered enough chips and parts fast enough. When Tesla couldn't get the chips it needed, it took the ones that were available and rewrote the software that operated them to suit its needs. Larger auto companies relied on outside suppliers for much of their software and computing expertise. In many cases, automakers also relied on these suppliers to deal with chip manufacturers. When the crisis hit, the automakers lacked bargaining clout and found themselves in deep trouble. Tesla sold 936,000 cars globally in 2021, an 87 percent increase for

Chapter 4
Managing Technology Risks

"I think there is a market for about 5 computers,"

-Thomas J Watson, Chairman IBM[1] , 1943

"There is no reason for an individual to have a computer at home,"

-Kenneth Olsen, President, Digital Equipment, 1977

"64K ought to be enough for anybody,"

-Bill Gates, CEO, Microsoft, 1981

Introduction

Technological changes can wreak havoc on industries. In many industries, a firm's competitiveness is significantly influenced by its ability to respond to new product or process technologies.

Technological change is normally characterised by a high degree of uncertainty. Even if the technical feasibility of an innovation has been established, there may be considerable uncertainty about its commercial viability. Indeed, new problems often crop up after a new technology is commercially launched. So, early commitment to a new technology is not an easy decision to make. Not surprisingly, many companies fail altogether to make the transition to a new technology.

In making decisions regarding technological changes, companies err in two ways. In the first case, they commit themselves to a new technology too fast and burn their fingers. Iridium, the global satellite telecommunication project is a good example. In the second, they wait and watch while another company comes up with a new technology that puts them out of business. The computer disk drive industry comes in this category.

The issue of when and how to react to the emergence of a new technology is a matter of judgment. However, this judgement need not be based purely on a seat-of-the-pants approach. By doing a systematic structured analysis of developments in the technological environment and putting in place the necessary organizational mechanisms, technology risk can be considerably reduced.

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[1] Quotes drawn from Royal Dutch Shell Website, shell.com.

Chapter 5
Managing Risks in Mergers, Acquisitions and Strategic Alliances

Introduction

A combination of factors - increased global competition, regulatory changes, fast changing technology, need for faster growth and industry excess capacity - has fuelled mergers and acquisitions (M&A) in recent times.

A large M&A can make or break a company. Mark Sirower, an internationally acclaimed expert in the field of mergers and acquisitions found that two thirds of the 168 deals he analyzed between 1979 and 1990, destroyed value for shareholders. When he looked at the shares of 100 large companies that made major acquisitions between 1994 and 1997, Sirower found that the acquirer's stock, on an average trailed the S&P 500 by 8.6%, one year after the deal was announced. 60 of these stocks under-performed in relation to the market, while 32 posted negative returns. Many of the companies acquired were often sold off later, sometimes at a loss. Some of the large deals which destroyed value for shareholders include AOL- Time Warner, Travelers - Citicrop and Daimler - Chrysler.

Despite the risks involved, the M&A landscape continues to be vibrant. Tech companies in particular see a lot of scope to add value by bundling capabilities and leapfrogging competitors. In the tech industry, building capabilities is important as indeed onboarding more users because of the network effect. On both counts, M&As can be a useful strategy. Even though the absolute valuation of some of the deals looks large, in relation to the size of the big tech companies, the numbers are actually small. Thus Microsoft may have spent about $ 50 billion on acquisitions in the past 4 years but its R&D spend over the same period has been about $ 64 bn and it had $ 132 bn of cash at the end of 2021.

In February 2014, Facebook purchased the messaging service WhatsApp for $19 billion. The acquisition price was steep for an app that made little money and was largely popular outside the United States. But WhatsApp's rise had come just as Facebook was trying to become a mobile-first company and making messaging a core service. Facebook saw private messaging as the foundation for its next big business. WhatsApp had more than 400 million unique users a month. CEO Mark Zuckerberg saw the

Chapter 6
Managing Environmental Risks

Introduction

Environmental risk is the possibility of degradation of the environment owing to human activities, resulting in direct or indirect harm to people. A good example is the Bhopal gas tragedy of 1984, which exposed the tremendous risks associated with poor safety and environmental management practices. Thousands of people lost their lives after methyl isocyanate gas leaked from the Union Carbide plant in Bhopal. Thousands more were injured and left homeless. Memories of Bhopal are still alive in the minds of most Indians. Union Carbide could never recover from the setback.

Companies need to manage environmental risks carefully. But many do not have a clear idea of how to go about the task. Most companies view environmental risks differently from other risks. Typically, a health or safety department deals with issues concerning the environment. Moreover, environmental risks typically create confusion and vagueness in the minds of decision makers. Managers are not clear about what and how much to invest in improving environmental performance since the benefits are difficult to quantify.

Cautionary tales

The 1986 Chernobyl nuclear disaster in Kiev, Ukraine is also etched in the minds of many people. The explosion of the nuclear reactor killed 31 people. It also released large quantities of radioactive substances into the atmosphere. In scale, complexity and long-term consequences, it was the most catastrophic incident in the entire history of atomic energy use across the world. Cancer spread across the region and farmlands became contaminated. At least 400,000 people were forced to leave their homes, never to return. Belarus became a zone of ecological disaster.

Bhopal and Chernobyl served as wake-up calls to organisations. Environmental disasters have, however, continued to occur subsequently at regular intervals. The Valdez (United States) oil spill of 1989 and the Tokaimura (Japan) nuclear accident of 1999 are prominent examples. In developing countries like India, environmental issues often take the backseat and accidents are quite common.

Chapter 7
Managing Political Risks

Introduction

Political decisions or events often have an adverse impact on a company's operations. Political risk covers actions of governments and political groups that restrict business transactions, resulting in loss of profit or profit potential. In extreme cases, political risk may include confiscation of property. Usually, however, political risk arises due to various restrictions imposed by the government.

Political risk may take different forms. Policies may change after elections. A new leadership with a different ideology may emerge within the same political party and reverse earlier policies. More extreme events are civil strife and war. Even issues such as kidnapping, sudden tax hikes, hyperinflation and currency crises come under the broad category of political risk.

At a macro level, political risk arises due to external factors such as fractionalisation of the political system, societal divisions on the lines of language, caste, ethnic groups and religion, dependence on a major political power, and political instability in the neighbouring region. At a micro level, risks may result from change in policies in areas such as taxation and import duties, controls on repatriation of dividends, convertibility of currency, etc.

The different manifestations of political risk

- Actions against personnel, like kidnapping.
- Breach of contract by government.
- Civil strife.
- Discriminatory taxation policies.
- Uncertain monetary policies
- Insistence on local employment
- Expropriation or nationalisation of property.
- Non tariff trade barriers
- Inconvertibility of currency.
- Restrictions on remittances.
- Restrictions on foreign equity stakes
- Terrorism
- War

Chapter 8
Managing Ethical, Legal and Reputation Risks

Introduction

A sound appreciation of the contemporary legal and ethical environment has become a critical success factor for all companies. Care should be taken by companies to ensure that they stay within the spirit of the law and uphold high ethical standards. Ethical, legal and reputation risks have the potential to damage a company's reputation. So these risks must be handled carefully. Many reputed companies have got into trouble and paid a heavy price because they underestimated the importance of these issues. In this chapter, we discuss some of the key conceptual issues relating to class action lawsuits, product liability, product recalls, antitrust issues and intellectual property. Several examples have been provided to illustrate these concepts.

Some cautionary tales

Volkswagen

Volkswagen got into big trouble a couple of years back for its business practices. The German automaker had installed "defeat devices" that allowed more than 500,000 of its diesel vehicles to automatically detect the conditions of an emissions test in the United States and change their driving behaviour. The cars would appear compliant with emissions rules while under test conditions, but switch to deliver more power, and more emissions, when in normal driving mode. A $14.7 billion settlement was approved in 2019 in connection with what can be described as the Volkswagen emissions scandal. The settlement was reached three years after the Environmental Protection Agency first filed its lawsuit against Volkswagen in 2016. It included a $10 billion buyback program, and payments and emissions fixes to owners who did not wish to sell their vehicles back to Volkswagen.

Theranos

The spectacular rise of the blood-testing startup, Theranos and its subsequent failure has also vividly illustrated the price which business leaders have to pay for unethical practices. In 2003, Elizabeth Holmes, then 19 years old, dropped out of Stanford University and launched Theranos. She wanted to develop technology that could do tests for a range of health

Chapter 9
Managing Marketing Risks

Introduction

Marketing risks can come in various forms. Each new product launch involves risk. Similarly, dependence on a few customers also results in risk. Wrong communication strategies can dilute or harm the image of a brand. Poor pricing can create problems. An organization is also exposed to risk when its distribution channels wield high bargaining power.

The inability to control market forces and the difficulty in predicting these forces make marketing more of an art than a science. However, marketing decisions need not be taken purely on the basis of intuition. A systematic approach to formulation and implementation of marketing plans can definitely minimize risks. Technology can play a big role here.

This chapter explains the key marketing risks and how they can be managed. Several examples have been provided to illustrate these risks.

Cautionary tales

Unless marketers understand the psychology and motivation of the customer, even very cleverly designed products will not click. In August, 2021, we had the pleasure of listening to Ms Suparna Mitra, the CEO of the watches and wearables division of Titan. Ms Mitra gave a striking example of an innovation which sounded very logical and meaningful and seemed to have a large addressable market. But it finally failed to take off. This was the Sonata ACT launched in December 2018. It was an economy brand with a safety alert button aimed at the security of women. An app could be downloaded and the mobile numbers of the friends/relatives of a woman could be filled in. This would ensure that if the button was pressed in case of an emergency, a message would be sent to all the numbers. If the recipients had a smartphone, they would even get the GPS location. This product seemed to be very relevant for nurses, teachers, policewomen, factory workers who have to go out and work every day.

Strangely enough the product did not take off. Titan appointed a consumer research company to understand what the problem was. They found that most women members had already had major arguments with their family about going out to work. If a message went saying that there was a risk to

Chapter 10
Managing Cybersecurity Risks

Introduction

On Wednesday, Aug 15, 2012, a shadowy group linked to Iran targeted the computer network of the world's most valuable company, Saudi Aramco. The virus labelled Shamoon was designed to wipe out the memory of Aramco's computer system. Shamoon also overwrote Saudi Aramco's Master Boot Record, which prevented the computers from restarting. The attackers even collected the IP addresses of all the affected computers and posted them on the Internet as "Proof of work". The entire computer network of the energy company had to be shut down and all the infected computers (30,000 out of the total of 40,000) had to be replaced. It took 15 days for things to come back to normal.

In April 2013, the Syrian Electronic Army hacked into the Twitter account of Associated Press (AP) and posted a story: "Breaking news: Two explosions in the White House and Barack Obama is injured." Between 1: 08 and 1: 10 pm, the NYSE plunged by 150 basis points or a market impact of $ 136 billion. The Syrians could launch the attack very easily with a seemingly innocuous email with what looked like a harmless link. An AP staffer clicked on the link without realizing the implications.

In May 2017, Zinc, a group associated with the North Korean government launched a sophisticated cyber-attack, which came to be known as Wannnacry. It started in the UK and Spain and within hours spread around the world, affecting 300,000 computers in more than 150 countries. The code encrypted and locked a computer's hard disk and then displayed a ransom message demanding $ 300 for an electronic key to recover the data. Without the key, the user's data would remain inaccessible forever. Ironically, the most sophisticated component of the Wannnacry code was developed by the US National Security Agency (NSA) to exploit a vulnerability in Windows. The NSA had created the code to neutralize its adversaries. The software was stolen and sold on the black market. Zinc added a potent ransomware payload to the NSA code. As someone put it, the NSA developed a rocket and the North Koreans converted it into a missile!

On June 27, 2017, a cyber-attack on Ukraine, disabled an estimated 10% of all the computers in the country. The attack, later associated with Russia

Chapter 11
Managing Human Resources Risks

Introduction

In today's knowledge driven business environment, it is the quality of people that ultimately determines the competitiveness of an organisation. Great companies attract good people, have mechanisms for retaining and nurturing them and build a strong leadership pipeline. On the other hand, in poorly managed companies, good people hesitate to join. Those who do join, lose motivation, get frustrated quickly and leave. Due to a shortage of talented people, such companies find it difficult to grow fast and exploit the opportunities in the marketplace. Over time, they lose their competitive edge. In short, human resources management has become more critical than ever before.

This chapter examines some of the important risks associated with human resources (HR) and how they can be managed. The best way to understand HR risks is to identify the key activities handled by the HR function. These include leadership development, recruitment, retention and motivation of employees. We shall explore some of the key issues relating to these activities.

Succession planning

At a strategic level, CEO level succession planning is a very important Human Resources (HR) risk. The consequences of appointing the wrong successor can be disastrous. Take the case of Westinghouse. A series of wrong CEOs virtually drove the company which was once rated on par with General Electric, into bankruptcy.

Though all CEOs want to avoid a wrong successor, their track record, in this regard is disappointing. Consider the legendary CEO, of Coke, Roberto Goizueta. The aristocratic Cuban had trained his successor, Doug Ivester well and had nominated him as his successor well before his death. When Goizueta died of cancer, Ivester took charge in what the markets perceived to be one of the smoothest transitions ever in a Fortune 500 company.

Yet, a couple of years later, Ivester was found unfit for the task and had to resign. An accountant by training, Ivester had a flair for numbers and the reputation of a street fighter. When they were together, Ivester complemented Goizueta well. But after becoming the CEO, Ivester found it

Chapter 12
Aligning systems, processes and culture to manage risks

Introduction

A key objective of Enterprise Risk Management (ERM) is to ingrain risk management into the organisation culture by making it a core value of the organization and building it into day-to-day practices. The systems and processes of the organization should enable managers to know what risks are being taken, quantify them and assess whether they are within prescribed limits. They should also facilitate corrective action, where necessary.

The various scams and disasters in recent times have made it clear that general managers cannot let treasurers, traders and other frontline managers operate merrily without being questioned when they are taking huge financial decisions. A system of checks and balances is necessary to keep risks within specified limits.

Good management control systems can protect a company from avoidable risks by defining performance standards, measuring actual performance and taking corrective action on a regular basis. Systems and processes must be designed in such a way that they align individual goals with corporate objectives and discourage excessive risk taking. Auditing and testing must be undertaken periodically to check the robustness of processes, procedures and controls.

Along with systems and processes, it is also important to shape the culture of the organization and check dysfunctional tendencies. The 'right' culture encourages entrepreneurial risk taking but discourages gambling.

Role of the senior management

The board and the senior managers need to send strong signals that they consider risk management a priority. The board should play an active role in identifying the risks that may have a significant impact on the fulfilment of corporate objectives. It should review information on these significant risks from time to time. The board should come to a consensus regarding what risks are acceptable, the probability of their occurrence and the type of mechanisms and processes needed to reduce their impact.

Section 2: Cases

Chapter 13
Amazon in 2020

Introduction

Jeff Bezos, CEO of Amazon, is perhaps the 21st century's most important business tycoon according to the Economist which published a special report on the company last year. As the magazine mentioned, "Amazon is no longer just a bookseller but a digital conglomerate worth $1.3 trn that consumers love, politicians love to hate, and investors and rivals have learned never to bet against."

Amazon defies the thinking and wisdom of most management gurus. In particular, the company is different from other large companies in two ways. In an era when executives routinely complain about the pressure from the Street to meet quarterly earnings targets, Amazon is resolutely focused on the long term. The second distinctive feature is the mindboggling breadth of activities. The company's culture has enabled it to enter new businesses with a boldness that is truly remarkable.

For Bezos, it is always "Day 1". Since its founding in 1994, Bezos has insisted that Amazon must forever behave like a startup, innovating aggressively and expanding market share relentlessly. Thanks to that philosophy, Amazon has grown at a relentless pace in the past 26 years.

Amazon today

Today tens of thousands of dollars worth of goods change hands on Amazon's e-commerce platform every second. The company delivers 3.5bn packages, one for every two human beings on Earth (2020 data). Amazon Web Services (AWS), the cloud-computing division, enables more than 100m people to make Zoom calls during the day and a similar number to watch Netflix at night. Amazon currently generates annual revenues of about $386 bn with an operating income of about $ 23 bn (2020 figures).

Over the last decade, no company has created more jobs than Amazon. Today (mid 2020), Amazon directly employs 840,000 workers worldwide, including over 590,000 in the U.S., 115,000 in Europe, and 95,000 in Asia. In total, Amazon directly and indirectly supports 2 million jobs in the U.S., including 680,000-plus jobs created by Amazon's investments in areas like construction, logistics, and professional services, plus another 830,000 jobs created by small and medium-sized businesses selling on Amazon.

Chapter 14
Apple in 2021

Introduction

Apple is today (as on Dec 31, 2021) the world's most valuable firm, with a market value of $2.9 trillion. Over 80% of that value has been created during the tenure of CEO Tim Cook. No other CEO in the history of business has created more dollar value for shareholders. Cook has been able to maintain Apple's record of innovation that started under Steve Jobs and has also strengthened its brand. But the coming years may pose a different set of challenges. Will Cook be able to handle them effectively?

Apple under Cook

Few expected Tim Cook to take forward the legacy of Steve Jobs and even fewer could have predicted the spectacular results he has achieved since 2011. A supply chain expert and a quintessential operations man, Cook looked hardly the leader who could inspire Apple employees to continue creating "insanely great" products as Jobs had done. But now the numbers speak for themselves. Indeed, in financial terms, Cook has been a far more successful CEO than the late Jobs.

Under Cook, market cap has increased from $349 bn to $2.9 trn. Annual sales have increased smartly from $108 bn in 2011 to $366 bn in the year ending September 25, 2021. Net profit has more than doubled, to $57 bn, making Apple the world's most profitable company. The "Apple economy" ie its own annual revenue plus revenues other companies generate on Apple platforms—has grown sevenfold, to more than $1 trillion.

The drivers of success

Apple's success under Cook is the result of a combination of factors.

Cook has kept pushing for the improvement of the iPhone. Whereas the iPhone 4s, announced shortly after he became CEO was essentially a sophisticated mobile phone, the iPhone 13 is a hand-sized supercomputer with a processor nearly 50 times faster. More than a billion Apple smartphones are now used across the world. Without doubt, in value terms, this is the most successful product in the history of business.

Under Cook, Apple has built a global supply chain. The company's production network has China at the centre with components coming from

Chapter 15
Google in 2020

Introduction

When Sundar Pichai took over as chief executive of Google in August 2015, the online-search-and-advertising business had annual revenues of $66 bn and a net income of $14bn. By the time Sergey Brin and Larry Page, Google's founders, handed him the reins of Alphabet, Google's parent company in December 2019, the company was generating profits of $34 bn on sales of $161bn and Alphabet was worth almost twice as much as it was four years earlier. It is estimated that today, more than 4 bn people use at least one of Google's products or services. Thus, by any standard, Google is an enormously successful company.

But behind these impressive numbers, there are concerns. In a cover story, the Economist magazine (August 1, 2020) highlighted Google's maturing business, its changing culture and its relationship with the government. Alphabet recently reported the first year-on-year decline in quarterly revenues in its history, due to the tightening of marketing budgets during the pandemic. The company's famously freewheeling culture is becoming harder to sustain. Meanwhile, antitrust authorities are pressing charges against Google for alleged abuses of its market dominance.

A brief history

Google began in January 1996 as a research project by Larry Page and Sergey Brin when they were PhD students at Stanford. The domain name for Google was registered in September 1997.

Before 1998, most web users began their internet visits at portals. Google was an anomaly. Its website offered nothing but search. Google probably hoped to develop a good search engine and license it to other portals. While conventional search engines ranked the search results by counting how many times the search terms appeared on the page, Brin and Page came up with a better system that analyzed the relationships among websites. Their algorithm called Page Rank, determined a website's relevance by the number of pages and the importance of those pages that linked back to the original site. In 2000, Yahoo chose Google as its search engine.

As the search engine was fed with more queries and more data, it began to improve. In November 2000, Google began to sell advertising to companies

Chapter 16
Scenario Planning at Royal Dutch /Shell[1]

Introduction

Oil companies are exposed to a variety of uncertainties - price fluctuations, market risks, physical hazards and environmental risks. Oil prices can fluctuate within a wide range and an accidental spill can cost an oil company up to billions of dollars. Shell, one of the largest oil companies in the world, has developed a technique called Scenario Planning to deal with uncertainty. This case looks at the evolution of Scenario Planning in Shell and how it has facilitated risk management. The case also brings the reader up-to-date with Shell's current scenarios.

Table I

Application of Scenario Planning at Shell

1970s	• Global scenarios • Addressing macro economic and oil industry issues • Preparing for uncertainty and change
1980s	• Broad based global scenarios • Improved understanding of socio political developments and energy markets
1990s	• Both global and focused business scenarios • Wider range of applications

The evolution of Scenario Planning

Scenarios are stories of how the external environment may develop in the future. They draw attention to important forces which can push the future in different directions. Shell begins the Scenario Planning exercise by identifying the issue or decision involved; and then links it to the company's strategic agenda, making reasonable assumptions whenever required. Shell uses a combination of global and local scenarios to guide its strategic planning activities.

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[1] This case is based on information provided on the Shell website, shell.com.

Chapter 17
The Citicorp Travelers Group Merger

Introduction

In April 1998, the financial services giants, Citicorp and Travelers Group announced they would merge to form Citigroup with a market capitalisation of $160 billion and assets of $700 billion. Citigroup would sell a range of products to individuals, corporates and governments across the world. It would operate in diverse businesses such as traditional banking, consumer finance, credit cards, investment banking, securities brokerage and asset management, and property, casualty and life insurance. The two companies indicated that this would be a merger of equals. John Reed, the Citicorp CEO and Sandy Weill, the Travels Group CEO, were named co-CEOs of Citigroup.

Citicorp and Travelers before the merger

Citicorp (Citi) and Travelers had come to the merger table with different backgrounds. Citi had become the leading consumer bank in the world by the 1990s, driven by organic growth. Travelers had grown through acquisitions. Citi had struggled with the few acquisitions it had made, a notable example being Qeutron, the securities data firm. Weill, on the other hand, was a seasoned expert in implementing acquisitions. In 1986, after quitting American Express, Weill bought Commercial Credit, a small consumer lending firm. Over time, through a series of mergers, this became Travelers, an insurance and brokerage conglomerate. Its subsidiaries included Salomon Barney (brokerage services, investment banking and underwriting); Commercial Credit (consumer loans); Primerica Financial Services; Travelers Bank Credit cards and Travelers Life and Annuity. Weill believed in moving fast after an acquisition, selecting a management team carefully and driving under managed businesses to their full potential.

Synergies

When Weill and Reed met on February 25, 1998, Reed was surprised by Weill's merger proposal. But gradually, the Citicorp CEO realized that the two companies were in complementary businesses with little overlaps. In the third week of March, Reed and Weill agreed to go ahead with the merger. They met leading luminaries in Washington including President Clinton, Alan Greenspan and Robert Rubin to get their support.

Chapter 18
The Daimler Chrysler Merger

Introduction

On May 6, 1998, two of the world's leading car manufacturers, Daimler-Benz and Chrysler, agreed to combine their businesses to form the third largest automobile company in the world in terms of revenues, market capitalization and earnings (fifth in terms of the number of units of passenger-cars and commercial vehicles sold). In the new company, called DaimlerChrysler (DCX) Juergen E Schrempp and Robert J.Eaton the CEOs of Daimler and Chrysler respectively were named co-CEOs. Both appeared confident that the merger would generate various synergies and growth opportunities.

Schrempp remarked[1], "The two companies are a perfect fit of two leaders in their respective markets. Both companies have dedicated and skilled workforces and successful products, but in different markets and different parts of the world. By combining and utilizing each other's strengths, we will have a pre-eminent strategic position in the global marketplace for the benefit of the customers. We will be able to exploit new markets, and we will improve return and value for our shareholders. This is a historic merger that will change the face of the automotive industry."

According to Eaton, "Both companies have product ranges with world class brands that complement each other perfectly. We will continue to maintain the current brands and their distinct identities. What is more important for success is our companies share a common culture and mission……. both clearly focused on serving the customer…….. both have a reputation for innovation and quality…….. By realizing synergies…… we will be ideally positioned in tomorrow's market place".

Chrysler

In 1993, the Chrysler board had appointed Robert Eaton, then a senior General Motors (GM) executive, as the new chairman and CEO, following the legendary Lee Iaccoca's retirement. Eaton divested unrelated businesses to concentrate on car and truck making activities. He emphasized quality and efficiency, strengthened the balance sheet by reducing debt and increased Chrysler's commitment to new product development. By 1995,

[1] Press release, May 7, 1998.

Chapter 19
The Bhopal Gas Tragedy

Introduction

The Bhopal gas tragedy resulted due to a major leakage of poisonous gas from Union Carbide's plant in the city in the early hours of December 3, 1984. Of Bhopal's estimated population of one million, almost 500,000 people fled that night, mostly on foot. Thousands of people died, and tens of thousands of others were seriously injured. Local medical facilities were grossly inadequate to deal with the disaster. Mass burials and funerals were arranged for the victims. The injured continued to suffer, with increased risk of sterility, vision problems, brain damage and various other ailments. The disaster offers useful lessons on the importance of environmental risk management. It also addresses some major ethical issues in the way MNCs manage their facilities and operations in developing countries.

Union Carbide's Bhopal plant

Union Carbide (UC) began operations in India with a battery plant set up in Calcutta in 1926. By 1983, UC had 14 plants in India manufacturing chemicals, plastics, batteries and other products. The parent company held a 50.9% stake in the Indian subsidiary. Even though the Indian Government generally imposed a ceiling of 40% equity for foreign investors, it made an exception in the case of Union Carbide, in view of the sophisticated technology that it was bringing into the country.

India's green revolution resulted in a significant increase in the consumption of pesticides. Noting this trend, UC set up a pesticide plant in Bhopal in 1969. UC chose Bhopal because of its central location and the significant power and water supply subsidies offered by the State Government. Land was also made available at a concessional rate. Initially, UC kept the operation very simple. It imported concentrated pesticide (Sevin) from the US. This was diluted with non-toxic powder, packed and then sold. Later, full-fledged operations began.

At the time of construction, the plant, though close to the railway station and the bus stand, was on the outskirts of the city. However, within a few years, slums came up all around the factory. Residents of the locality frequently suffered from nausea and other relatively minor problems due to small gas leaks from the plant. But they could not protest because their houses had been constructed illegally. These residents also believed that the

Chapter 20
Microsoft faces anti-trust intervention

Introduction

In the late 1990s and early 2000s, the Microsoft antitrust case attracted a lot of media attention. The petition, filed by the US Department of Justice (DoJ) in October 1997, contended that Microsoft had used its dominant position for pursuing anti-competitive strategies. After several hearings, rulings and appeals, the antitrust case reached its climax in June 2000. Judge Thomas Penfield Jackson decided to split Microsoft into two separate companies, one devoted to the Windows operating system and the other to application software such as Microsoft Office.

Microsoft appealed against Jackson's ruling. On June 28, 2001, a Federal Appeal Court overturned the split ruling. It however, agreed to the lower court's conclusions that Microsoft did have a monopoly in computer operating systems and this monopoly power had violated US antitrust laws.

On August 7, 2001, Microsoft requested the US Supreme Court to vacate all legal rulings made by the trial judge against the company. On September 6, the DoJ observed that it would not seek the breakup of Microsoft nor would it pursue the issue of whether it was illegal for Microsoft to bundle its Internet Explorer with Windows operating system. In early September, the DoJ announced that it would drop the charges against Microsoft. In November, it reached a settlement with the company.

The Microsoft case raised several intriguing issues. What is the meaning of market dominance in an industry characterized by fast changing technology? If several features are bundled together for the convenience of a customer, is it an unfair practice? Is it an unfair practice to give away any product free?

A long history of litigation (FTC)

The Federal Trade Commission (FTC) began to watch Microsoft closely when in November 1989, it announced it was teaming up with IBM to launch a more powerful version of OS/2 and a less powerful version of Windows. The FTC felt that the companies were trying to limit competition between their operating systems. However, before it could take action, the partnership came apart and Microsoft started working on Windows 3.0. Consequently, the DoJ refused to authorize a full FTC investigation.

Chapter 21
Parmalat

Introduction

This case draws heavily from an insightful article published on November 29th, 2016, by Ron Rimkus of the CFA Institute

Parmalat was founded in 1961 by Calisto Tanzi as a family-run farm in Northern Italy, with a small milk pasteurization plant. In the years that followed, the company grew into one of the largest dairy and food companies in Italy and eventually became a multinational conglomerate. In 1988, Parmalat experienced a miniature debt crisis after an acquisition spree. Political allies helped the company arrange an $80 million bailout from a seven-bank consortium.

In 1990, the company was listed on the Milan Stock Exchange. In the late 1990s, Parmalat accelerated its international expansion strategy, mostly through mergers and acquisitions, expanding its portfolio beyond the company's traditional food and dairy industries (including Italian, South American, and Russian football clubs).

By 2002, Parmalat had become Italy's largest food company, with 36,000 employees, and was worth €3.7 billion. Standard & Poor's upgraded the outlook for Parmalat from "stable" to "positive. "At the time of its crisis in 2003, Parmalat had 214 subsidiaries in 48 different countries.

Parmalat's problems came out into the open in the middle of 2002. Its stock fell 40% between November 2002 and February 2003. On 8 December 2003, Parmalat defaulted on a €150 million eurobond despite having reported more than €4 billion in cash and short-term assets on its financial statements. On 9 December 2003, Parmalat's bond rating was downgraded to junk grade by S&P. Soon, Parmalat shares were delisted from the Milan stock exchange. On 22 December 2003, the Italian government pushed for a quick bankruptcy settlement to protect industrial operations. On 27 December 2003, Parmalat was officially declared insolvent, and former CEO Calisto Tanzi was arrested.

A history of fraud

Parmalat's fraud apparently began in 1990 and lasted until 2003. When the company's financial performance began to slip in 1990, the management chose to cover up the problems through fraud and collusion. During this 13-

Chapter 22
The Intel Pentium Recall

Introduction

A stitch in time saves nine. So goes the saying. This simple truth was overlooked by Intel, the microprocessor giant. In November 1994, Intel found itself facing angry customers, who demanded replacement of their faulty Pentium microprocessor. Intel had initially reacted by stating that the problem was minor and would not affect most customers. For quite some time, Intel continued to maintain its rigid posture. But when IBM halted shipments of PCs containing the Pentium, Intel realized it was on the brink of a major crisis. The company spent $475 million on recalling the chips as part of its no questions – asked return policy. The Pentium recall episode has some important lessons to offer in strategic product recall management.

Early history

Intel was founded in 1968 by two visionaries, Robert Noyce and Gordon Moore. The company rapidly emerged as one of the leading manufacturers of memory chips in the world. But in the wake of a serious threat from Japanese manufacturers in the late 1970s and the early 1980s, Intel decided to stop manufacturing memory chips and began to concentrate on microprocessors. From then, Intel with its X86 series went on to dominate the microprocessor market.

Intel's emergence as the world's largest microprocessor manufacturer was facilitated by its decision to start manufacturing the chip sets and the motherboards[1]. Earlier, computer manufacturers had to procure these items from various manufacturers. They could not provide the latest technology to the consumers as quickly as they wanted. The introduction of chip sets and motherboards helped manufacturers to introduce new products in the market much faster. As the popularity of these chip sets and motherboards increased, Intel's sales multiplied.

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[1] A chip set is the collection of logic semiconductor chips that performs functions like synchronization of the actions of various components. A motherboard is a circuit card on which slots for various chips are provided. Earlier, computer manufacturers had to procure the chip sets and the motherboard from various manufacturers.

Chapter 23
The fall of Doug Ivester

Introduction

Roberto Goizueta, a Cuban born chemical engineer became the CEO of Coca Cola (Coke) in 1981. Goizueta, who had been educated in the US, started his career in Coke's technical department in Cuba in 1954. After Castro seized power, Goizueta and his wife escaped to Florida in 1960, with just $40 and 100 Coke shares. Thereafter, Goizueta made rapid progress up Coke's corporate ladder. He handled various technical and administrative assignments till he became CEO in 1981. Despite his lack of line function experience, Goizueta was considered for the post of CEO because of the impact he made on Robert Woodruff, the former CEO of Coke.

During Goizueta's tenure as CEO, Coke's market capitalisation increased almost 40 times. While rival Pepsi Co. tried to increase market share aggressively, Goizueta focused on increasing the return on investment and raising the stock price. Goizueta did make a few blunders such as the launch of New Coke and the acquisition of Columbia Pictures. But he recovered from these mistakes quickly and by the end of his tenure had become recognized as one of the greatest CEOs in modern corporate history.

When the elegant and aristocratic Goizueta died of cancer in October, 1997, the board quickly nominated Douglas Ivester, the President and COO, as his successor. Many people praised Goizueta liberally for his foresight and vision in having selected Ivester for the top job. According to the Economist[1], "Robert Goizueta will be severely mourned at Coca Cola, … but he might not be missed. Strangely enough, that would be one of the greatest compliments a departed chief executive could receive… Douglas Ivester, Coke's 50 year old president and chief operating officer, is now expected to succeed Mr Goizueta and to carry out the same strategy that has served Coke so well. ……. Mr Goizueta deserves the credit for this smooth transition. He was responsible for succession at Coke, and his plans had been laid well in advance."

Fortune[2] also heaped lavish praise on Goizueta, "It is indeed a tribute to Goizueta that succession at Coca Cola is, to Wall Street at least, no big deal.

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1 October 23, 1997.
2 October 13, 1997.

Chapter 24
The Crisis at Wells Fargo

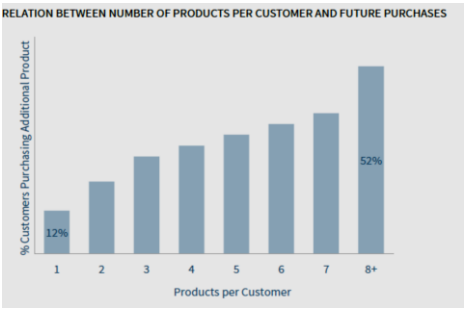
Introduction

In 2016, Wells Fargo, a leading US bank faced a major crisis. The bank's aggressive culture of cross selling had led to many unauthorised activities that were not in the best interests of customers. Millions of credit card and deposit account were opened without the permission of customers. After the news broke out, Wells Fargo (Wells) not only had to pay heavy fines but it also suffered a major reputation loss. Many senior managers were fired. The bank was also subjected to major growth restrictions by the Federal Reserve.

About Wells Fargo

Wells was one of the few banks to emerge healthy from the global financial crisis of 2007-08. The west coast based bank had expanded its presence across USA after buying Wachovia, once the country's fourth-largest bank, in 2008. Thanks to the acquisition, Wells doubled its branch count. At the same time, Wells took a wise decision not to go ahead with the acquisition of Countrywide, the large mortgage underwriter. (Bank of America made that acquisition and ran into serious trouble thereafter.)

Wells' core philosophy was building relationships with customers and cross-selling, i.e. persuading customers to buy more products and services. In the second quarter of 2016, households with current (checking) accounts at Wells had on an average 6.27 products. The bank developed a great reputation for incentivising its employees to push the different products in its portfolio. Ironically enough, those incentives backfired.



Risk management has become more important than ever before. Not only should companies be able to identify and anticipate risks, but they must also have the tools necessary to manage them. This book provides a conceptual framework for dealing with risks in a systematic and coordinated way across an organization. Hence, the name Enterprise Risk Management (ERM).

An organisation-wide view of risk management can greatly improve efficiencies, generate synergies and provide a competitive advantage. ERM addresses some fundamental questions:

- What are the various risks faced by the company?
- What is the magnitude of each of these risks?
- What is the frequency of each of these risks?
- What is the relationship between the different risks?
- How can the risks be managed to maximise shareholders' wealth?

In this volume, we cover some of the important non-financial risks organizations face.

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During his 11 years in Cognizant, Ved was closely involved in the development of thousands of executives in the middle management cadre with 15 - 20 years of experience. Earlier, he was with UBS and Tata Steel.

Ved's passion is in simplifying complex and abstract concepts and making them relevant to students and practitioners. Ved also has a deep interest in the use of storytelling in various aspects of leadership and management. As an academic, Ved has been an enthusiastic proponent of the use of case teaching.

Ved lives in Hyderabad with his mother K. Lakshmy, wife, Ananthalakshmi and two children who have recently started their careers: Vishwanath (Qualcomm) and Lakshmy (Microsoft).

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on

"Evolving Trends in Finance & Accounting"

Organized by:

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On

19- 09-2021

IBS
ICFAI BUSINESS SCHOOL
Hyderabad

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Message from the Vice Chancellor

Greetings!



It gives me immense pleasure to inform you that the Department of Finance & Accounting is organizing its **conference on Evolving Trends in Finance & Accounting (Virtual)** on 19-09-2021 at IBS Hyderabad on the theme "**Managing Finance in Volatile and Uncertain Times**"

The conference aims at bringing together academics and scholars to discuss, deliberate and analyze the evolving challenges in Corporate Finance, Accounting, Risk Management and Financial Markets. The year 2020 and 2021 has been a dramatic year for economies, corporates, financial markets and BFSI. While the economies slumped based on the back of fall in GDPs, the lowering of the interest rates by the Central Bankers to infuse liquidity kept the money spigot moving. The financial markets which saw a massive fall in March 2020, rose steadily reaching all time highs towards the end of 2021. While the world was still suffering with the different variants of the Virus, no one could say with certainty when normalcy would return. This dichotomy in the performance of the financial markets and the stark reality of the economy raised many questions which gave a setting for the conference.

The contributions came from a diverse spectrum of representatives encompassing faculty members, research scholars and students from India and abroad. The submissions have captured diverse issues in the field of Corporate Finance, Asset Pricing, Market Microstructure and Corporate Governance.

Prof. J. Mahender Reddy
The ICFAI Foundation for Higher Education, Hyderabad.

Message from the Dean-Academics, IBS Hyderabad

Greetings!



ICFAI Business School, Hyderabad is proud to organize its conference on recent trends I operations management on 19-09-2021. IBS Hyderabad is one of the most prominent and premier B Schools in India accredited with AACSB. Espoused to its three- pronged mission: To provide 'Right Knowledge', develop 'Right Skills', and build 'Right Attitude', the school's research orientation coupled with industry focused pedagogy and courses provide students, faculties and practitioners with rich learning experience.

Economies, organizations and individuals are facing tremendous challenges from the volatile and uncertain environment caused by the onset of the Covid pandemic in early 2000. Forecasting of cashflows have become difficult which makes valuation of any asset difficult. The pandemic calls for putting in place effective risk management systems in place to prevent abnormal losses. The conference aims to explore the changing role of finance and business in helping organizations transition during and beyond the pandemic. We, at IBS Hyderabad, have a vibrant department of Finance & Accounting, which constantly strives to bridge the gap between practice and academia. This conference is another such attempt at opening the thinking minds around corporate finance, market microstructure, corporate governance and asset pricing bringing forth numerous potential solutions to mange risk and uncertainty in business and financial markets.

The conference on Evolving Trends in Finance and Accounting has been organized around the theme "Managing Finance in Volatile and Uncertain Times" Academic research and practitioners' insights have been collated into this conference Proceedings.

I take immense pride and pleasure in inviting all of you to the conference on Evolving Trends in Finance & Accounting, 2021 and hope each participant will reap the maximum from the event.

Prof. C.S. Shylajan

ICFAI Business School (IBS)-Hyderabad

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Debt Heterogeneity and Firm performance: Firm Life Cycle Approach

Akanksha Saxena
(Dept. Of Finance & Accounting, ICFAI Business School, Hyderabad, IFHE)

Abstract: Firms use various sources of debt that are different in many aspects, i.e., heterogeneous debt. The extant literature suggests that debt heterogeneity exists because of agency issues and information asymmetry. These two forces are found to vary with the stage of the life cycle of the firm. Thus, it is important to examine whether there is any relationship between debt heterogeneity and life cycle stages of the firms? This is the main objective of the proposed study. Using an unbalanced panel data of Indian listed firms for the period 2001-2019, this study examines: First, debt heterogeneity pattern of Indian firms, second, the relationship between debt heterogeneity and firm life cycle and finally the impact of debt heterogeneity on firm performance. The study also examines these aspects in the context of business groups affiliation.

Keywords: Debt heterogeneity, Firm life cycle, Group affiliation, Firm performance

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Cost Driver and Cost Allocation

T Sitaramaiah
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Abstract: The case describes Bhart, owner of Coco's pure coconut oil (PCO) manufacturing company, who is trying to estimate the cost per litre of his core product PCO. The analysis requires performing cost allocation by examining the role of different cost drivers. The focus of the case is to appreciate the subjectivity involved in allocating overheads under different costing methods i.e. traditional and activity-based costing. The analysis reveals the interplay of cost allocation by using different cost drivers leading to different predetermined overhead rates under traditional costing. The case also enables students to identify a different set of activities involved in the production of PCO, identify activity-based cost hierarchies and apply activity-based costing to allocate overheads to the cost object. It also enables us to understand the role of cost drivers in allocating overhead costs.

Keyword: Case study, Cost drivers, PCO

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Board Diversity and Performance of Banks in India

T Sita Ramaiah
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Abstract: The present study investigates the board diversity impact on the financial performance of banks in India. The study assesses the impact of board characteristics on the financial performance of banks using panel data of 20 banks consisting of the public sector and private sector for the period of 2011-2019. The financial performance is assessed using ROA, ROE and Tobin's Q. In this study, Pooled Ordinary Least Square (OLS) and Generalized Least Square (GLS) estimation are used. Generalized Method of Moments (GMM) estimator is used to know the dynamic nature of financial performance and board characteristics relationship. The results confirm the significant negative relationship between board size and financial indicators. The result shows a positive and significant relationship between women on board with the performance of the bank.

Keywords: Board diversity, Banks in India, Board size, GMM

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Performance Evaluation of Indian Banks

Koya Raghunadh
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Abstract: The performance of the Indian banking system for the period ended June 2019 was examined with the needed focus on the banks and NBFCs. The study was based broadly on the publication of the RBI titled " Trend and Progress of Banking in India" for the period ended June 2019. The principal theme of the study was that Indian banking was virtually at the crossroads, plagued by the stress in the banking operations, particularly loan products. However, there was a silver lining since the gross and the net-NPA levels of various bank groups are showing signs of improvement. It is expected that the banking industry as a whole is expected to weather the storm of the NPAs. It was noted that the various bank groups (PSBs, PvSBs, Foreign Banks, NBFCs) are showing an expected divergence in their performance in tackling NPAs. Overall, the RBI had concluded the study on an optimistic note that despite severe stress in the banking industry, the industry itself is healthy as regards its preparedness to weather the NPA storm. However, PSBs as a group were in immediate need of an infusion of substantial capital.

Keyword: NBFC, Indian Banks, RBI, Non-performing assets

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Institutional Ownership and Earnings Management

P Srikanth
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Abstract: Corporate social responsibility (CSR) has received greater attention from finance practitioners and academics over the last decade. Many firms devote a significant portion of their annual reports to describing their CSR activities like how they benefit consumers, employees, and society. This has prompted growing demand for CSR research. CSR spending by the investee firms signals the strength of the investment decisions made by the institutional investors indicating that they are prudent and reliable. It motivates the institutional investors to prefer the stocks of the companies which spend heavily on CSR. Against this backdrop, the present study tests the relationship between Institutional ownership and CSR spending on the Indian companies which are reporting CSR related information in their annual reports from the year 2014-15 to 2018-19. The results of the study reveal that institutional investment has a significant positive impact on CSR spending while controlling the other firm and industry specific variables influencing CSR spending. The study also reveals that in the Indian context, the impact of foreign institutional investment is more compared to domestic institutional investment on CSR spending. Moreover, the study disclosed that group affiliated firms spend more on CSR compared to standalone firms.

Keywords: Ownership structure, earnings management, CSR,

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Factors of the Term Structure of Realized Risk Premiums in Currency Forward Markets

Satish Kumar
(Dept. Of Finance & Accounting, ICFAI Business School, Hyderabad, IFHE)

Abstract: We examine the term–structure of realized risk premiums in the Australian Dollar–US Dollar forward market. We find positive and time-varying risk premiums, while the magnitude of the premiums increases with the maturity of the contracts. We then examine the relationship between realized risk premiums and explanatory variables and find in particular, the realized variance, and to some extent realized skewness and kurtosis of spot currency returns to be important determinants of the risk premiums. To investigate common factors of the term structure of risk premiums, we further apply principal component analysis. We obtain a four-factor model that explains over 90% of the total variation in the term structure of risk premiums. Interestingly, the factors can be suitably labelled as 'level', 'slope' and 'curvature' and can be related to the realized variance, kurtosis and skewness of spot exchange rate returns.

Keyword: Forward Currency Market, Risk Premium

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Effect of Environmental Concern on Adoption of Organic Farming in India

Md. Sikander Azam
(Dept. Of Finance & Accounting, ICFAI Business School, Hyderabad, IFHE)

Abstract: The concept of organic agriculture is the most viable approach to protect the environment, human health, soil health, and animal welfare during the farming process. This study attempts to examine the environmental concern among organic and conventional farmers and analyze the impact of environmental factors in adopting organic farming. The primary data was collected through a structured questionnaire from 200 organic and conventional farmers, and statistical tools such as ANOVA, paired sample T-Test, and Logistic Regression model has been applied. The study revealed that Natural Food and Chemical Free Farming were the most important environmental issues among the organic producers whereas, conventional farmers resulted in overall Environmental benefits in practicing organic farming. Further, the logistic regression model shows that Less Irrigation is required, Soil Fertility improve and Sustainable Climate were more influencing factors to adopt organic farming. The result suggests that there is a need for proper training and permanent advisors to sensitize the more environmental concern which influenced farmers to adopt organic farming. The growing worldwide demand for organic food has led to numerous opportunities for the small farmers to gain organic price premiums too which could ensure their sustainable livelihood along with the environmental protection and economic growth of the nation.

Keywords: ANOVA, Environmental Concern, Organic Product, Logistic regression

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Corporate Social Innovation: A Literature Review

Pavana Jyothi
(Dept. Of Finance & Accounting, ICFAI Business School, Hyderabad, IFHE)

Abstract: The debate on the impact of corporate social responsibility (CSR) on firm value is still unsettled. Empirically, research designs cannot unequivocally prove that CSR affects firm value because CSR and firm value could be predetermined. Using a natural experiment we prove that CSR positively affects firm value. In this study, we use the mandatory CSR spending regulation implemented by India in 2015, as a natural setting. We compare the changes in the firm value during the pre and post-regulation period. Our results show that market value increases for firms that were forced to spend on CSR during the post-regulation period.

Keyword: CSR, Literature review, CSR- Spending

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Hub and Spoke Model in Indian Trucking Industry

Kaushik Bhattacharjee
(Dept. Of Finance & Accounting, ICFAI Business School, Hyderabad, IFHE)

Abstract: Due to their operational benefits, as trucks engaged in long haul applications are growing heavier and their routes are getting longer across developed countries, these bigger trucks suit hub to hub movement in supply chains which largely conform to hub & spoke models. As demand across various sectors have been increasing in India, the de facto hub and spoke system has come into effect. Clustered large warehousing zones have become a reality in India, fuelled largely by Mega Food Parks and Free Trade Warehousing Zones, also smoother freight movement under new taxation structures have made it conducive to make zone based warehousing clusters that form the hubs. In light of such developments this paper addresses, through the econometric concept of cointegration, whether over the past two decades, the cost-sensitive Indian truck industry has shifted its preference towards the purchase of bigger multi-axle trucks while moving freight from hub to hub while simultaneously purchasing a greater number of small trucks to facilitate freight dispersal to the end node . Also, in this paper, we address the question of whether the bigger heavyweight category of multi axle trucks is becoming more popular among truck owners against relatively smaller two-axle medium weight capacity trucks in long haulage routes.

Keyword: Truck industry, Hub & Spoke, Warehousing

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Impact of Covid-19 Second Wave on Indian Stock Market

K. Hema, Preethi Divya.A
Department of MBA, CBIT

Abstract: From United States to Japan, over 180 geographies have reported a confirmed case of coronavirus and almost everyone on this planet is adversely affected by this virus. An event of this scale would bring along many catastrophic consequences- social and economic. Many pundits have already declared COVID-19 as the "Black Swan" of 2020 with global economies starring at one of their worst recessions ever. There is something strange happening in the stock markets across the globe, especially India. It states that the markets are either not paying adequate seriousness to the pandemic or anticipating the discovery of a vaccine more optimistically when compared to the rest of the world. The bounce back to pre-COVID levels has left many investors in ambiguity. This piece is not about predicting what will happen to the markets going forward rather it talks about what could be a possible explanation to the path markets followed since the announcement of lockdown in India. In this context, the paper tries to examine the impact of covid 19 on Indian stock market.

Keywords: Indian market, Covid, lockdown,impact

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Impact, Trend, and Determinants if Idiosyncratic volatility Affecting Stock Returns: An Empirical Study on Indian Market

Saumita Roy
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Abstract: According to the traditional capital asset pricing model (CAPM by Sharpe-Linter-Black (1964, 1965)), the expected stock return on securities can solely be explained by the systematic risk (market risk) hence idiosyncratic volatility (firm-specific/ IVOL) should not have any return predictive power as it can be eliminated by diversification (i.e. investing in a portfolio). However, in the practical scenario in absence of optimal diversification (assets chosen for the portfolio are not nullifying the firm-specific/ idiosyncratic volatility of each other), investors can be exposed to firm-specific/ idiosyncratic volatility (IVOL) and hence should be compensated with additional returns for bearing additional risk (proposed by Metron 1987: limited information hypothesis). In contrast, Ang et al. (2006, 2009) report a negative (puzzling) relation between idiosyncratic volatility and stock return for a multi-country sample of 30 countries stimulating an unresolved puzzle regarding the role and direction of idiosyncratic volatility in return prediction. Further, IVOL doesn't remain constant across periods and reveals significant upward trends in the US market (period: 1963 to 2000). Although idiosyncratic volatility depends on fitting the asset pricing model with the stock return, its determinants need to be identified and studied. On the other hand, the proposed study intends to fit identified determinants (proposed for the study: earnings, earning variances, earning quality, and product market competition) into the existing asset pricing to bring down the impact of idiosyncratic volatility on stock return. This proposal builds on the above arguments and attempts to explore the role of idiosyncratic volatility in determining stock return separately for a business group affiliated (BG) and stand-alone (SA) firms, its trend, and factors affecting it for the Indian stock market from April 2000 to March 2010 using an unbalanced panel.

Keywords: IVOL, GARCH, Asset pricing, group affiliation, the Indian market

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Capital Structure, Competitive Intensity and Firm Performance: An Analysis of Indian Pharmaceutical Companies

Satish Chandra Tiwari
(Dept. Of Finance & Accounting, ICFAI Business School, Hyderabad, IFHE)

Abstract: This research paper aims to explore the relationship of financial performance and capital structure of Indian pharma firms of BSE 500, the impact of research and development (R&D) expenditure on financial performance and also explores the moderating role of competitive intensity between the existing relationship of capital structure and firm performance. The balanced panel data of listed pharma firms of BSE 500 are used for the research study, and the present study adopts both the panel and ordinary least square (OLS) estimation techniques to draw the results. The results exhibit that the high debt ratio is harmful to the accounting performance of the selected sample of pharma firms of BSE 500. Besides, market competition negatively moderates the relationship between capital structure and firm performance. The research findings provide evidence for the policymakers/ regulators that the sample firms should discourage the high debt financing in the presence of competitive intensity in the product marketplace.

Keywords: Capital structure, Competition, BSE 500, OLS

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Performance of Arbitrage Mutual Funds

V D M V Lakshmi
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Abstract: The study attempts to investigate if fund size affects the performance of portfolios of arbitrage opportunities funds. The author opines that the fund manager of arbitrage funds with large fund sizes tend to hold cash or cash equivalents resulting in underperformance, as they may find it difficult to identify arbitrage opportunities to deploy funds efficiently and productively. The study formulates equally weighted portfolios of selected arbitrage opportunities schemes of various mutual fund houses based on fund size and applies a dual beta model to differentiate the performance of portfolios with different fund sizes in bear and bull market conditions. The results show that there is no significant difference between the performance of the portfolios of arbitrage funds with large fund size and small fund size. There is evidence that small-sized funds are more exposed to systematic risk than large-sized funds in the bear market. The Benchmark arbitrage index has significant explanatory power over the returns of the portfolios irrespective of the market condition. It is found that arbitrage portfolios irrespective of size are exposed to less systematic risk in the bull market compared to the bear market. The results also show that there is no significant difference between the returns of arbitrage portfolios and the risk-free rates.

Keywords: Mutual fund, Arbitrage, Benchmarking, Fund performance

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Speed of Adjustment for Energy and Metal Prices: Evidence from India

Satish Kumar
(Dept. Of Finance & Accounting, ICFAI Business School, Hyderabad, IFHE)

Abstract: In this paper, we empirically estimate the time-varying speed of adjustment (SOA) in commodity (crude oil, natural gas, aluminum, copper and zinc) prices in the Indian context. Using a price adjustment model based upon the theory of storage, we also investigate the factors affecting the speed of adjustment in commodity pricing. We further argue that the commodity prices exhibit bubbles similar to asset price bubbles. Our results indicate that the SOA for energy prices is around 41.8% while it is around 31.6% for metals' prices. Our results further indicate that on an average, during bubbles the SOA is lower than days with no bubbles. Finally, we show that bubbles help explain 4.2%, 6.1%, and 3.8%, and of the SOA for aluminum, oil, and gas prices, respectively. Our results are also robust to a range of additional tests.

Keyword: Speed of adjustment, Commodity price, Energy, Metal price

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CEO's Compensation and Their Managerial Ability and Power-Moderating Effect of Group Affiliation of the Company

P Srikanth
(Dept. Of Finance & Accounting, ICFAI Business School, Hyderabad, IFHE)

Abstract: The present study aims to test whether rent extraction or efficient contracting significantly influences the compensation of CEOs in Indian companies. By drawing the sample from all the listed companies providing data on CEO characteristics from the year 2006 to 2018, the study tests the empirical model using ordinary least squares regression and quantile regression. The results of the analysis reveal that CEO compensation is tenure-variant and there is a trivial difference between the impact of CEO power and CEO tenure. It is in line with the bargaining theory of managerial ability view on CEO compensation. It supports efficient contracting in CEO compensation. The results of the analysis also reveal that impact of CEO power is comparatively less for long-tenured CEOs. It implies that managerial ability is maintained, and CEO compensation is influenced by their bargaining power. The results also prove that the power premium is more in the case of group companies compared to non-group companies.

Keywords: Compensation, CEO, Group affiliation, Indian firms

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Mutual Fund Performance: A Study on Public and Private Sectors

Dr. K.S. Shaileshwara Rao
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Abstract: In this study, an attempt has been made to analyses the performance of equity mutual funds industry against risk free rate and benchmarks return over one year before and after the implementation of GST. The samples consists 10 growths oriented- open ended- equity mutual fund schemes belong to 5 public and 5 private mutual fund companies. Results are tested through risk-return analysis, Coefficient of Variation (Beta), Treynor's ratio, Sharp's ratio, Jensen's measure. The data used is monthly closing NAVs and benchmark market index closing for the study period of October 2016 to October 2017. The risk return analysis revealed that out of 10 schemes Baroda Pioneer Mutual Fund and Canara Robeco Mutual Fund in Public sector Reliance and Aditya Birla Mutual Fund in Private sector resulted in good returns. The Treynor ratio of all the mutual funds scheme are under perform the benchmark market index and Sharpe ratio of all mutual funds scheme underperform the benchmark market index

Keywords: Mutual Funds, Equity, Risk-Return Analysis, Public and Private Sector

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Taxonomical Grouping of Firms Based on Performance: A Study on Listed Banks in India

Naseem Ahmed
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Abstract: The objective of this article is to categorize homogeneous stocks using cluster analysis methodology. It is easier for investors to deal with a small number of clusters of stocks compared to dealing with thousands of stocks. This has aroused their interest in comparing stocks concerning different variables based on their risk appetite. Notwithstanding the widespread availability of high processing power computing devices, investors get overwhelmed by a large number of stocks available at their disposal. Categorizing a large number of stocks into a few distinct clusters would not only make the task easier for investors by letting them deal with less data but would also give them the option to pick stocks from different clusters based on their preference. This article uses the cluster analysis methodology to group homogeneous stocks from a dataset of 33 listed Indian banks. This method provides a useful tool for interpolation and extrapolation of statistical data and sets up a measure to compare the performance and profitability of a company.

Keyword: Taxonomical grouping, Indian banks, Performance

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Indiabulls Housing Finance -KVB Merger: An Analysis

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Abstract: The paper scrutinises the motives for the merger from the angle of both the entities, and whether there would be any synergies that might materialize on account of this merger. The paper also examines the ripple effects this merger will have on the Indian banking and NBFC sectors. It was observed that LVB was in fact in dire straits with the relentlessly rising NPAs and resultant depletion of regulatory and growth capital. On the other hand, IBHF was in no better position with their repeated attempts to get a commercial banking license yielding no result, and NBFC sector's increasing inability to raise fresh capital on account of the general lack of credibility for the NBFC sector in the capital markets. In view of these compelling situations, it was felt that the proposed merger between LVB and the IBHF was going to be extremely crucial for both the entities without which the very survival of both the entities would take the centre stage facing an existential threat.

Keywords: NBFC, Housing-Finance, Indian Banks, LVB

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Corporate Governance and Firm Performance: An Empirical Study

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Abstract: This study aims to examine the relationship between corporate governance and firm performance of S&P BSE-100 indexed companies from 2011-2018. A part of this study, the authors undertook an intensive review of the literature to identify a range of elements that contribute to overall corporate governance. Using the LSDV panel data model and 2SLS model the study reveals that the good corporate governance practices adopted by companies are positively related to financial performance. We use board size, board independence, board remuneration and promoter holding as corporate governance indices and Market to book value (M/B Ratio) and Tobin's Q as firm surrogates. Board independence and board remuneration are found to have a positive relationship while board size, promoter holding and financial leverage have a negative relationship with the performance of firms. There is an existence of a bi-directional relationship between corporate governance and financial performance. Companies with sound financial performance are more likely to conform to corporate governance norms and standards and implement a good corporate governance system. The result shows that corporate governance practices adopted by the S&P BSE-100 listed firms depend on their ownership structure. Ownership structure concentration is found to affect corporate governance negatively.

Keywords: Corporate governance, firm performance, 2SLS, Board Characteristics

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Women Empowerment in Rural India: Through Co-operative and Mutual Ownership - A Qualitative Framework

C Anita
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Abstract: Rural women were deprived of social, economic, political status in India due to the existence of gender inequities. In this backdrop, empowering rural women is one of the major challenges encountered by the Government and more so for a Non-Government Organization (NGO) Our study is documentary evidence of exploratory research of an NGO - Gram Abhyudaya Mandali (GRAM); the data collection was made through field visit to the remote locations of the society. The GRAM's (Society's) transparent practices, governance and advocacy had enabled it to build the trust among 50,000 women members approx. GRAM stands out as a good model, and could be an inspiration for any organization working in a similar area. Based on the ground observations, field interactions with women members, authors recorded relevant information and drew inferences to arrive at the proposed qualitative framework to improve or enhance and empower rural women

Keywords: Women empowerment, Mutual ownership, NGO, Indian rural women.

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Domestic Institutional Ownership and Firm Performance in India

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Abstract: The objective of this paper is to investigate the interdependence and interaction of institutional ownership and firm performance in an emerging market using Indian panel data. Two-stage simultaneous equations – pooled and panel instrumental regression analysis is applied to the dataset that includes publicly listed Indian non-financial firms listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) as of 31 March 2014. Strong evidence of interrelation between institutional ownership and firm performance is evidenced in the Indian context. The results of the fixed effect model confirm the relationship between firm performance and institutional ownership. Leverage and asset structures are joint determinants of firm performance and institutional ownership. However, firm performance impacts institutional ownership in the Indian context and not vice versa. The findings of the study could serve as guidelines for policymakers, institutional investors and the Indian corporate.

Keywords: Ownership structure, Indian stock market, Emerging economy

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Does Firm Performance Impact Executive Turnover? An Empirical Analysis of NSE listed Companies in India

Naseem Ahmed
(Dept. Of Finance & Accounting, ICFAI Business School, Hyderabad, IFHE)

Abstract: This paper examines the effect of firm performance on the likelihood of CEO turnover in the Indian scenario. Indian firms are placed in a unique position where they have some characteristics of Anglo Saxon countries and others from Civil law countries. It offers strong legal protection for the investors from expropriation but suffers from the weak implementation of regulations. Using data from NSE listed companies, it was found that there is a modest inverse relationship between firm performance and CEO turnover because it was statistically significant for three out of five performance variables. Other variables such as the size of the firm, degree of leverage etc were also found significant in explaining this relationship. Both pre and post CEO turnover relationships with firm performance are analyzed and found a decline and improvement in performance pre and post turnover respectively.

Keywords: Firm performance, Executive turnover, Civil law country, NSE

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Factors Effecting Volatility in Indian Stock Market with Reference to Nse Nifty

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Abstract: Stock Market is one of the most versatile sectors in the financial system, and it plays an important role in economic development. Stock Market is a platform for trading various securities without any barriers. In stock market various companies are listed to their business venture through public issues. In the current scenario, long term investors are investing in the companies through Stock Market to attain profit. The study confines to selected securities in National Stock Exchange (NSE), this largest turnover in Indian capital market. Volatility is a statistical measure of the dispersion of returns for a given security or Market Index. Commonly, the higher the volatility greater the risk associated with the security. Volatility estimation is important for several reasons associated with different people in the market. Developed markets continue to provide over long period of time with higher returns constituting low volatility. The study covers factors and cause impact of volatility in selected stocks in NSE using statistical measures. The study would facilitate to understand the past, current and future aspects of Indian Stock Market.

Keywords: Stock markets, NSE, Volatility

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Mission Statement Quality and Financial Performance of Nifty 50 Companies: A Content Analysis

Richa Gupta
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Abstract: The study aims to assess the impact of directors' reports on the stock returns of selected firms. The sample considered for the study includes Nifty 50 companies, excluding 12 banking and financial firms for five years, i.e., from 2013-14 to 2017-18. Five parameters from the directors' report, i.e., Activity (AC), Optimism (OP), Certainty (CE), Realism (RE) and Commonality (CO), are considered as independent variables, whereas stock return is considered as the dependent variable. Beta, market capitalization and debt-equity ratio are control variables. The study applies the panel fixed and random effects model and Panel Vector Auto-Regression (PVAR) to examine the impact of directors' reports on stock returns. The study observes unidirectional causality from OP and CE to stock returns. Reverse unidirectional causality is observed from stock returns to CO. The study further reveals that CO and CE negatively impact stock returns. The implications of the study for the stakeholders of the companies are: first, they need to follow the directors' report in addition to financial statements and second, the kind of information which is important for them is related to CO and CE features of the report. The study contributes to the existing literature by using content analysis on directors' reports and their impact on the stock price. It also analyzes the informational dynamics between the content analysis parameters and stock returns.

Keyword: Content Analysis, Financial performance, Panel Vector Auto-Regression (PVAR)

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Do More Arbitrage Opportunities Exist in High Volatile Market? An Evidence from India

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Abstract: The study attempts to examine if there is any scope for more arbitrage profits during high volatile markets compared to low volatility times. It also examines if there is any availability of more arbitrage opportunities during the bearish phase compared to the bullish phase. An effort is also made to test if the one-day percentage change in VIX from the previous day is a better predictor of arbitrage opportunities than the one-day percentage change in VIX from 20 days moving average. The period considered in the study is from March 2, 2009, to October 31, 2018. Daily prices of the Indian Volatility Index, Nifty 50, Nifty 50 Futures, Nifty 50 Arbitrage Index are sourced from the website of the national stock exchange (www.nseindia.com). There is clear evidence of a negative relationship between Nifty 50 & Nifty 50 Futures and VIX irrespective of market conditions. However, the positive relationship between the arbitrage index and VIX is observed in a few cases. Evidence is the same even when tested the relationship between the returns from arbitrage trading strategy involving long Nifty 50 spot and short Nifty 50 futures and VIX. There is no clear evidence that more arbitrage profits are possible during high volatile markets and bearish markets. There is no evidence that one-day percentage change in VIX from the previous day is a better predictor of arbitrage opportunities than the one-day percentage change in VIX from 20 days moving average.

Keywords: VIX, Arbitrage, Nifty 50, Volatility

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Decisional Factors Driving Farmers to Adopt Organic Farming in India: A Cross-Sectional Study

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Abstract: The purpose of this paper is to carry out an empirical investigation of the role of various factors such as economics, social, marketing, cultivation, and government in adoption of organic farming. Further, this study examines the factors that influence farmers' choice of adopting organic farming, based on their demographic classification such as education level, farm size, farming experiences, and land ownership of the organic farmers. To address the research objectives, the primary data were collected with the help of a structured questionnaire. In this study, the QUAL–QUAN sequence of mixed-method design was used. Four focus groups were conducted to identify the factors of organic farming adoption. Further, multinomial logistic regression analysis was applied to analyse the differential impact of these factors in relation to the farmers' demographic classification. The study found five major factors that affect the adoption of organic farming (economic, social, marketing, cultivation, government policy) in India. The study also observed that marketing and government policy factors were most crucial in influencing all types of farmers irrespective of their educational level. The farmers with more farming experience were more concerned about social factors. Similarly, the farmers using lease farms were found to be concerned about the economic viability of organic farming. This study suggests that without government support, the adoption of organic agriculture seems to be a highly challenging task in a situation, where the majority of the farmers fall under the small and marginal category. Hence, to promote organic farming in a developing country like India, the government has to invest more in schemes where farmers should get exclusive training and support to strengthen their intention behind the adoption of organic farming. Based on the collective insights from the studies, the different stakeholders with an interest in organic agriculture may frame necessary strategies to promote organic farming.

Keywords: Organic firming, Adoption, QUAL–QUAN sequence, Developing country

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Determinants of Capital Structure

Satish Chandra Tiwari
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Abstract: It is well predictable that capital structure is cosmic in choice and varies country wise. Many authors found in their study that investigation of new determinants in current emerging economies has a vast scope. Though, the significant determinants of capital structure are still observable which will impact on a firm's value. As many of the studies have been done in the different developing and developed countries which cause the dissimilarity of the determinant of capital structure. The aim of this paper is to explore the empirical evidence on the determinants of capital structure of manufacturing firms in India. Capital structure matters to most firms in free markets, but there are variances. Companies in non-financial industries need capital mainly to support funding such as to acquire business assets and to build production facilities and equipment to chase new areas of business. Previous studies have left scope for further investigation which may affects the performance of the firm and our paper shed light on major determinants of capital structure especially in the manufacturing sector of India. We anticipate that the empirical finding of our study will help for a new evaluation methodology of determinants of capital structure.

Keywords: Capital structure, Debt market, Emerging Economies, Determinants

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Earnings Quality and Value Relevance: Evidence from Business Group Firms and Crisis Period

Ranajee
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Abstract: We investigate the existence and extent of earnings management for Indian firms through different measures of earnings quality i.e. discretionary accruals, the value relevance of accounting information and earnings persistence. We further examine the issue for group-affiliated firms as compared to standalone firms and earnings quality during crisis and non-crisis periods, amid controls for idiosyncratic factors. We observe the significant existence of bidirectional earnings management for Indian firms. Moreover, we report that group affiliated firms engage in more opportunistic earnings management compared to standalone firms. Nonetheless, earnings manipulation slightly increases during a crisis period. Group firms, though, are involved in more accounting manipulations compared to standalone firms even during a crisis, yet the extent of manipulation drops compared to non-crisis periods. We find that the explanatory power of earnings and book value continues to improve in recent years implying improved reporting quality of Indian companies with time however, the value relevance also drops during crisis periods confirming deterioration of quality of earnings in bad times. In consistency, we report the worse earnings persistence for business group firms than that of standalone firms.

Keywords: Earnings quality, Accruals, Group affiliation, Crisis period

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Do Arbitrage Funds Perform Better Than Liquid Funds? Indian Experience

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Abstract: The study examines the impact of listing equity futures on spot market volatility. Time period considered is 210 days before and after the listing announcement day and the actual listing day of futures on the derivatives segment of NSE. The study uses, F test, OLS model, GARCH and EGARCH models to examine if there is any significant difference in volatility between pre-listing and post-listing periods. It is found that derivatives did not cause any destabilization effect by increasing spot volatility. Instead, after the launch of derivatives, volatility came down in the majority of the stocks.

Keywords: Mutual fund, Arbitrage Fund, Liquid Fund, EGARCH

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Political Connectedness and Leverage: An Empirical Study of Indian Firms

Nityanand Tripathi
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Abstract: We examine the effect of politically connected firms on the firms' leverage. We classify the politically connected firms through event study methodology. We take four Indian General Elections (Lok Sabha) results in announcement dates for the years 1999, 2004, 2009 and 2014 to determine the politically connected firms. We report the difference in the means of cumulative abnormal returns (CAR) between politically connected and non-politically connected firms is statistically significant. We also test the effect of the political connection on the leverage of the firms.

Keywords: Political connectedness, Leverage, Indian General Election, CAR

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Impact of Covid-19 on Asian Economy

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Abstract: Covid-19 has impacted all the sections of society, which is a matter of serious concern. The economies of more than a hundred countries have been deeply affected, which will take years to recover; thus, many countries have asked for monetary help from the International Monetary Fund. Businesses across the world, like entertainment, aviation, hospitality, etc., have seen a significant negative impact. Various sports events, such as the Olympics, Cricket 20-20 World Cup, have been postponed. It has also impacted the functioning of various online giants such as Amazon, Flipkart, etc. Countries like the USA, India, Brazil, Italy, and Spain suffer the most since their death toll is very high. There is a significant change in the world economy. Restaurants, pubs, markets, Universities, and Colleges, etc. were closed. The fear has limited the movement of individuals. People were not buying the daily use products; all these are impacting the economy of the world. The organization for economic co-operation and development has reported that the expectation for global growth has been cut to 2.4% from 2.9%, and it could fall as low as 1.5%. India faces a massive decline in government revenues and growth of the income for at least two quarters as the coronavirus hits the country's economic activity. The fall in investor's sentiments impacts the privatization plans, industry, government. The lockdown in India has impacted the economy, mainly consumption, which is the most significant GDP component. This paper focuses on analysing the impact of covid on various sectors of Indian Economy.

Keywords: Indian, economy, Covid, lockdown, impact, sectors,

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Impact of New Generation Banks on the Public Sector Banks- A Ratio Analysis Approach

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Abstract: This paper investigates whether a shift toward non-interest income activities improves the profitability of Indian banks and, if so, how it varies across ownership groups and banks with different asset qualities. Our findings show that a higher share of non-interest income yields higher profits and risk-adjusted profits; in particular when banks are involved in more trading activities. The results indicate that private foreign banks earn more risk-adjusted profits compared to public sector and private domestic banks. Furthermore, we also find that income diversification benefits more to the banks that have lower asset quality compared to the banks that have higher asset quality. The findings are insensitive to dynamic panel data estimations and alternative sample specifications. The results of this paper provide valuable insights for policymakers and conclude that ensuring diversification activities enhances bank profitability, in particular for the banks that have lower asset quality.

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The Impact of Ownership Structure and Business Group Affiliation on Corporate Cash Holdings: Evidence from India

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Abstract: Researchers report a high level of cash holding (high level of cash holding refers to cash in excess of optimum level) on an average around the world (Bates, Kahle and Stulz, 2009; Fernandes and Gonec, 2016). As per extant literature, this high level of cash holding is explained by various reasons such as the transaction motive, the precautionary motive, and the agency problem. Is a high level of cash holding in India an outcome of precautionary motive or agency problem? We address this question by examining the value of corporate cash holdings. Furthermore, there is a paucity of research that examines the cash policies of firms in the presence of controlling shareholdings (promoters' holding)/family ownership and business groups. We intend to examine this relationship by using the dataset of listed firms in India. We propose to examine the impact of excess cash holdings on tunnelling. As cash is the most flexible asset which can be easily tunnelled in the presence of controlling shareholdings/family ownership and business group affiliation, the role of monitoring by board becomes more important. Thus, we propose to examine the impact of board structure on cash holdings, which is not extensively studied in the extant literature. In addition to the above, we intend to extend the literature on the speed of adjustment of leverage to the speed of adjustment of cash holdings. We propose to use all the listed firms during the time period 2001 to 2016. We propose to use regression to examine the impact of ownership structure and business group affiliation on corporate cash holdings. This study is expected to help policymakers in developing a better code of governance which may be different for the firms with different ownership structures and evaluate the boards' effectiveness in an emerging economy like India; where ownership structure is concentrated (promoter's holding) and business groups dominate the corporate landscape.

Keywords: Ownership structure, Cash holdings, Indian business group, Corporate governance

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Related Party Transactions, Corporate Governance and Firm Performance: An Empirical Analysis of Indian Firms

Nityanand Tripathi
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Abstract: This paper investigates the effect of the corporate governance mechanism on various types of related party transactions (RPTs). We examine whether the corporate governance mechanism helps to restrict the management's opportunistic behaviour of transferring resources from the company through RPTs or not. The empirical findings show that some of the related party transactions seem as opportunistic transactions in such cases corporate governance proxies are negatively related to those RPTs. These empirical findings can be used by all types of stakeholders of a company, and they can form a basis for regulators to make necessary decisions to improve the effectiveness of the corporate governance mechanism, which can mitigate opportunistic transactions in terms of RPTs. Overall, this study mainly contributes by reporting the relationship between RPTs and the corporate governance mechanism in India.

Keywords: RPT, Corporate Governance, Agency problem, Opportunist manager

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Providing Security to Land Record with the computation of Iris, Block chain, and One Time Password

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Abstract: Out of many problems regarding land recording, so many fraudulent methods can be applied to obtain the records from the virtual storage system. The factors related to it might vary from time to time and place to place, but one of the common and vital ones would be the lack of security for such sensitive records. To reduce the severity of a secure storage system for these records, implementation of user authentication can assist as an additional security policy in case of land details theft. Unlike these conventional methods, the land record would be encrypted with an asymmetric algorithm, where the implementation of common reformations in technology, especially in security can be referred blockchain for data safety, iris recognition and OTP for authentication can notify the record owner about any kind of illegal activities on the secured records. And in terms of encryption, the asymmetric key policy is referred to with blockchain technology to encrypt the land records.

Keywords: Blockchain, Iris Recognition, Biometric authentication, OTP, Land Record Management.

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Firm Performance and Top Executive Turnover: An Empirical Analysis of MSE Listed Companies in India

Naseem Ahmed
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Abstract: This paper examines the effect of CEO turnover on the subsequent firm performance in the Indian scenario. CEO turnovers lead to improvements in the overall firm performance indicating that the turnover was involuntary. The removal of the incumbent CEO helps the new CEO unlock the potential that leads to firm performance improvement. Using Wilcoxon sign rank test and regression analysis, it was found that firm performances improve for Indian firms after the removal of the CEO.

Keywords: CEO turnover, Wilcoxon sign rank test, NSE, Top executives

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Ownership Structure and Product Market Competitiveness

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Abstract: Existing literature shows that the monitoring effect of concentrated ownership has a positive impact on firm value. However, the economic channel of such positive impact has not been examined. In this study, we offer a possible economic channel and test it empirically using a panel of Indian firms. It is our hypothesis that concentrated ownership increases the competitiveness of the firms, through efficient monitoring of firm activities, in their product markets thus increasing the growth rate of firms. Our results show that both institutional and promoter ownership has a positive impact on firm competitiveness. However, foreign concentration has an insignificant impact. Moreover, for business group affiliated firms, only institutional concentration has a positive impact. The results remain robust for different specifications and endogeneity issues.

Keyword: Product market competition, ownership structure, Indian business group

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Stock Momentum and Idiosyncratic Volatility: Further Evidence

Ranajee
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Abstract: We find that returns to momentum investing are higher among high idiosyncratic volatility (IVol) stocks, especially high IVol losers. Higher IVol stocks also experience quicker and larger reversals. The findings are consistent with momentum profits being attributable to an underreaction to firm-specific information and with IVol limiting arbitrage of the momentum effect. We also find a positive time-series relation between momentum returns and aggregate IVol. Given the long-term rise in IVol, this result helps explain the persistence of momentum profits since Jegadeesh and Titman's (1993) study.

Keywords: IVOL, momentum, winners-loser, Firm performance

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An Empirical Examination of Ownership Concentration and Firm Performance: Indian Evidence

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Abstract: In India, promoters own a significant portion of the shares of the listed firms. The investors also swear by the names of the promoters behind the firms. In this context, the paper studies the relationship between promoter ownership and firm performance among NSE listed companies by treating promoter ownership variable to be endogenous as well as non-endogenous. The paper also studies the Impact of Deferential promoters' holding on performance of these firms. The paper uses the 2SLS model to study the relationship while taking Tobin Q as a proxy for firm performance. The results showed the existence of a strong relationship between promoter ownership and firm performance while the nonlinear study showed a U Shaped relationship indicating a reduction in performance of the firm to a the certain point with an increase in promoter ownership and then a gradual increase in firm performance with an increase in promoter ownership after that point.

Keyword: Ownership structure, Promoters' holdings, 2SLS, Tobin's Q

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Impact of Technological Innovations on Agricultural Output

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Abstract: In modern India, only 0.7% of the cultivable agricultural land is used for organic farming. One of the many reasons that could be attributed to less number of organic farmers is the marketing challenges faced by them in selling and distributing organic produce. This study seeks to find out whether the marketing problems differ between organic farmers and conventional farmers, according to land size and derive policy implications specific to fostering organic farming in India. In this study, a sequential form of mixed method design has been used. In the first phase, an exploratory study was convened to first hand comprehend the different kinds of marketing challenges experienced by farmers during the selling and distribution of their produce. Six marketing challenges emerged from this study. In the second – quantitative phase, we sought responses on organic as well as conventional farmers on the perceived intensity of these problems. Two-way ANOVA has been used to find out whether the farmers experience marketing problems differently based on their method of cultivation and land holding pattern. In the third phase, focus group discussions have been conducted to qualitatively explain the significant mean differences that were found in the second phase. Based on the collective insights from three studies, policy implications to promote organic farming in India are derived.

Keywords: Agricultural output, Organic farming, Two-way ANOVA, Technology

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Women Directors and Firm Performance: Emerging Market Evidence

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Abstract: The purpose of this article is to examine the impact of women directors on the firm performance of Indian companies and to check the impact after controlling their firm-specific and corporate governance variables. Further, the study explores the impact of women directors on firm performance of group firms and standalone firms. Regression models used in the study reveal that women directors create a positive and significant impact on firm performance as measured by return on assets (ROA) and Tobin's Q. Further, the study found that the relationship becomes stronger if a firm belongs to the business group. This article adds to the existing literature on gender diversity at the board level, by analyzing the impact of women directors on firm performance in the Indian context. This study is the first to examine the aspect of gender diversity in the Indian context.

Keywords: Gender diversity, Women directors, ROA, Tobin's Q

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CEO Turnover and Firm Performance: An Empirical Evidence

Naseem Ahmed
(Dept. Of Finance & Accounting, ICFAI Business School, Hyderabad, IFHE)

Abstract: This paper examines the effect of firm performance on the likelihood of CEO turnover in the Indian scenario. Indian firms are placed in a unique position where they have some characteristics of Anglo Saxon countries and others from Civil law countries. It offers strong legal protection for the investors from expropriation but suffers from the weak implementation of regulations. Using data from NSE listed companies, the firm performance of companies were analysed those experienced CEO turnover vis a vis those that didn't. There was a statistically significant difference between the two types of firms for most of the years.

Keywords: CEO turnover, Firm performance, Indian firms, Board structure

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Conceptual Understanding of Blockchain: Implications for Supply chain, Finance and Accounting

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Abstract: Blockchain is a term widely used to represent a suite of technologies. Much like the early internet, blockchain has the potential to fundamentally change the way the industry works, causing a big paradigm shift in how money, goods and digital assets move around the world. Right from its initial use case as an underlying technology for various cryptocurrencies, it is now being used in a plethora of application domains. The biggest challenge here is to identify the application domains where –blockchain-based solutions would be a good fit. Blockchain technology will benefit areas where information is distributed and decentralized, information stored is time-sensitive, and the security of data is important. Given these challenges, the two areas that emerge as good candidates and could benefit greatly from the technology include – Supply Chain, and Finance and Accounting. All these domains generate thousands of transactions each day. All the transactions require some form of verification and auditing. This paper suggests how the use of blockchain technology could reconcile transactions at a lower cost and can also be used to generate immutable audit trails to create a better identity system to improve the tracking of goods. This paper proposes a framework of how leveraging the power of blockchain technology could enable businesses to perform *costless verification* and in the long run reduce the cost of running a secure network.

Keywords: Audit-trail, Blockchain, Costless-verification, Immutability, Reconciliation, Supply chain, Transactions.

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Cash Holding and Business Groups: An Empirical Evidence from India

Rajneesh Ranjan Jha
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Abstract: Researchers report a high level of cash holding (high level of cash holding refers to cash in excess of optimum level) on an average around the world (Bates, Kahle and Stulz, 2009; Fernandes and Gonec, 2016). As per extant literature, this high level of cash holding is explained by various reasons such as the transaction motive, the precautionary motive, and the agency problem. Is high level of cash holding in India an outcome of precautionary motive or agency problem? We address this question by examining the value of corporate cash holdings. Furthermore, there is a paucity of research which examines the cash policies of firms in the presence of controlling shareholdings (promoters' holding)/family ownership and business groups. We intend to examine this relationship by using the dataset of listed firms in India. We propose to examine the impact of excess cash holdings on tunnelling. As cash is the most flexible asset which can be easily tunnelled in the presence of controlling shareholdings/family ownership and business group affiliation, the role of monitoring by board becomes more important. Thus, we propose to examine the impact of board structure on cash holdings, which is not extensively studied in the extant literature. In addition to the above, we intend to extend the literature on the speed of adjustment of leverage to the speed of adjustment of cash holdings. We propose to use all the listed firms during the time period 2001 to 2016. We propose to use regression to examine the impact of ownership structure and business group affiliation on corporate cash holdings. This study is expected to help policymakers in developing a better code of governance which may be different for the firms with different ownership structures and evaluate the boards' effectiveness in an emerging economy like India; where ownership structure is concentrated (promoter's holding) and business groups dominate the corporate landscape.

Keyword: Group affiliation, Cash holdings, Tunnelling effect, Agency Problem

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Multiple Banking Relationships, Firm Performance and Firm Value: Evidence from India

Bhanu Sireesha
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Abstract: Previous studies in the finance literature argue that banks are the efficient monitors of firm activities on account of their access to information. But empirical evidence suggests that multiple banking relationships have a negative impact on firm performance as they face free-rider problems. In this study, using panel data of Indian firms that extends from 2001 through 2014, we show that the relationship is conditioned on the amount of debt that banks have financed. The negative impact is observed only for those firms in which the average bank lending is low, while for the firms with higher average bank lending, the impact of multiple bank relationships is positive on firm value.

Keywords: Banking relationship, Free rider issue, Indian banks.

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Related Party Transactions and Corporate Governance: An Empirical Examination of Business Groups in India

Nityanand Tripathi
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Abstract: This paper examines the empirical relationship between RPTs, firm performance, and corporate governance in the business group firms vis-à-vis stand-alone firms. India has a set of different corporate governance mechanisms being operated as compared to other countries. The introduction of Clause 49 of the listing agreement emphasizes the requirement of prior approval from the audit committee, in the case of each related party transaction (RPT). However, the magnitude of RPTs varies across the Indian firms, which are broadly classified as business group companies and stand-alone companies. The study provides evidence that Indian listed companies use recurring RPTs at high magnitude with their related parties and suggests that all of the stakeholders and regulators should be concerned about the loan given to related parties because this area of RPTs does not support efficient transactions.

Keywords: Corporate governance, RPT, Firm performance, Indian firms.

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An Empirical Analysis of Merger Performance of Indian Mergers

Richa Gupta
(Dept. Of Finance & Accounting, ICFAI Business School, Hyderabad, IFHE)

Abstract: Mergers and acquisitions are being increasingly used the world over as a strategy for achieving larger size, faster growth in market share and reach, and for becoming more competitive through economies of scale. This paper has attempted to study the impact of different types of mergers on the operating performance of acquiring/merging corporates in India in the post-economic reforms period of 1991-2003, by examining some pre-and post-merger financial ratios, in the sample of firms involving all mergers by public limited and trading companies in the period. The results suggest that there are minor variations in terms of the impact on operating performance following mergers of different kinds.

Keywords: Indian merger, financial ratio, Operating performance

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A Study of Cointegration and Forecasting of Returns on Indian Stock Market

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Abstract: Stock Market is the place where the equities of public listed companies are traded. It is a meeting place of buyers and sellers of equities. In India the premier stock exchanges are the Bombay Stock Exchange and the National Stock Exchange and their Indices are Sensex and Nifty. As there are 2 indices exhibit a speculative nature, the investors and researchers may get confused in investing their money due to their inherent relationship for short run and long run, which has become research question to be answered. Hereby, the major objective of the study is to examine the short term and long-term relationship effect of SENSEX and NIFTY on each other to guide the investors properly. The study moved with a stationarity test named Augmented Dickey–Fuller test to test the stationary of time series in NIFTY and SENSEX. Further, the study verified causality with the help of Granger causality test. After meeting the criteria, the study examined the effect of one on the other i.e., SENSEX and NIFTY as well as NIFTY on SENSEX using ARIMA model. Overall, the result of the study states that NIFTY effects SENSEX but not in the other way. The study can be further extended to analyse the effect of NIFTY and SENSEX on other stock indices too.

Keywords: Investor, Researcher, Granger Causality Test, SESNSEX, NIFTY, Augmented Dickey–Fuller test

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Women CEOs and Executive Compensation

Pavana Jyothi
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Abstract: In this study, we examine the impact of CEO gender on the compensation of Indian corporate employees. Based on the theoretical and empirical research in business ethics and leadership styles, which argue that females are 'care' and 'relationship-oriented, we hypothesize a positive impact on compensation. Our results show that the average compensation increased by about 14% when females took over the leadership and they paid significantly higher compensation as compared to the industry averages. This increase is observed irrespective of the size, performance and growth of firms. However, the positive impact is weaker for highly levered firms.

Keywords: CEO gender, board diversity, Indian firms, Compensation

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Cash Holdings: Determinants, Value and Speed of Adjustment

Rajneesh Ranjan Jha
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Abstract: We investigate whether institutional determinants, especially corporate governance and investors' rights protection, affect cash holdings deviation from target and adjustment speed. Using a large, international sample of firms, we find that institutional determinants, including corporate governance, influence the amount of excess cash (deviation from target) and the speed with which firms in different countries adjust their cash holdings. The findings are robust after the inclusion of a wide range of firm-level characteristics and economic and financial development variables.

Keywords: Cash holdings, Corporate governance, Investors' right protection, Speed of adjustment

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Controlling Non-Autonomous Matter Waves in ``Smart" Transient Trap Variations

Dr S. Sree Ranjani, T. Soloman Raju Dr T. Shreecharan
Department of Physics, Faculty of Science and Technology, ICFAI Foundation for Higher Education (IFHE)

Abstract: In this paper, we study the controllable behaviour of non-autonomous matter waves in different "smart" transient trap variations in the context of the cigar-shaped Bose-Einstein condensates. By utilizing a novel self-similarity transformation, we reduce the non-autonomous Gross-Pitaevskii (GP) equation, to the familiar elliptic equation with soliton solutions. This process leads to a consistency equation which is in the form of a Riccati equation. The connection between the Riccati and the linear Schroedinger equation through the Cole-Hopf transformation is exploited here to introduce temporal trap variations. For our study, we explore the possibility of using one dimensional exactly solvable potentials and their newly constructed rational extensions, as functions of time, to introduce interesting temporal trap modulations. The regular potentials and their rational extensions being structurally different, leads to different temporal modulations. It is exhibited that the soliton behaviour with respect to compression/amplification etc., in both these cases is different.

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Momentum in Indian Stock Market: A Cross-Sectional Analysis

Ranajee
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Abstract: The notion of market efficiency and instantaneous diffusion of new information in stock prices is highly debated. Momentum as an investment strategy is based on finding the strongest stocks riding them till the time it trends higher and selling them off, once the stocks lose positive momentum. The objective of the study is to identify, decompose and study the dynamics of momentum profit, issues faced while implementing the momentum strategy. The study uses secondary data gathered from major sources like the National Stock Exchange, Reserve Bank of India, Ministry of Finance, and Centre for Monitoring Indian Economy data repositories for a period of 18 years ranging from April 1995 to March 2013. Momentum is present in the Indian market and price momentum is not subsumed by earnings momentum. The study provides implications for portfolio theory, market efficiency and active portfolio management and investing literature.

Keywords: Asset pricing, Momentum, cross-sectional stock returns, market efficiency

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Contrarian Trading and Behavioral Issues in India Markets

M V Narshima Chary
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Abstract: Recently, several behavioural finance models based on the overconfidence hypothesis have been proposed to explain anomalous findings, including a short-term continuation (momentum), a long-term reversal in stock returns, high levels of trading volume and excessive volatility. Using data from the Bombay Stock Exchange, we find empirical evidence in support of the overconfidence hypothesis. First, based on a restricted VAR framework, we show that overconfident investors overreact to private information and under-react to public information. Second, based on EGARCH specifications, we show that self-attribution bias, conditioned by right forecasts, increases investors overconfidence and trading volume. Third, the analysis of the relation between return volatility and trading volume shows that the excessive trading of overconfident investors makes a contribution to the observed excessive volatility.

Keywords: Behavioural finance, EGARCH, Private information, Investors' confidence

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Venture Capital and Implications

M Saritha
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Abstract: We analyze the impact of venture capital finance on the growth and innovation of young Indian firms. On the basis of statistical matching procedures, we confirm findings that venture-funded firms have a higher number of patent applications than those in the control group. However, these are obtained even before the venture capitalists' investment, hence venture capitalists choose firms with demonstrated innovative output. After the investment, the number of firms' patents does not differ significantly anymore, however, their growth rates are significantly larger. This suggests that the higher innovativeness of venture-funded firms is due to the selection process of the venture capitalist prior to the funding rather than to the venture funding itself. Venture capitalists seem to focus rather on the commercialization of existing innovations and the growth of the firm.

Keywords: Venture capital, Investment analysis, Young Indian firms, Patent

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A Systematic Literature Review on Malware Analysis

Madhavarapu Chandan

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Abstract: Malware is a significant security danger on the Internet nowadays. Hostile to Virus organizations get a huge number of malwares tests each day. It is intended to harm PC frameworks without the information on the proprietor utilizing the framework and method headways are presenting enormous difficulties for scientists in both the scholarly world and the business. Malware tests are arranged and gathered for additional investigation. In this literature review, we did the manual research on the publications from the year 2014 to 2020. We selected about 27 articles out of 55 articles as primary studies and applied quality evaluation criteria and deducted research questions from them. The motivation behind this SLR is to inspect the accessible literary works on malware examination and to decide how exploration has developed and progressed regarding the amount, substance, and publication outlets. We also discussed the issues and challenges we are facing in malware analysis along with detection system requirements. Large numbers of the malicious programs are tremendous and confounded so it is difficult for researchers to fathom its subtleties. Scattering of malicious data beyond clients of the web and furthermore preparing them to effectively utilize against malicious items are critical to shielding clients from malicious attack. This review paper will give a comprehensive book index of techniques to help with battling malicious data.

Keywords: Malware, Malware analytics, Malware code, Taxonomy, Signature-based, Anomaly-based, Malware system requirements

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Analysis of Mergers and Acquisitions in Indian Banks

D S Prasad
(Dept. Of Finance & Accounting, ICFAI Business School, Hyderabad, IFHE)

Abstract: The fact that India could well be the next financial hub of the globe, and the fact that the banking sector will play a major role in facilitating this transformation, served as the motivation for the study. Post-liberalisation, the sector has seen a lot of mergers and acquisitions in the country. However, to add value, M&A must lead to the improved financial performance of the merged entity. This research paper analyzes the post-merger financial performance of private and public sector banks, and also compares the same. The study reveals that, individually, private and public sector banks have shown post-merger improvement in financial performance with respect to a few parameters of the CAMEL model. However, overall there is no statistically significant improvement in the financial performance of the banks, post-merger. Also, there is no significant difference when the post-merger financial performance of private sector banks is compared to that of public sector banks.

Keywords: Indian Banks, Merger, CAMEL model, Public and private sector banks

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Is it Always Necessary to Time the Exit? Insights from Indian Venture Capital Market

James Dominic*

The study models the association among exit routes adopted by Venture Capital (VC) firms, Investee Firms (IFs) industry and the overall market condition. It examines 210 exit transactions in India, which occurred between 2000 and 2018, and finds that exits are seasonal irrespective of the exit routes. Bull markets are critical for exits irrespective of the exit routes. Venture Capital Funds (VCFs) try to time the market for exits irrespective of the route adopted for the exit. Surprisingly, buybacks are also associated with a bullish market which is characterized by high valuations. No industry is superior to any other industry in timing the market. However, Banking and Financial Services Industry (BFSI) possesses exit opportunities even in the bear market.

Introduction

Exit mechanism is key to the entrepreneurial process for a thriving Venture Capital (VC) industry (Dominic and Gopalaswamy, 2019). Entrepreneurs and VCs realize their share of wealth in the Investee Firm (IF) only when they exit the investment (Covin *et al*., 2001; and Cumming and Johan, 2008). Successful and timely exits are crucial for the VCs as they help in recycling funds for new investments (Mason and Harrison, 2006) and reputation building for the VCs (Gompers, 1996; and Hibara, 2004). Reputation building further gives the much-required confidence to limited partners (LP) in the VC market, making fundraising easy for the VC firms (Neus and Walz, 2005; and Gemson and Annamalai, 2015). Given the fact that VC investors make investments with the intention to exit with maximum ease and significant return on their investments, it is time that the focus of entrepreneurial research shifts to VC exit. This study aims at contributing to the limited body of literature about VC exits by investigating the association that exists among the exit routes adopted by VC firms, IFs industry and the overall market condition. Specifically, the focus is on identifying the interactions among market cycles, the six different sectors to which the portfolio firms belong, and the exit route adopted, namely, Initial Public Offering (IPO), strategic sale (mergers and acquisitions), secondary sale and buyback.

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The Impact of Liquidity on the Profitability of Nifty Pharma Index (NSE India)

Suzan Dsouza* and Houshang Habibniya**

The paper examines the impact of liquidity on the profitability of Nifty Pharma Index (NSE India) listed on the National Stock Exchange (NSE) India. Liquidity is represented by current and quick ratios with working capital. In an attempt to measure the profitability, various factors like Return on Capital Employed (ROCE), sales, Return on Total Assets (ROTA) and Profit Before Tax (PBT) have been utilized. With a view to establishing the linear relationship between liquidity and profitability, a multiple regression model was used to analyze the statistical samples of Indian pharmaceuticals companies for a period of five years from 2012 to 2016. On the basis of overall analysis, it is therefore important to state that Current Ratio (CR) has a positive impact on ROCE, whereas Quick Ratio (QR) has a positive impact on ROTA. Sales is the strongest predictor of working capital. Hence, an unusual relationship between liquidity and profitability has been observed.

Introduction

The primary aim of any organization is to maximize its profits. A business enterprise with maximum profit is perceived as efficient in terms of operation as well as investment. Profit is also considered as a measurement standard for the viability and sustainability of any business. The creditworthiness of such profitable firms is also perceived as favorable as it is less risky to the investors. But at the same time, it is also important for an organization to maintain the required liquidity level. An insistence on maximizing profits may lead to a situation of low liquidity, sometimes resulting in insolvency (Samiloglu and Demirgunes, 2008). There has always been a trade-off between profitability and liquidity (Dash and Ravipati, 2009). As stated by Khidmat and Rehman (2014), the liquidity ratio has a positive effect over the company's profitability Return on Assets (ROA), while solvency ratio has a negative impact on the ROA and Return on Equity (ROE). Their findings are based on 36 sample companies and focused on explaining the impact of liquidity on profitability of companies. Lartey *et al*. (2013) conducted research on nine listed banks in Ghana to determine

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Mergers & Acquisitions and Value Creation: A Banking Industry Perspective

Mousumi Bhattacharya* and Sarit Biswas**

The paper intends to measure the effects of Mergers & Acquisitions (M&As) on the stock prices and Financial Performance (FP) of the acquirer banks in India. A list of 28 M&As concerning acquirer banks registered on the National Stock Exchange (NSE), is used in this study. Event study analysis is used to gauge the outcome of M&As announcement on the market price of the banking company's share, which measures the wealth creation of acquiring firm's shareholders. DuPont (DP) analysis is used for the purpose of analyzing the FP of merged firm, but it failed to show any significant impact post merger in terms of Return on Assets (ROA), Return on Equity (ROE), net-profit margin, financial leverage and asset turnover. The fallouts designate that the market reacted negatively towards the M&As in banking sector of India, and also show a corrosion in the performances of the acquirer banks in the post-merger period.

Introduction

Organizations adopt different strategies to grow their businesses. Growth can be achieved either organically (e.g., expanding the existing operations, launching new products and services, entering into the new market, etc.) or inorganically (e.g., through Mergers & Acquisitions (M&As), Joint Ventures (JVs), Strategic Alliances (SA), etc.). M&As are the emerging strategies adopted by organizations to expand their businesses beyond their internal capabilities and resources. Due to the possibilities of rapid growth in limited time period, many organizations adopted this strategy for mounting their business. Approximately 4,000 trades are noted every year in the business world. Although there are plentiful explanations for occurrence of M&As between organizations, some of the major reasons include Organizational Synergy (OS), where the amalgamated enterprises obtain extraordinary value than each single entity alone could attain. The M&As process may reduce expenditures of the novel ventures, help in enhancing shareholder wealth, increase chances of endurance in the dynamic changing environment, accomplish greater economies of scope and scale, shrink expenses and upsurge Return on Equity (ROE).

The M&As endured a favorite theme among scholars because of its noteworthy prominence in the business world. Most of the M&A studies have been piloted in the developed economies as the M&As tactics are majorly noticed in the advanced world compared to less

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Secretarial Auditing and Commercial World: A Handy-Dandy Approach to Prevention of Market Manipulation and Insider Trading

Subhajit Chakraborty* and Tamasi Biswas**

Customary scrutiny of compliances reduces the chances of treacherous practices in corporations, thus securing the dignity of corporate entities. It attempts to win the confidence of potential investors and stakeholders in the quest of commercial affairs. In this juncture, the mechanism of "secretarial audit" is germane towards the promotion of corporate governance administration. Detection of Corporate Fraud is indeed a complex procedure given the numerous norms and regulations. Since corporate scams ordinarily are prevalent in the organized sector, it may prove to be ineffective in tracing down the reason behind such perpetration. Hence, intervention of a regulatory body is the need of the hour for ensuring transparency and accountability of the corporate bodies. Secretarial auditor, a chair of confidence in every organization, is vested with the responsibilities of "secretarial audit" for ensuring that compliance and corporate reporting are done in adherence to the existing laws. As we are all aware of the stringent laws for the protection of minority interest, financial discrimination and other allied aspects can be a crucial factor for oppression. On a similar track, insider trading and market manipulation can be the basis for both financial and reputation loss, rendering serious trouble to the entire stakeholders of the organization. This paper is based on doctrinal study and intends to discuss how the mechanism of secretarial auditing helps to minimize the legal challenges of insider trading and market manipulation confronted by the corporate bodies. The paper analyzes how the mechanism of "secretarial audit" can slump the rates of corporate frauds.

Introduction

Market manipulation and insider trading are common malpractices confronted by the Indian securities market. As per a report of the Statistical Research Department for the fiscal year 2011 to 2017, around 185 cases of stock manipulation and price rigging were investigated by the Securities and Exchange Board of India (SEBI). In 2019-20, the regulator investigated

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Risk Measurement of Indian Banks: A CSRISK Analysis

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This paper proposes another proportion of foundational chance, namely, Capital Shortfall Risk (CSRISK), which recognizes a budgetary organization's capital shortage under the most noticeably terrible situation restrictive on a significant market decay. The CSRISK list requires just open monetary information, including bookkeeping and market exchanging data, which is time and practice. The sample includes 251 Indian banks for the period of 20 years, starting from January 1, 1998 to December 31, 2018. The period is divided into three phases: pre-crisis (1998-2007), crisis (2008) and post-crisis (2009-2018)—data on returns collected from Yahoo Finance. The market value of equity and book value of debt are extracted from the Prowess database. Variable k is 9% (Basel norms II), which is the regulatory requirement by the Indian banks to maintain assets as a part of total assets. This fundamental hazard measure can be generally applied in the field of executives and macroprudential strategy making. The paper focuses on CSRISK using regression analysis approach. The study found that the larger the CSRISK, the greater the bank size; this could help risk managers to control the course of action. Banking regulators may evaluate the market capital shortfall proficiently and efficiently with the help of CSRISK in case of a troubled economic scenario.

Introduction

One of the lessons learned from the 2007-2009 financial crisis is that undercapitalization of large financial institutions can impose significant negative externalities on the real economy (Brownlee and Engle, 2017). A number of contributions have introduced theoretical models that formalize this new risk. Acharya *et al.* (2010) developed a model to study the effect of capital shortfall experienced by a financial firm in generating negative externalities to the entire economy when the financial system is undercapitalized.

The concept of systemic risk is not accessible due to divergences in what a system represents. Some researchers only consider the collection of institutions that make up the

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A Comparative Analysis of the Non-Performing Assets of Public and Private Sector Banks in India

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Banks are obliged to repay the deposits to the public on due date with an embedded option for foreclosure. They can also take preventive, remedial and legal measures for recovery of loans. However, despite their best efforts, some loans become Non-Performing Assets (NPAs) as they do not generate income. On the other hand, banks are required to make provision out of the current year's profits as a cushion against such NPAs. If such NPAs become irrecoverable, the resultant losses are required to be absorbed by banks. In this context, banks are required to maintain as much capital as required to meet the probable loan losses. The Reserve Bank of India (RBI) issued detailed guidelines to banks on classification of loan accounts and provisioning norms, called Income Recognition and Asset Classification (IRAC) norms. The two important groups of banks in India are public sector and private sector banks. The present study is an attempt to analyze the performance of these two banking groups in terms of classification and provisioning of their loan assets under standard, substandard, doubtful and loss assets as per RBI guidelines. The study observes that private sectors banks are comparatively better in maintaining standard assets and making adequate provision for the NPAs.

Introduction

Banking is defined as the business activity of accepting deposits from customers for the purpose of lending and investment. Prima facie, it appears that banking business is luxurious, because banks lend money to public from the deposits raised. The deposits collected by banks from public are of two types: demand deposits and time deposits. Current and savings deposits are called demand deposits. They are repayable on demand. Fixed deposits, recurring deposits, daily deposits are called term deposits. They are normally repayable on expiry of the period for which they are accepted. In reality, these term deposits also have the option of foreclosure. It means the term deposits can also be closed by the depositors, as and when they want, irrespective of the period of deposit. To put it in a nutshell, we can say that all

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Evaluation of Marketing Implications/ Customer Perception of Service Quality of Banks in the Face of Commercial Bank Mergers in India: A Literature Review

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The paper reviews research on the linkages between select demographic and behavioral variables and customer perception of the banking service quality in the face of commercial bank mergers in India and seeks to identify gaps in the current body of knowledge which justify future research directions. The impact of bank mergers on customer service quality has attracted a great deal of attention during the last two to three decades in view of the ongoing consolidation of the Indian banking sector with a view to improving its efficiency and profitability. Using Systematic Literature Review (SLR) method, the study reviews papers from 37 refereed journals and other books published on the subject. Detailed content analysis reveals that most of the research is empirical and identifies brand equity, Customer Relationship Management (CRM) and innovative ability, among others, as the major factors influencing the customer perception (marketing implications of commercial bank mergers) of service quality of commercial banks in India in the face of mergers. In conclusion, the study found that demographic and behavioral variables and customer perception of the quality of service of the merging commercial banks in India are related and the bank managements must give due importance to the segmental differences while formulating their marketing strategies if they have to be successful in the emerging competitive commercial banking scenario of India. Future research may be carried out taking larger and more diversified samples of bank customers to generalize the research findings.

Introduction

Many consumers are concerned that the level of service quality has been declining over the last two decades. From the customer service perspective, a decline in service quality can be attributed to the rise in two-income households and the busier lifestyles of the consumers of such services. Having higher incomes, better education, and less time have made consumers more demanding with regard to convenience and service quality.

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CEO Gender and Employee Compensation: Evidence from India

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In this study, we examine the impact of CEO gender on the compensation of Indian corporate employees. Based on the theoretical and empirical research in business ethics and leadership styles, which argue that females are 'care' and 'relationship' oriented, we hypothesize a positive impact on compensation. Our results show that the average compensation increased by about 14% when females took over the leadership and they pay a significantly higher compensation as compared to the industry averages. This increase is observed irrespective of the size, performance and growth of firms. However, the positive impact is weaker for highly levered firms.

Introduction

There are several studies in economic literature, which argue that management styles, a behavioral aspect, influence firm level policies, including wage/compensation policy (Bertrand and Schoar, 2003). These behavioral researchers argue that employee wages are affected by the race, gender and cultural aspects (Tate and Yang, 2015). Taking a cue from Becker's (2010) theoretical foundation on the taste for discrimination, various researchers have studied the impact of these behavioral aspects, especially the gender of the leader, on the wage policy of corporate firms (Cardoso and Winter-Ebmer, 2010; and Abendroth *et al*., 2017). Generally, this stream of research addresses two important questions. First, what is the impact of female leadership on the wage gap between male and female employees. And second, the impact of female leadership on the distribution of wage gap across different levels of jobs (Grund, 2015). The general conclusion of this stream of literature is that female leadership has a negative impact on the wage gap and the impact varies across different levels of job. The maximum reduction is seen at the top level of the organization, while the minimum reduction is seen at the bottom level of the organization (Cardoso and Winter-Ebmer, 2010; Tate and Yang, 2015; and Abendroth *et al*., 2017). However, there is no

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Audit Practices Linked to Corporate Governance: A Literature Review

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In this paper, a review of recent research on the connection of auditing with corporate governance practices is conducted. The role of auditing is to validate the financial statements, the system process and procedure. The assurance of goodness in these would lead to better corporate governance. A good corporate governance framework involves better managed internal processes and best use of investors' money. The study identifies the linkage of auditing with corporate governance and also the contribution of its various components, namely, internal auditing function, external auditors and the audit committees for establishing good corporate governance practices. The studies reviewed found that auditing mechanism can effectively monitor and evaluate internal operations and ensure compliance; there can be fair view of financial statements and efficient risk management, thereby protecting investor's interest. It can be inferred that high quality auditing practices can reduce misappropriations of resources, frauds and scams, reduce risk to all stakeholders, leading to better corporate governance in firms. In the absence of very recent research on this issue, this paper contributes to the existing literature wherein it reiterates the role of different components of auditing in corporate governance.

Introduction

The primary objective of auditing is to authenticate the accounts and records and report to the owners of the business whether the books of accounts are properly drawn up according to the requirements of law, and whether they exhibit a true and fair view of the profit and the financial position of the company. Corporate governance involves an oversight of a corporation's policies, procedures and practices. It is defined by the conventional accounting and finance literature as "the range of control mechanisms that protect and enhance the interests of shareholders of business enterprises" (Fama and Jensen, 1983). It helps to ensure that the corporate is operated in the best interests of the business and its investors. The onus of corporate governance usually lies with the board of directors. Auditors are employed to monitor and test the internal controls, but the ultimate responsibility of corporate governance lies with board.

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Accounting Conservatism and Corporate Governance: A Literature Review

Rajneesh Ranjan Jha*

The paper reviews the literature on accounting conservatism and its different dimensions. In literature, accounting conservatism is classified into two classes, namely, conditional accounting conservatism and unconditional accounting conservatism. Accounting conservatism plays an important role in shaping the corporate governance of any firm. It also interacts with other dimensions like board structure and ownership structure to decide the firm level of corporate governance. Board structure and accounting conservatism act as a substitute to each other. Accounting conservatism literature mainly focuses on advanced or developed nations, while research on emerging nations needs more attention. As there are institutional differences between advanced and emerging nations, the results generated from advanced nations cannot be generalized for the emerging nations. There are many unattended research gaps in the context of emerging nations like India, where ownership structure is concentrated and business group affiliation is a rule rather than exception.

Introduction

In a setting where the misconduct of a company's management is found to have been widespread, accounting conservatism could contribute to higher managerial liability. It may be due to the limitations of accountants to detect fraud and other misbehavior in multi-corporation firms, leading directors and audit committees to believe that there is a lack of evidence, when all along there may actually be a host of concealed corporate crimes. In other words, the truth may be hidden in plain sight—and accounting conservatism could help conceal it. The effects of accounting conservatism on managerial liability are theoretically ambiguous. For example, if the costs to the firm of recognizing revenue prematurely are greater than the benefits of hiding it, accounting conservatism will lead to lower management liability because it makes revenue recognition more difficult. Theoretical ambiguity regarding accounting conservatism and managerial liability is partly due to conflicting views about how conservative accounting affects managerial incentives. Accounting conservatism is related to corporate governance, with corporate governance being closely associated with reduced

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Stakeholders' Perception of CSR Practices: Evidence from Indian Companies

T Sita Ramaiah*, Kishan Jee** and Satish Chandra Tiwari***

In recent years, companies have become more conscious of customer satisfaction while implementing social responsibilities compliance. The Corporate Social Responsibility (CSR) literature is tremendously rich. Numerous scholars and researchers have contributed to enriching the literature on CSR. Following a thorough review of literary texts on CSR, it was found that most crucial aspects of CSR have been explored and studied so far. The study helps to create a deeper understanding of essential and functional elements of CSR. CSR scope and models have been discussed by analyzing the amount of research reporting performed in this field in India and abroad over the last few years. The goal of the researcher is also to project the research gap that exists in this field and to concentrate on the topics that have received priority and attention in this regard. Surveys about CSR within the framework of a selling approach have shown that there is a positive relationship between consumer preference of products and social responsibility of the corporate. Thus, a trend is revealed towards consumers' increasingly preferring products of a socially responsible company (Edelman, 2010). The results suggest that CSR activities induce positive CSR perception that improves performance. Furthermore, the results indicate that companies should consider employees' perception of CSR and their feeling of attachment and long-term performance.

Introduction

Today, the social role of business is widely discussed among the professional community, consumers and the public. In particular, according to European market research (Edelman, 2010), during the decision-making process, the focus is on consumers who pay particular

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Currency Exposure of Equity Returns: Evidence from India

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The paper studies the meager evidence on currency exposure of Indian companies. It addresses three research questions. What is the long-term currency exposure (FX Equity Beta) of listed firms in India? Does it show cross-sectional variation in firms and variation across industries? Is it time varying? With NSE 100 firms, currency exposure of equity returns to US Dollar (USD) is estimated at portfolio and firm levels for the period 2001-2016, and also for two sub-periods 2001-2008 and 2008-2016. Robustness of the estimates is verified using Composite Exchange Rate (CER). Long-term FX Equity Beta of Indian firms is negative and time varying, and varies across industries and firms. This evidence is contrary to the thinking that currency depreciation is good for emerging economies. The forex beta of the equity portfolio of NSE 100 firms to USD (CER) is –1.352 (–1.352), for 2001-2016; –1.718 (–1.704) for 2001-2008, and –1.283 (–1.256) for 2008-2016. Mean firm level FX Equity Beta on USD (CER) is –1.601 (–1.551) for 2001-2016; –2.078 (–1.875) for 2001-2008, and –1.667 (–1.803) for 2008-2016. Mean FX Equity Beta on USD (CER) of financial services firms is –2.221 (–2.215) and that of IT firms is –0.47 (–0.56).

Introduction

Indian companies are exposed to currency volatility due to their international business transactions involving exchange of currency. Indian Rupee (INR), since 1947, displayed a depreciating trend till 2003, later it appreciated till 2007. Beginning 2008, INR has shown more volatility, coupled with a depreciating trend (see Figure 1). Theory in international finance establishes that both domestic firms and firms with foreign currency transactions are susceptible to currency risk. Empirical literature estimates currency exposure[1] of firms using equity returns as a proxy, and highlights a "currency exposure puzzle".[2]

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[1] "Currency Exposure" as a word has two connotations. One, it represents the quantum of a variable that is denominated in foreign currency. Two, the degree to which, the domestic currency value of that variable is sensitive to changes in exchange rates (measured as an elasticity coefficient). While the text books of International Finance have promoted the former connotation, empirical research promotes the later (Adler and Dumas, 1984; and Jorion, 1990). One of the advantages of measuring currency exposure as an elasticity coefficient is that it is tractable for statistical estimation, and facilitates comparison of currency exposure of various firms, irrespective of their size and industry affiliation. It also helps in designing a hedging program, and assists generic policy formulation at macro level, understanding the sensitivities of firms to currency fluctuations.

[2] Refers to feeble empirical evidence on currency exposure even in MNCs.

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A Comparative Study of the Performance of Government Promoted Firms and Non-Government Promoted Firms: Evidence from India

D Satish*

Promoters play a very important role in the performance of companies. In India, the average holding of promoters is very large at around 54%. These promoters are either government or private individuals and business houses. India started the privatization process in a big way in the early 1990s and also started disinvesting stakes in major public sector companies, while retaining a minimum of 51% stake in a majority of companies, in effect keeping the control. The paper with an objective to study whether there exists a significant difference in the performance of government promoted firms and private firms and found a significant difference in the performance between them using both independent sample t-test and pooled panel data regression. The paper is based on the data of public listed companies in India over a period of 11 years (2008-2019).

Introduction

Investors around the world are often curious to know whether there exists a relationship between promoter holding and firm performance and whether a government promoter or a private promoter holding would result in better performance of the firm. This research question has attracted researchers from various streams, including finance, accounting, economic and strategic management.

Need and Importance of the Study

The study on the relationship between the type of promoter ownership and the performance of the firm is very important to understand many issues, especially in the Indian context. In a country like India, where a majority of the firms are owned by promoters belonging to family-owned businesses or by the government, the retail investors have just started to participate in stock markets and financial institutions like banks cannot invest in stock markets directly. In this setting, the promoters end up holding a large proportion of the shares and

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Does Ownership Structure Impact Competitiveness of Firms in Their Product Markets? Evidence from India

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Existing literature shows that monitoring the effect of concentrated ownership has a positive impact on firm value. However, the economic channel of such a positive impact has not been examined. This study offers a possible economic channel and tests it empirically using a panel of Indian firms. The hypothesis of the paper is that concentrated ownership increases the competitiveness of the firms, through efficient monitoring of their activities, in their product markets, thus increasing the growth rate of firms. The results show that both institutional and promoter ownership have a positive impact on firm competitiveness. However, foreign concentration has an insignificant impact. Moreover, for business group-affiliated firms, only institutional concentration has a positive impact. The results remain robust for different specifications and endogeneity issue.

Introduction

Finance theory argues that effective monitoring by owners aligns the interests of managers and shareholders in the presence of the agency problem (Jensen and Meckling, 1976). Shleifer and Vishny (1997) argue that owners' incentive to monitor firm activities increases with an increase in their percentage shareholding, and Boubakri *et al*. (2005) and Burns *et al*. (2010) provide empirical evidence for such increased monitoring of concentrated owners. It is expected that shareholders, being rational and utility maximizers, influence managers' decisions towards value maximization when they hold higher stock ownership. Several studies have tested this theoretical argument empirically and found a positive impact of good governance of ownership concentration on firm value in the market (De Miguel *et al.*, 2004; and Pindado and De la Torre, 2006). However, firm performance and its value being

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Do Financial Constraints Matter in Accessing Agricultural Loan? Organic vs. Conventional Farmers

Md Sikandar Azam*, Satish Chandra Tiwari** and Harsh Raj Pathak***

Economic empowerment and sustainable livelihood of small and marginal farmers have become a major challenge in India. The NSS survey report indicated that around 40% of farmers are willing to quit farming and seek other means of economic survival. The ease of agricultural credit for the financially weak farmers can significantly help them to sustain. This study aims to understand the relationship between the financial position of organic and conventional farmers and their accessibility to agricultural loans. The primary data from 400 farmers has been collected from organic and convention farmers. To address the objectives, a Binomial logistic regression model has been used to examine the impact of financial position in accessing agricultural credit. The study revealed that educated, large-scale, and financially sound farmers benefited more from financial institutions, whereas economically deprived small and marginal farmers were unable to access agricultural credit due to illiteracy, lack of awareness, and lengthy documentation. The study suggests that generalization of loan waived should be avoided. Further, the required documents for availing agricultural credit for the economically weak and uneducated small and marginal farmers need to be simplified that could minimize the non-institutional sources of loan.

Introduction

Agriculture in India has always been largely dependent on monsoons; therefore, it has been an inherent risk activity (Mohan, 2006). The failure of monsoon leads to high rural indebtedness, and it is seen as the continuation characteristics. The sustainable livelihood of small and marginal farmers has been a major challenge in India. The gradual shrinking in cultivated landholding size has reached 44% for small and marginal farmers out of the total

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Financial and Social Impact of Skill Development Programs for Empowerment of the Tribal Community in Telangana State, India: An Empirical Study

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Telangana is a new state of the Indian Union that was formed in 2014 after a prolonged and relentless struggle. Close to 10% of the total population belongs to the tribal community. The tribes are socially and economically backward in the state when compared to other communities. The Telangana government has initiated a number of skill development programs for the tribal people to get employment and entrepreneurship opportunities and to improve their socioeconomic status. The study is an empirical evaluation of the skill development programs for the socioeconomic development of the tribes which are being implemented in the state. The tools used for the analysis are percentage, chi-square, t-test and ANOVA. The study found that the skill development programs are helping the tribes to get employment and entrepreneurship opportunities and to improve their socioeconomic conditions. The skill development schemes have a positive impact on the socioeconomic status of the tribal beneficiaries, and they have expressed satisfaction as there is significant social advancement in their lives.

Introduction

Telangana is a new state of the Indian union. It was achieved after a prolonged and relentless struggle during which many sacrificed their lives, and it has successfully completed a little over six years. There are 32 scheduled tribes in the state of Telangana as per the AP Reorganization Act, 2014. The tribal population accounts for 9% of the total population in the state. ST population in ITDA districts is 52.96% of the total ST population in the state and remaining 47.04%. Tribals inhabit the plain areas (census India). The tribes are socially and economically backward in the state when compared to other communities. The Telangana government has initiated a lot of skill development programs for the tribal people to get employment and entrepreneurship opportunities and also to improve their socioeconomic status. The study is

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Domestic Institutional Ownership and Firm Value: A Study of NSE 500 Companies

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The paper studies the impact of Domestic Institutional Ownership (DIO) upon firm performance in India using panel data for NSE 500 companies from 2010 to 2016. The study finds DIO to have a positive impact on Tobin's Q in panel regressions-fixed effects after using controls such as firm age, size, leverage, marketing intensity, foreign institutional ownership and promoter ownership. The study also tests the impact of Mutual Fund Ownership (MFO) and the impact of Banks, Development Financial Institutions (DFI), Insurance companies' (BFII) ownership separately and found MF has a positive impact on Tobin's Q. The study observed that all variables DIO, MF and BFII had no impact on Return on Assets (ROA) but BFII is found to have a negative impact on Return on Equity (ROE). The study found a positive impact of Mutual Funds (MFs) and a negative impact of 'Banks, FIs and Insurance companies' on firm performance in India. The paper contributes to the empirical literature on institutional ownership and firm performance in emerging economies. It has important implications for firms, investors, corporate policy makers and researchers particularly, in India.

Introduction

The connection between ownership structure and performance has been the subject of an important and ongoing debate in corporate finance literature (Demsetz and Villalonga, 2001). Ownership structure is considered as an important internal mechanism to control the agency costs (Jensen and Meckling, 1976; and Shleifer and Vishny, 1986). Large investors and financial institutions can afford to invest in information and effectively monitor managers and reduce conflict of interests between owners and managers (Shleifer and Vishny, 1986). Institutional investors can also influence corporate behavior by actively participating in the corporate control and decision-making processes such as proxy contests (Pound, 1988; and Smith, 1996) and CEO turnover. Thus institutional ownership is considered to have important implications for firm performance and value. They can make a positive contribution by cost-effectively monitoring management behavior.

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Dividends and Promoters: The Role of Controlling Shareholders in India

Geeta Singh* and S Vijayalakshmi**

The paper investigates the lesser researched area of possible association between promoter equity ownership and dividend policy. Firms in India have concentrated ownership of promoters and thus, promoters may influence the firm's various decisions, including its dividend policy. The paper tests the relation between the promoter ownership and dividend payment, after controlling several firm characteristics such as size, return on assets, cash ratio and leverage. Based on panel data of Nifty 100 firms from March 2011 to March 2019, evidence for a positive relation between the promoter's equity ownership and dividend payment is provided. The results are in line with the reputation building hypothesis. This hypothesis suggests that the positive relation between promoter ownership and dividend payout is a result of reputation building mechanism such that firms intend to send a positive signal to the market and investors that they are not expropriating the rights of minority shareholders.

Introduction

Corporate governance is defined as the way through which suppliers of finance to corporations assure themselves of getting a return on their investment. For knowing the wider scope of corporate governance, Andrei and Robert (1997) sought to find out: How do the suppliers of finance get managers to return some of the profits to them? How do they make sure that managers do not steal the capital they supply or invest it in bad projects? How do suppliers of finance control managers? Many mechanisms can answer these questions and one such mechanism is the dividend payment which acts as a signaling tool, sending a signal to the market and investors that the firm is not expropriating the rights of minority shareholders. Dividend payment has been considered a disciplinary mechanism of corporate governance which also works as a substitute for poor monitoring by a firm's shareholders.

In this paper, we provide evidence that the dividend payment is related to the percent of equity ownership of promoters. In the presence of control variables which also influence the

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Internal Capital and Firm Financing: Evidence from Indian Group-Affiliated Firms

Akanksha Saxena* and Shilpi Banerjee**

In this study, we examine the phenomenon of the existence of internal capital market among business group firms. Researchers in this field use the existence of the internal capital as a base to explain the difference between group and stand-alone firms with respect to various financing decisions. Using a panel of Indian listed firms, we analyze the equity and debt components of the internal capital market. We find that for group firms, the debt component of internal capital exists mainly in the form of intercorporate loans. And among equity components, it exists in the form of promoter and intercorporate shareholdings. However, for stand-alone firms, debt from promoters' loans, fixed deposits from promoters and deferred credit are higher and so are equity from persons acting as promoters and institutions and Hindu Undivided Families (HUFs).

Introduction

Business group affiliation is a common phenomenon around the world. However, in emerging market economies, business groups have a strong presence and predominance over most of the business activities. This is because of certain market imperfections that emerging economies face, such as underdeveloped capital, labor and product markets and at the same time weak corporate governance and control. Business groups replicate the functions of such institutions and fill the voids of market imperfections (Khanna and Palepu, 2000; and Gopalan *et al.*, 2007).

Business group firms take different structural forms in different countries, but they usually have an independent legal structure with some formal and informal ties connecting them. These formal and informal ties are what differentiate them from non-group-affiliated firms. Research on business group affiliation has focused on various aspects of corporate finance literature to analyze the impact of group affiliation and to see if the impact on various aspects is good or bad. Earlier research has focused on the difference in capital structure of both business group-affiliated firms and non-group-affiliated firms (Manos *et al.*, 2007; and

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Pledging of Promoter Holdings and Earnings Management

Sager Reddy Adavelli* and CMA Srikanth Potharla**

Pledging of shares by the promoters induces them to follow earnings management when financial performance is poor, as the fall in reported earnings will have imminent negative impact on stock price. By analyzing the unbalanced panel data of 158 companies for the period of 2012-2018, the study corroborates the debt covenant hypothesis, as the pledge ratio has a significant positive impact on earnings management. The study also evidenced significant negative impact of operating cash flows on the earnings management, which may be attributed to the reason that when operating performance is poor, firms are more induced towards earnings management in order to report better profits.

Introduction

Issue of debt by corporate entities is usually backed by a covenant, which is a legally binding term of agreement between issuer of debt securities and debt security holder. The underlying motive behind imposing covenants is to safeguard the interest of the debt security holders that can mitigate default by the issuer and its repercussions. The recent past has evidenced increased number of pledging of shares by the promoters to raise loan. Share pledging makes the promoters virtual borrowers, exposing them personally to the risk eliminating from the leverage. Fall in share price due to reporting of subdued performance subsequent to pledging of shares will entail costlier penalties on the part of the promoters. They may have to pledge an additional number of shares or else the lenders may liquidate the pledged shares. In order to avert such adverse situations, the promoters may indulge in upward earnings management. Against this backdrop, the study hypothesizes that management is incentivized to increase or maintain the present level of market price of the shares by managing earnings upwardly, as a fall in share price due to subdued earnings will be costlier for the borrowers.

Literature Review

The positive accounting theory, proposed by Watts and Zimmerman (1986), is a cornerstone of research on how the management chooses accounting and auditing policies. One of the

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Does Operating Cash Flow Volatility Impact Capital Structure Decision: An Empirical Study?

Nitya Nand Tripathi* and Naseem Ahamed**

The paper examines the relationship between Operating Cash Flow (OCF) volatility and debt usage in the capital structure of firms. Using the model used by Bates et al. *(2009) and Frank and Goyal (2009) on a sample of 22,798 firm-years data points, we found that there is an inverse relationship between the debt component of capital structure and OCF. We also found a positive relationship between total debt (adjusted for total market value of the firm) and volatility of the OCF both in the full sample and the two highest quartiles. An increase of one standard deviation in OCF volatility causes a 5% increase in total debt in the capital structure. Hence, increase in OCF volatility of a firm leads to increased borrowing. The paper is probably the first to examine the relationship between OCF volatility and debt proportion of the capital structure in the Indian context.*

Introduction

Despite the existence of literature on the theoretical relationship between cash flow volatility and financial leverage of firms, there is little empirical evidence towards the same. The studies on Asian corporations are even less and most of those studies support various explanations on financing decisions previously established in the developed markets (Getzmann *et al*., 2014). In this paper, we discuss two contemporary trends in designing capital structure of the Indian firms. First, we found approximately 20.87% firm-years with negative cash flow in Indian firms (Refer Figure 1 for quarterly ratio of Operating Cash Flow (OCF) to Total Assets) as against the findings of Ritter and Welch (2002), Fama and French (2004) and Denis and McKeon (2018) that document that there are a large number of firms with negative cash flow globally. Second, we found that OCF volatility ranged between

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Determinants of Underpricing of IPOs in the Infrastructure Sector

Abhishek Sinha*

The infrastructure sector determines GDP growth. With debt drying up in India due to increasing Non-Performing Assets (NPAs), equity has become an important source of funding. The promoter who is raising the money and is selling his equity through offer for sale, is not able to maximize his returns, as the stock markets evidence 25%-30% underpricing. Hence, there is a need to identify the drivers of underpricing in the infrastructure sector, as there is limited study in this area. The study has identified 23 variables from literature and then vetted the variables from 10 industry experts. The data comprises stocks listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in the period 2003 to 2015 collected from Prime Database, BSE and NSE website. To avoid overfitting, Principal Component Analysis (PCA) followed by stepwise regression are used to identify factors driving underpricing. Ten factors related to the market, fundamental and macroeconomic factors are identified as drivers of underpricing in infrastructure sector. Hence, factors such as economic growth, balance sheet size and hot and cold period are the drivers of underpricing in infrastructure sector. The management should take cognizance of these drivers while listing the stock in the market to reduce underpricing.

Introduction

The growth of a developing nation hinges on infrastructural growth (Sanchez-Robles, 1998; Esfahani and María, 2003; and Perkins *et al*., 2005). The same is contingent on private funding. The Public-Private Partnership is a means through which government can bridge the gap in investment by raising funds (Grimsey and Mervyn, 2002; Kwak *et al*., 2009; and Francis and Elliott, 2019). The private sector has better managerial skills, which enables organizations to reduce cost and increase profitability. Thus, it makes investment in the infrastructural sector highly attractive for them (Winch and Onishi, 2012). Furthermore, it helps to maximize the value for money of infrastructure provisions (Savas, 1987). However, the returns on a project is contingent upon the method of financing used. There are two forms of funding available – debt and equity. Traditionally, promoters have relied more on debt in India. In May 2018, the total funding to the infrastructure sector by the government

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Relevance of Gold Monetization Scheme as an Investment Option for Retail Customers in Hyderabad

Shree Jyothi Koutha*

Traditionally, Indians have been known as accumulators of gold, who take pride in investing huge amounts in collecting gold jewelry. However, this investment is confined to lockers either at home or in banks for most of the time without earning any returns for the investors, except for gratifying their family pride and prestige. The Indian government has come out with a scheme of monetizing this, literally speaking, gold mine, wherein the gold gets deposited and attractive returns are assured on maturity with active involvement of banking sector, both private and public. The paper attempts to study the popularity and success of this Gold Monetization Scheme (GMS) among bank customers and the reasons thereof.

Introduction

Being a part of the ethos of every Indian household irrespective of the socioeconomic conditions, gold remains an integral and most important part of the investment portfolio of every member of this country. As a lot of sentimental value is attached to the gold possessed, it is never treated as an investment in the modern sense of investment but hoarded physically. As per the union budget for 2015-16, it is estimated that there were about 20,000 tons of gold in India that was not traded or monetized, offering huge potential for income generation, and hence the Gold Monetization Scheme (GMS) was launched.

In this paper, an attempt has been made to study the popularity of the scheme along with the preference of investors between public and private banks. An analysis has been done to evaluate the success of this scheme and study the difference in the performance of public and private sector banks.

Gold Monetization Scheme

Monetization refers to the process of converting a commodity into domestic currency. Gold monetization refers to unlocking the value of gold in terms of rupees. Gold Monetization

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Region-Wise Market Integration: Pre- and Post-Covid-19 Period in Asia-Pacific, GCC, Europe and US Markets

***Munawar Sayyad*[1], *Manu Sreenivasan*[2], *Kaushik Bhattacharjee*[3] *and Vijayalakshmi S*[4]**

Covid-19 crisis has impacted almost all the economies with different severity. Due to the shocks by this pandemic, the usual interrelationship between the stock markets also got affected. This paper aims to quantify the changes in the interconnectedness and comovements in the pre- and during Covid-19 period for 18 international stock exchanges spread across the world. The study included returns of 18 stock indices and analyzed the short-term dynamics change using the changes in the pair-wise correlations. For changes in the long-term equilibrium relationship, we have used the Johansen's cointegration tests and compared the changes in the speed of adjustments. Also, we have made common trend analysis using Stock Watson methodology to corroborate the findings of cointegration tests. Tests were used to know the impact on stock markets for the pre-Covid-19 and during Covid-19 across the globe. Finally, we analyzed the volume of the transactions during Covid-19 and pre-Covid-19 for the different stock markets to find out the severity of the shocks at an individual level.

Introduction

The rapid growth in international portfolio investments in the last several decades reflects the globalization of financial markets. The major force behind this globalization of the financial markets though initially came from the governments of developed economies that started to deregulate their capital markets in the beginning of 1980s. Subsequently, the governments of developing countries such as India, Korea, Brazil and Mexico undertook measures to allow foreign investments in their capital markets by offering country funds or

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Measurement Comparison and Predictability of Range-Based Volatility Models

Rama Krishna Yelamanchili* and Sager Reddy Adavelli**

Extensive research is going on in applied finance and econometrics on modeling the volatility of financial assets. Contemporary research uses most sophisticated methods to model the volatility. However, there exists two different schools of thought on the input variable, i.e., measure of volatility series. One school of thought advocates volatility measured using close-close price and the other school posits use of extreme values, that is, Open, High, Low and Close (OHLC). Little empirical work has been carried out on this topic in the Indian context. Using 1,421 daily observations of each of the three highly volatile sector-specific stock indices in India, we measure, compare and assess predictive ability of close-to-close estimator, Parkinson's and Garman and Klass's extreme value estimators over the period January 1, 2016 to September 30, 2021. The results of relative efficiency measures indicate superior performance of Extreme Value Methods (EVMs) over classical method. Furthermore, the results of 483 cross-sectional regression tests indicate the predictive ability of EVMs and report statistically significant t-statistics for a majority of the periods. It is also observed that EVMs have low standard errors when outliers are weeded out. Similarly, EVMs have t-statistic values and are statistically significant at 1% level during highly volatile market conditions. Our results support the argument that use of volatility measured with EVMs is efficient and suggest its use in modeling volatility of financial assets.

Introduction

Volatility estimation is pivotal in empirical finance. Researchers and practitioners use volatility in prediction of stock returns, calculation of option price, estimation of speed of adjustment in stock returns, estimation of abnormal returns due to events and in many more instances. Efficiency is key in volatility estimation, because volatility may change over long periods of time; an extremely efficient method will allow to estimate volatility with a small number of observations. Methods based on range-based stochastic volatility estimation have arisen in

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Does Low Volatile Index Perform Better Than High Beta Index During a Crisis Period Like Covid-19?

VDMV Lakshmi*

The paper examines if low volatile index acted as a safe haven by exhibiting better performance than high beta index during the recent Covid-19 pandemic. The study period is divided into three sub-periods (pre-Covid, Covid and post-Covid). A portfolio consisting of long position in high beta index and short position in low volatile index (HML) has been formulated during pre-Covid and post-Covid periods. The portfolio has been rebalanced with long position in low volatile index and short position in high beta index (LMH) during Covid-19 period. The study applies Jensen differential return model and Treynor-Mazuy market timing model to assess the performance of the portfolios. The study finds no evidence that low volatile index performs better than high beta index during the crisis period. There is also no evidence that high beta index performs better during stable periods. However, there is clear evidence of benchmark Nifty 50 having significant impact on the two indices and the portfolios.

Introduction

The recent Covid-19 pandemic not only affected the social lives of people but also resulted in stagnation of economic activity. Historically, crises increased the correlations between the financial assets and financial markets (Forbes and Rigobon, 2002) causing financial contagion. Similarly, the pandemic-driven crisis increased portfolio risk due to strengthening of the co-movements between the assets. This warranted the need for looking for safe investment haven. Traditionally, gold is considered as safe haven. However, the study examines the popular market timing strategy which suggests the inclusion of low beta stocks in the portfolio during market downs and high beta stocks during market ups. The study contributes to the literature by testing the portfolio performance in line with Banz (1981) model, which states that small capitalization stocks provide higher risk adjusted returns than large capitalization stocks. The study constructs a portfolio consisting of long position in high beta stocks and short position in low volatile stocks during relatively stable periods (Pre-Covid and Post-Covid periods) and long position in low volatile stocks

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Does Re-Categorization Affect Mutual Fund Investment? A Comparative Study of Pre- and Post-Categorization of Mutual Fund Schemes in India

***Harsh Raj Pathak*[1], *Kaushik Bhattacharjee*[2], *Sonali Narbariya*[3] *and Md Sikandar Azam*[4]**

In light of the growing importance of mutual fund investment in academic and industrial research, the paper aims at answering a question of paramount importance, i.e. Does re-categorization affect mutual fund investment? An unmatched sample t-test was conducted to compare the pre- and post-categorization among the large, mid, and small-cap firms based on three variables: liquidity, volatility, and returns. The results of the t-test postulate that the liquidity of large-cap firms and returns of the small-cap firms were significantly different for both periods of study. In contrast, all other variables remain indifferent across both periods. Overall, the study contributes to the literature and practice by providing meaningful pre- and post-categorization insights. The study provides important insights for mutual fund managers to understand the correct effect of re-categorization on market efficiency. The study provides transparency for future research in the field of mutual fund investment.

Introduction

In October 2017, the Securities and Exchange Board of India (SEBI) came up with guidelines for categorizing and rationalizing mutual funds in India. A few schemes were merged under this re-categorization, while a few saw changes in fundamental attributes and nomenclature. After the SEBI mutual fund re-categorization mandate came into force, all balanced funds came to be officially known as hybrid funds. Hybrid schemes are those that invest in both

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Mutual Funds: The Most Suitable Investment Avenue for Common People

Divya Mittal*

The study emphasizes that mutual fund is the most suitable investment avenue for common persons. The study investigates the popularity of mutual fund investments in the present scenario. The paper consisted of 281 usable samples of mutual fund investors. The variables were measured on a five-point Likert scale, which starts from 1 = strongly disagree to 5 = strongly agree. The selected method of data analysis included descriptive analysis, reliability and validity analysis, percentage, and regression analysis to test the validity, reliability and research hypotheses with the help of Statistical Package for the Social Science (SPSS version 16.0). The study found that popularity of mutual funds has increased in today's market. This paper suggests that mutual funds are the most suitable investment avenue for common persons due to high returns with low risks, portfolio diversification investment scheme, tax benefits, rating of funds by renowned agencies, and so on. This study would help the mutual fund companies and their managers in designing innovative products and services according to the needs of the investors. It would also help in developing and expanding knowledge in the field of mutual fund investment and planning.

Introduction

Creation of wealth is the primary objective of investors. There are a number of investment opportunities for the investor to achieve his objective, such as bank deposits, company deposits, equities bonds, life insurance policies, small savings schemes and mutual fund products, which create wealth and which in a way compete among themselves for the choice of the investor. Different investment instruments have different qualities—return, risk, safety, convenience, etc. The investor is faced with the problem of asset allocation, that is, how to build his portfolio of financial assets. Investment game, though fascinating, is a highly complex and complicated one. The investor has to match the product qualities with his financial needs and personal circumstances. He has to invest not in one or two but in a basket of financial products. The product qualities and personal circumstances of the investor change quite often, and uncertainty adds a new dimension to the investment puzzle.

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Case Study

Rise and Fall of LeEco: Will It Survive?

D Satish*

LeEco, a leading Chinese conglomerate company, had ambitious plans to build a global ecosystem of products and take on bigwigs like Apple, Google, and Samsung. But the plans of Jia Yueting (Jia), Founder of LeEco, to create a great ecosystem came crashing down as the company's revenues slowed down even as expenses mounted, leading to liquidity issues and financial woes. The company ended up staring at a huge debt. LeEco, which had 15 subsidiaries and 68 affiliated partners, also had questionable related party transactions. With a plummeting share price, trading in its shares on the stock exchange was halted by the company. Amongst the gloom came a ray of hope with Jia being replaced by Sun Hongbin (Hongbin) as Chairman of LeEco. Sun is a successful Chinese real estate baron who had invested considerably in LeEco and infused $2.4 bn to bail it out. LeEco's failure also resulted in the Chinese regulators' scrutinizing shared ecosystem companies and asking them to make more disclosures and reduce related party transactions—steps which could have a major impact on Chinese tech companies. The case brings out the scope of questionable accounting policies and earnings management in related party transactions in a shared ecosystem environment and the challenge that it poses to the regulators. The case also allows for a discussion on whether LeEco's failure would have an impact on Chinese start-ups as well as on its tech companies. Finally, the case allows for a constructive debate on what should Sun do to bring LeEco out of the muddle.

They have a reputation for splashing cash around. There has been a sense of lack of strategy to what they're doing. Fast cars and entertainment—it's a tough mix.[i]

– Duncan Clark, Chairman of BDA China[1], November 2016

To build an ecosystem was right, but the pattern of development was wrong.[ii]

– Jia Yueting, Founder of LeEco, November 2017

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[1] BDA China is a technology consultancy firm.

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Case Study

Accounting Scandal at Tesco

Pranati Mohapatra* and Nagendra Kumar M V**

The voluntary disclosure of misrepresentation of financial statements by the management of the UK-based retailer Tesco plc (Tesco) in September 2014 impacted the market price of its share, affecting the investment value of its shareholders. The shareholders expressed resentment over the negligence of Tesco's management and filed legal suits against it, demanding compensation for the losses they had suffered as a result of the misrepresentation. The case focuses on the events that led to the misrepresentation of financial statements – the market position, process of determining the revenue streams, relationship with suppliers, and related issues. The case focuses on the steps initiated by the management of Tesco to overcome the crisis situation, and the role of regulatory authorities in handling the situation. Further, it provides scope for a discussion on the importance of accounting principles and their role in determining the investment objectives of various stakeholders. It also provides scope for a discussion on the importance of ethics in the auditing profession and the challenges faced by the auditors.

Introduction

In June 2017, the Financial Reporting Council (FRC), UK's financial watchdog, dropped investigations into internationally reputed auditing firm PricewaterhouseCoopers LLC (PwC)[1] in connection with the accounting scandal at the UK-based retailer Tesco Plc (Tesco), PwC's long-time client. FRC said in a statement that there was no formal evidence against PwC to accuse the firm of ignoring basic auditing practices while auditing Tesco's financial statements. It said, "The executive counsel to the FRC has concluded that there is not a realistic prospect that a tribunal would make an adverse finding against PwC and certain members in respect of the matters within the scope of the investigation."[2]

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[1] PwC is one of the Big Four auditing firms in the world, the other three being Deloitte Touche Tohmatsu Limited, Ernst & Young Global Limited, and KPMG International.

[2] "FRC Closes Probe into PwC's Audit of Tesco," https://economia.icaew.com, June 05, 2017.

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Case Study

Modeling Sovereign Credit Score of US and UK

D Satish*

Credit Rating Agencies (CRAs) play a crucial role in reducing the asymmetry in the information available to the issuer and investor. This role gains even more significance when rating is for sovereign entities and their securities. The CRAs like S&P, Moody's, and Fitch, which rate sovereign entities, consider a number of variables, both qualitative and quantitative, to assess the creditworthiness and rating of these entities and their securities. The case study gives a view of the sovereign credit rating industry, its major players, the industry issues and controversies. It also discusses the variables and parameters used by these big three agencies to rate sovereign entities. Most importantly, the case study helps the students to develop a basic model taking generally accepted variables to arrive at a credit score for two of the largest economies in the world – the US and the UK. This will help the student appreciate the various variables that go into sovereign credit rating apart from helping them to develop a basic model and analyze the creditworthiness of the two sovereign entities. The case also comes with Excel supplements.

There are two superpowers in the world today in my opinion. There's the United States and there's Moody's Bond Rating Service. The United States can destroy you by dropping bombs, and Moody's can destroy you by downgrading your bonds. And believe me, it's not clear sometimes who is more powerful.

– Thomas L Friedman[1]

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Case Study

Managing Non-Performing Assets in Indian Banking Industry

Koya Raghunath* and Manish Agarwal**

The case discusses the issue of high Non-Performing Assets (NPAs) in the Indian banking system in the first two decades of the 21st century. It covers in detail the various steps taken by the central bank of India and the Government of India (GoI) to bring down the NPAs, and how Gross Non-Performing Assets (GNPAs) went down by ₹1 tn in the financial year 2019 when compared with the previous financial year. Although the GNPAs had gone down by close to ₹1 tn in FY19, bad loans were still very high. Some experts opined that the high number of bad loans would continue as long as the Public Sector Banks (PSBs) remained under the shadow of the government. They commented that the RBI and the GoI should take more stringent steps to clean up the balance sheet of banks.

The important thing that concerns RBI when it comes to financial sector intermediation in general and banks in particular, is risk management. If banks get this right, most of the problems are not likely to be there.[1]

– N S Vishwanathan, Deputy Governor of the Reserve Bank of India, November 2019

Introduction

In July 2019, Nirmala Sitharaman (Sitharaman), Union Finance Minister of India, stated that the bad loans in the Indian banking industry had gone down in FY19 compared to FY18. The Gross Non-Performing Assets (GNPAs) had decreased from ₹10.5 tn in FY18 to ₹9.24 tn in FY19. Similarly, Non-Performing Assets (NPAs) had also come down from ₹5.27 tn in FY18 to ₹3.52 tn in FY19. Experts stated that various factors such as bad loan write-offs by banks, change in the credit culture, prohibiting willful defaulters from raising funds from the market,

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[1] "RBI Mulling New Rules on Corp Governance; Wants Banks to Disclose More", www.livemint.com/industry/banking/rbi-mulling-new-rules-on-corp-governance-wants-banks-to-disclose-more-11574445891485.html November 22, 2019.

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Case Study

SEBI and Its Role in Prohibiting Insider Trading

Richa Gupta* and Smita Ray**

The case describes the role played by the Securities and Exchange Board of India (SEBI) in regulating the securities market to prohibit insider trading activities. It starts out with a brief history of insider trading and then explains the need for a regulatory body in the Indian Capital market. It then describes the various SEBI Acts, starting with the SEBI Prohibition of Insider Trading Act 1992, and the subsequent amendments in 2002, 2015, and 2018. The case also covers the process of investigation under the SEBI Prohibition of Insider Trading, 1992. Besides, it highlights the challenges faced by SEBI in prohibiting insider trading. It also shows that the cases of insider trading have been increasing and concludes by stating that more support from the Government of India (GoI) will help SEBI in controlling insider trading more effectively.

When the whole system depends on the trust, when capital markets are booming and people are investing in the markets if select people have access to results before it is in the public domain, it is just not on. We're looking into it from all aspects: whatever technological improvement is required, whatever system improvement is needed, whatever legal and enforcement actions are required, we will do.[1]

– Ajay Tyagi, Chairman,
Securities and Exchange Board of India (SEBI) in 2017

Introduction

In October 2019, Indian capital market regulator, the Securities and Exchange Board of India (SEBI) declared that the code of conduct under the insider trading[2] norms was applicable not only to persons designated by the board of a company but also to the promoters. It said,

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1 "It's Clear Firms Themselves Leaked Info: SEBI on Whatsapp Leaks (Eds: Adding Quotes from SEBI Chairman, More Background)", www.outlookindia.com, December 28, 2017.

2 Insider trading refers to the illegal practice of trading on the stock exchange to one's own advantage through having access to confidential information.

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Case Study

Financial Statement Analysis and Valuation Dilemma of WeWork (The We Company)

D Satish*

WeWork, the New York-based start-up that revolutionized commercial real estate by offering flexible shared workspaces, attracted massive investments from the likes of SoftBank, Goldman Sachs, JP Morgan Chase & Company, and many other top private equity players. WeWork's valuation soared to more than $47 bn in January 2019. But its mandatory filing of S-1 papers on August 14, 2019 with the Securities and Exchange Commission (SEC) to go public left investors unconvinced, as they felt that the company did not deserve such a high valuation. WeWork's complex corporate structure, questionable corporate governance and business practices, and less than anticipated financial projections drove away potential investors. Adam Neumann (Neumann), WeWork's CEO, found himself in the middle of the controversy with some analysts questioning the transactions between him and WeWork. The controversy led to a failed Initial Public Offering (IPO) and to Neumann exiting WeWork. The case study captures the growth story of WeWork and its valuation journey through a series of findings. It delves deeper into the issues of complex corporate structures, a non-transparent corporate culture, questionable related party transactions, and iconic entrepreneurs and valuations which might not match the fundamentals. The case also gives an opportunity to students to analyze the Space-as-a-Service (SPaaS) industry, work out the relative valuation of WeWork with a close industry peer, and analyze the financial statements of WeWork.

We are a community company committed to maximum global impact. Our mission is to elevate the world's consciousness. We have built a worldwide platform that supports growth, shared experiences and true success. We provide our members with flexible access to beautiful spaces, a culture of inclusivity and the energy of an inspired community, all connected by our extensive technology infrastructure. We believe our company has the power to elevate how people work, live and grow.[1]

– WeWork S-1 Document file with SEC on August 14, 2019

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[1] "The We Company, Form S-1, Registration Statement Under SEC Act 1933", available at https://www.sec.gov/Archives/edgar/data/1533523/000119312519220499/d781982ds1.htm. Accessed on November 4, 2020.

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Case Study

Financial Statement Analysis of Tata Consultancy Services Limited

S Vijaya Lakshmi*

Tata Consultancy Services Limited (TCS) is a global Indian Information Technology (IT) company and a leading company in the Indian IT space. TCS enjoys a high net profit margin and has a liquid and debt-free balance sheet. This case study covers the background of TCS and highlights its financial performance. It provides sufficient information for a ratio analysis to be done of TCS. Additionally, it helps to analyze the financial performance of TCS through common size analysis, common base analysis, and DuPont analysis. This case helps students to understand the financials of IT companies.

Financial statement analysis identifies aspects of financial statements that are relevant to investment decisions.[1]

– J A Ou and S H Penman, in 1989

Financial statement analysis is ubiquitous and involves a wide variety of ratios and a wide variety of users, including trade suppliers, banks, credit rating agencies, investors and management, among others.[2]

– W H Beaver, M Correia and M F McNichols, in 2011

Introduction

It was April 10, 2019, Amit Basin (Amit), an analyst with Silver Oak Research (Silver Oak), a financial service provider based in Mumbai, India, was in his cabin waiting for Akanksha Garg (Akanksha), an intern from one of the leading business schools in India. On April 9, Amit had been given the task of evaluating the Indian IT industry and submitting a report by the end of the month. Amit was a little concerned about completing the work on time as one-third of the month had already elapsed. He thought of taking Akanksha's help to complete the work

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1 Ou J A and Penman S H (1989), "Financial Statement Analysis and the Prediction of Stock Returns", *Journal of Accounting and Economics*, Vol. 11, No. 4, pp. 295-329.

2 Beaver W H, Correia M and McNichols M F (2011), "Financial Statement Analysis and the Prediction of Financial Distress", *Foundations and Trends® in Accounting*, Vol. 5, No. 2, pp. 99-173.

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Case Study

Saudi Aramco

Alok Kavthankar* and Indu Perepu**

In early 2016, the largest state-owned oil company in the world, Saudi Arabia-based Saudi Aramco (Aramco), declared a proposal to float an IPO. The crown prince of Saudi Arabia, Prince Salman, had stunned the world when he declared in early 2016 that Aramco's worth would be around $2 tn. Aramco was not only an oil company but a budget to run the nation as 85% of Saudi Arabia's budget came from the tax which Aramco had to pay. The intent to monetize the state jewel came at a time when the economy of the Kingdom was under pressure. A widening fiscal deficit and depleting foreign reserves indicated that it was no longer viable to depend on oil exports to run the nation. There was a need to diversify and the impetus to do so would come from the proceeds of the IPO. But the IPO which would decide the fate of 33 million Saudis would come with its own set of challenges. The success of Aramco's IPO would be a function of numerous factors—some in the Kingdom's control and some beyond. In 2017, concerns about climate change were on the rise. Climate policies threatened to put a 40% discount on Prince Salman's $2 tn aspirations. The commitment of global leaders to keep a check on global warming would escalate proliferation of renewables across the world and further build a pessimistic outlook for the future of oil prices. It remained to be seen how an IPO would shape the nation and how an oil giant would shape the future of world climate.

Aramco is not a company; it is the Saudi Arabian budget to run the country.[1]

– Aswath Damodaran, Professor of Finance at the Stern School of Business, in 2017

Introduction

In early 2016, it was reported that Saudi Arabian national petroleum and natural gas company Saudi Aramco (Aramco), the world's largest oil exporter with access to the world's second largest proven oil reserves, was seeking proposals to float an IPO.[2] Though Aramco was a

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[1] Anjli Raval, "Saudi Aramco Strives to Curb Its State Role Before IPO," www.ft.com, June 19, 2017.

[2] "Saudi Arabia is Considering an IPO of Aramco, Probably the World's Most Valuable Company," *The Economist*, January 17, 2016.

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Case Study

Toshiba's Accounting Scandal: A Spotlight on Japan Inc's Corporate Governance Systems

D Satish*

On July 21, 2015, the top management executives of Japanese major, Toshiba Corporation, resigned over allegations of encouraging irregular accounting practices across various divisions of the company. Despite putting in place high corporate governance standards, it was found that various divisions resorted to window dressing due to various compulsions. The case study goes beyond the accounting scandal at Toshiba, highlighting different ways in which the accounts were manipulated. Also it looks into whistleblower policy and corporate governance systems at Toshiba in particular and Japanese corporations in general.

Toshiba was lauded as a front-runner in governance efforts, but that was a misunderstanding. Its governance structure looked good but the execution was not.

– Kota Ezawa, Analyst, Citi Group[1]

Japan is changing and I think the Toshiba scandal will accelerate that, because it shows a public desire for better governance. What is important is that Japan needs to develop a system that is best for it, and that requires a good, rigorous public discussion. And these scandals help.

– Bob Eberhart, Stanford Technology Ventures Program Fellow, Stanford University[2]

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1 Kana Inagaki, "Toshiba's Once Lauded Culture Became the Cause of its Problems", www.ft.com, July 21, 2015.

2 Kirk Spitzer, "Toshiba Accounting Scandal in Japan Could Speed Corporate Reforms", www.usatoday.com, July 24, 2015.

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Case Study

Samsung BioLogics – Accounting a Subsidiary as an Affiliate

K B S Kumar*

Samsung BioLogics, South Korea-based biopharmaceutical company, was established in 2011, as a future growth engine of conglomerate Samsung Group. The company, one of the largest contract manufacturers in the country, operated through three domestic plants. The case is about the accounting of Bioepis, a joint venture between BioLogics and US-based biotechnology company Biogen that was started in 2012 as an 85:15 joint venture.

Introduction

In November 2018, Kim Yong-beom (Kim), chairman of South Korea's finance regulator, Securities and Futures Commission (SFC), announced, "We concluded that the company violated accounting standards intentionally in 2015 to have legitimacy in changing its controlling power [in its affiliate]."[1] The company Kim was referring to was Samsung BioLogics Co Ltd. (BioLogics), South-Korea-based manufacturer of biopharmaceuticals.

The violation that SFC[2] cited referred to the way BioLogics accounted Samsung Bioepis (Bioepis), its research joint venture with US-based Biogen. Bioepis was accounted at a book value of KRW 330 mn (1 US$ = KRW or Korean Won 1105 in January 2015) till 2014. In 2015, it was valued at a market value of KRW 4.5 tn, which inflated the earnings of Samsung

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1 Jaewon K, "Samsung BioLogics Trading Suspended After Fraud Ruling", https://asia.nikkei.com, November 2018.

2 In South Korea, the government agency looking over financial policy and regulatory supervision is the Financial Services Commission. Its functional responsibilities are shared among Securities and Futures Commission, and other bureaus like the Financial Intelligence Unit and Financial Group Regulation Bureau. SFC mainly takes care of investigation into unfair transactions, administration, supervision, surveillance in the securities and futures market.

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Caselet

Transformation of NGO to NBFC: Case of NMSPL

C Anitha, S Galab** and D Raghunatha Reddy****

The income inequalities that have widened the gap between the rich and the poor lead to financial exclusion, consequently depriving access to credit and financial services such as savings, loans, insurance, payments, remittance facilities and financial counseling or advisory services by the formal financial system to underprivileged groups such as weaker sections and low earning groups. The Government of India (GoI) realized the importance of financial inclusion and had taken measures to address the issues of exclusion. The quintessence of financial inclusion is to make sure that a range of suitable financial services are accessible to every individual, enabling them to realize and access the formal financial system.

Microfinance (MF) plays a crucial role in delivering credit to the poor segments of the society, who lack access to formal sources of credit and financial services. Anitha and Reddy (2017) studied the major initiatives taken by the Indian government for the growth of MF in India. MF created a channel to facilitate the formally excluded population who were not eligible to receive through formal sources of funds and financial services due to lack of proper credentials. In MF sector, Microfinance Institutions (MFI) provide credit, thrift and other financial services to these segments.

Structural Constraints for NGO-MFIs

Initially, Indian microfinance industry witnessed growth of many MFIs, especially NGOs, inspired by Grameen model in Bangladesh to serve the poor. A majority of these NGOs were either registered as trusts or societies.

In January 2000, RBI created a new legal class/entity – Non-Banking Finance Company-Micro Finance Institution (NBFC-MFI) to address the scalability and funding issues of NGOs-MFIs. Around 2005, Indian MF sector witnessed the emergence of a new organizational format the NBFCs. NBFCs are distinguished from other conventional microfinance

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Research Note

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Section 1: Concepts

Chapter 1
The Global Financial System- I

Introduction

The 2008 global financial crisis generated considerable debate about the risks in the global financial system and how they need to be managed. Why did the crisis assume such huge proportions? What went wrong with policy making and regulation? Why did it take such a long time to bring the situation under control? Why did banks make such unprecedented losses? What could banks have done to contain if not avoid completely the damage? What are the structural problems with the global financial system? How can they be addressed?

Before we attempt to find answers to these questions, it is a good idea to look at how the modern financial system has evolved in the past 600 years or so. This is a vast subject. So, we will look at only some epochal events and key principles. In this chapter, we will look at the evolution of banks, bond markets, equity markets and currency markets. We will also examine how a major real estate boom was fueled in the years leading up to the global financial crisis.

We will draw from many sources: a crisp and insightful article, "Link by Link," which appeared in the October 18, 2008 edition of the *Economist* and a survey of the world economy which appeared in the October 11, 2008 edition of the same magazine. We will also draw heavily from the work of Niall Fergusson, whose book, "The ascent of money," is a must read for all those who want to understand how the financial system has evolved over time.

Money & Banking[1]

For thousands of years, metals such as gold, silver and bronze served as money because they were available, affordable, durable, fungible, portable and reliable. Coins have been traced to 600 BC at the Temple of Artemis at Ephesus (modern Turkey). By the time of the Roman Empire, coins were made in gold, silver and bronze. A standardized coin was introduced in China in 221 BC. Silver coins were used during the time of Charlemagne. But a shortage of silver created problems in the circulation of money.

[1] Pg. 1- 6 draw heavily from Niall Fergusson's highly insightful book, "The Ascent of Money."

Chapter 2
The Global Financial System-II

Introduction

In the last chapter, we looked at the evolution of banks, insurance, bond markets, equity markets and currency markets. We also understood how a major real estate boom was fueled in the years leading up to the global financial crisis. In this chapter, we will study the role of innovation, regulation and technology in shaping the financial system. We will also examine some of the global economic imbalances and how they are having an impact on the global financial system.

Deregulation and innovation

Political leadership plays an important role in the way markets are shaped and regulations evolve. After the economic turmoil of the 1970s, the market economy found passionate champions in Ronald Reagan and Margaret Thatcher. Believing that freer markets would bring economic gains, they took the plunge and abolished various controls. Both Reagan and Thatcher, with their no-nonsense approach had a lot of fan following. Liberalization of the financial system soon became a major theme in many developed countries.

In London, the Big Bang of 1986 abolished the distinction between brokers and jobbers and allowed foreign firms, with more capital, into the market. These firms could handle larger transactions, more cheaply. The Big Bang undoubtedly played a major role in the emergence of London as a preeminent global financial center. Meanwhile, the No.1 financial center in the world, New York had already introduced a similar reform in 1975, following pressure from institutional investors.

These reforms had major implications for the business models of market participants. The fall in commissions contributed to the long-term decline of broking as a source of revenue. The effect was disguised for a while by a higher volume of transactions. But the broker-dealers (the then popular name for investment bankers) increasingly had to commit their own capital to deals. In turn, this made trading on their own account, or *proprietary trading*, a potentially attractive source of revenue. No bank made more impressive strides in this area, than Goldman Sachs.

Chapter 3
The Global Financial Crisis - I

Introduction

The global financial crisis of 2007-08 prompted deep soul searching among bankers, intellectuals, regulators and economists. The basic tenets of regulation, banking and risk management were questioned. Indeed, the crisis, the worst since the Great Depression of the 1930s, marked a watershed event in the history of global finance. In this chapter, we examine the build up to the crisis.

Background

The global financial crisis of 2008-09 assumed monstrous proportions thanks to a combination of factors. These included:

- imbalances in the global financial system,
- low interest rates,
- political intervention,
- a laissez-faire attitude on the part of government officials and regulators,
- lax and predatory lending practices,
- a false belief that the housing boom would go on forever,
- a originate-to-distribute securitization process that separated origination from ultimate credit risk,
- highly optimistic rating of mortgage securities by credit rating agencies.
- new derivatives like credit default swaps that fueled speculation in segments of the mortgage market.

Let us explore these themes in a little more detail in the following paragraphs.

Low interest rates

Many economists and market analysts believe the roots of the financial meltdown of 2008-09 go back at least eight years in time. The US economy had been facing the risk of a deep recession after the dotcom bubble burst in early 2000. This situation was worsened by the 9/11 terrorist attacks, which created a great deal of panic and uncertainty among Americans. In response, the US Central bank, the Federal Reserve (Fed) under the

Chapter 4
The Global Financial Crisis -II

Introduction

In the earlier chapter, we provided the background and the build up to the global financial crisis. In this chapter, we examine how the crisis unfolded and deepened.

Historical perspective[1]

The meltdown of 2007-08 was not the first crisis in the subprime market. An earlier crisis had happened in the US in 1998 and 1999, when many subprime lenders went out of business. We begin the chapter with a brief review of that crisis.

In the early 1990s, independent specialty finance companies moved into the vacuum created by the demise of the thrift industry in the late 1980s. These thrifts had previously provided loans to homeowners who had been excluded from the action. As they became more active in the housing market, these specialty finance companies took full advantage of accounting rules. They booked the entire gain from a new loan at the time of origination, rather than over the term of the loan. As a result, they could boost their profits through gain-on-sale accounting. This led to a rapid increase in their stock prices and handsome payouts for the owners.

However, the picnic was too good to last. Investors began to understand the accounting jugglery just as the 1998 liquidity crisis hit. When credit lines were pulled, the specialty finance subprime lenders were no longer able to warehouse new loans. And they did not have the capital to add newly created loans to their balance sheets. The resulting credit squeeze led to many bankruptcies or forced mergers with larger, better capitalized firms.

The subprime market of the late 1990s was markedly different from the one that crashed in 2007. The typical subprime loan in 1998 was a refinancing 30-year fixed rate loan or a 30-year, six-month floating rate loan based on LIBOR. Borrowers were middle-aged homeowners who had been in their home for about 10 years and wanted to book capital gains to renovate the home, fund children's college education or buy a new car. Very few

[1] This section draws heavily from the book, "Subprime Mortgage Credit Derivatives," by Laurie Goodman, Shumin Li, Douglas Lucas, Thomas Zimmerman and Frank Fabozzi, John Wiley & Sons, 2008.

Chapter 5
India's NPA problem

Introduction

On June 25, 2021, ICFAI University hosted an engaging webinar by Vivek Kaul, author, journalist and an alumnus (research scholar) of ICFAI. The webinar was moderated by senior ICFAI faculty Prof R Prasad and Prof Sudhakar Rao.

Vivek's talk was based on his book: "Bad money-Inside the NPA mess and how it threatens the Indian banking system." While a large part of the talk was focused on the problem of NPAs, his talk also provided a good flavor of the country's macroeconomic and business environment.

Bad money refers to non-performing loans (NPL). In simple terms, these are essentially loans where the interest payments/principal repayments are due for more than 90 days.

NPL is not a new problem for India. But the escape of Nirav Modi after his Rs 12,645 crore fraud with PNB gave a face to the problem. Out of the total amount of Rs.10,36,000 worth of NPLs, Rs.896,000 crores are accounted for by the PSU banks. The biggest defaulter has been Bhushan Steels.

Crony capitalism

The NPL problem has much to do with crony capitalism or the nexus between businessmen and politicians. When we consider retail loans, NPL makes up only 2% of the total loans for PSU banks. This is not too different from that of the private sector banks. In this case, PSU banks have both the knowledge and the power to make prudent lending decisions. In case of corporate loans, however, the story is different. NPLs account for 20% of the PSU banks' total loans. This is a classic case of banks having the knowledge but not the power to take the right decision.

Consider "The Dirty Dozen" the 12 large firms identified by the RBI that contributed to 25% of overall NPAs in 2016-17, i.e. INR 345,000 crores. These firms, Bhushan Steel, Bhushan Power, Electrosteel Steels, JP Infra, Era Infra, Amtek Auto, ABG Shipyard, Jyoti Structures, Monnet Ispat, Lanco Infratech, Alok Industries, and Essar Steel, continued to receive credit during the forbearance window even when their financial condition had worsened. See the exhibit below.

Chapter 6
Managing Financial Risks

Introduction

A firm is exposed to financial risk when the values of its assets, liabilities, operating incomes and cash flows are affected by changes in financial parameters such as interest rates, exchange rates, stock indices, etc. Since the 1970s, following the deregulation of financial markets in many countries, the importance of financial risk management has grown considerably.

The stability of currencies under the Bretton Woods Exchange rate system ensured that currency risk was not serious. But by the mid–1970s, the scenario had changed dramatically as currency volatility increased, following the breakdown of Bretton Woods. Also, with US interest rates touching double digits, interest rate risk management became more relevant.

Gradually, the financial markets responded by coming up with a variety of over-the-counter as well as exchange-traded instruments for dealing with risk. Today, financial risk management has become quite sophisticated, with the availability of various tools and quantitative models.

In this chapter, we examine the various types of financial risk which organizations face and the techniques they can use to reduce or eliminate them. A major part of the discussion focuses on banks, though non-banking companies are also covered.

Broad issues in Financial Risk Management

- What kind of internal expertise/experience is available to monitor risk?
- How frequently should positions be marked to market?
- What are the acceptable counter-party credit limits?
- What is the approach to stress testing and how frequently should it be done?
- What are the variables that can result in large changes in positions, and which need to be carefully monitored?
- What are the variables which are most likely to change?
- Which of the variables will move but offset each other?

Chapter 7
Managing Market Risk: Volatility

Introduction

Market risk can be understood in simple terms as the possibility of losses arising due to fluctuations in currency rates, interest rates, equity markets and commodity prices. By its very nature, market risk is amenable to quantification. Indeed, this is the world of statistics and probability distributions. Data on currencies, interest rates, stock markets and commodity markets are readily available either in the public domain or with specialized vendors. Using this data and making suitable assumptions about the underlying probability distributions, we can answer questions such as "What is our maximum loss likely to be say 90% of the time?"

But we must be careful while handling data. The current pattern of a market variable may change in the future. Unexpected, worst-case scenarios may result. This is exactly what happened as we moved from a benign period into the subprime crisis during 2007. Moreover, the choice of probability distributions is critical. A wrong distribution will obviously lead to erroneous results. In this chapter, we will try to understand an important concept underlying market risk management, ie Volatility.

Volatility: The basics

Volatility is the most important concept in market risk management. In simple terms, volatility is the uncertainty about the return provided by the underlying asset. The higher the volatility, the higher the market risk. At this stage, we can define volatility loosely as the standard deviation of the returns provided by the underlying asset. To measure volatility, we observe the price of the underlying asset at definite intervals of time, say daily and calculate the returns. This calculation can be done in different ways.

Continuous compounding

If S_i is the price of the asset at the end of the day and S_{i-1} the price at the beginning of the day, we can define the daily return as $\frac{S_i - S_{i-1}}{S_i}$. If we use continuous compounding, the daily return becomes $ln(S_i/S_{i-1})$. A brief explanation is in order here.

Let r be the daily return. If we use a simple measure of return, we can write:

$$S_i = S_{i-1}(1 + r)$$

Chapter 8
Managing Market Risk: Modelling Stock Prices

Introduction

Whenever we want to measure the market risk of a derivative, we must understand the pattern of movement of the underlying asset. Thus, we should be able to model the price of the underlying asset. Some of the most celebrated modeling work has been done for stocks but this work can be extended to other asset classes too. Here, we look briefly at how modeling can be done when the underlying asset is a stock.

Stochastic processes

Before we look at the modeling techniques, we need to gain a basic understanding of stochastic processes.

When the value of a variable changes over time in an uncertain way, we say the variable follows a *stochastic* process. In a *discrete time* stochastic process, the value of the variable changes only at certain fixed points in time. In case of a *continuous time* stochastic variable, the changes can take place at any time.

Stochastic processes may involve discrete or continuous variables. As their names suggest, discrete variables can only take discrete values while continuous variables can take any value. The continuous variable continuous time stochastic process comes in handy while describing stock price movements. Let us now describe some stochastic processes commonly used for stock price modeling.

Markov Process

In a *Markov process*, the past cannot be used to predict the future. When we toss a coin, the outcome does not depend on what happened in the previous toss. Stock prices are usually assumed to follow a Markov process. This means all the past data have been discounted by the current stock price. The distribution of the value of the random variable, S_i conditional upon all the past events only depends on the previous value, $S_{i-1.}$ The random walk has no memory beyond where it is now.

Let us elaborate this through a simple example provided by Paul Wilmott in his book "Quantitative Finance." Suppose we have a coin tossing game such

Chapter 9
Value-at-Risk and Stress Testing

Introduction

Risk management has come a long way in the past four decades. Over time, various mathematical models and tools have been developed to quantify and control risk. In this chapter, we look at one of the most important tools used in risk management, Value-at-Risk and its extensions. The aim is not to create "quants" experts. Rather, it is to familiarize business managers across functions with how Value-at-Risk can be used to measure and control the risks facing a company.

Understanding Value-at-risk

VAR is one of the key building blocks in market risk management. *VAR summarizes the worst loss over a target horizon that will not be exceeded at a given level of confidence*. For example, we may state that, "under normal market conditions, the most the portfolio can lose over a month is about $3.6 million at the 99% confidence level." This means that the 99% monthly VAR is $3.6 million. In simple terms, there is a 99% probability that losses will not exceed $3.6 million during a given month. Or there is only a 1% probability that the losses will exceed $3.6 million.

Jayanth Varma in his book, "Derivatives and Risk Management[1]," has explained in a simple way how VAR can be interpreted in four different ways. Thus 99% VAR can mean the:

a) level of capital that is sufficient to absorb losses 99% of the time

b) level of loss that is exceeded only 1% of the time

c) worst of the best 99% of all possible outcomes

d) best of the worst 1% of all possible outcomes

The main idea behind VAR is to get an aggregated rather than a fragmented view of risk. Initially applied to market risk, VAR is now used to measure credit risk, operational risk and even enterprise-wide risk. Banks which meet certain norms prescribed under Basle II can use their own VAR models for measuring market risk.

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1 Tata McGraw Hill, 2008.

Chapter 10
Credit Risk: An Introduction

Introduction

Credit risk arises from the possibility of default by counterparty. Credit risk lay at the heart of the subprime crisis. The most important point to note about credit risk is that it is more difficult to model and measure compared to market risk. Unlike market risk, where a lot of data is available in the public domain, data is scanty and sometimes nonexistent in case of credit risk. Moreover, credit risk is far more contextual, i.e., firm specific compared to market risk. Despite these challenges, there has been significant progress in credit risk modeling in recent years. In this chapter, we will examine the three building blocks of credit risk management – *probability of default, exposure at default* and *recovery rate*. In the next chapter, we will discuss briefly some of the commonly used credit risk modeling techniques.

Pre-settlement and Settlement risk

Credit risk can be defined as the likelihood of a counterparty failing to discharge its obligations. Any credit transaction typically involves two stages: pre settlement and settlement.

Pre-settlement risk refers to the probability of failure of the counterparty to discharge its obligation during the life of the transaction. This includes the possibility of defaulting on bond interest or principal repayment or not making margin payment in case of a derivative transaction.

Settlement risk arises at the time of maturity. Suppose a bank fulfils its obligation at the time of expiry of a contract. Till the time the bank receives its dues from the counterparty, settlement risk exists. A good example of such risk is foreign currency payments made by two parties in different time zones.

To deal with settlement risk, banks have developed *real time gross settlement systems*. Such systems reduce the time interval between the point a stop payment instruction can no longer be made and the point of receipt of dues from the counterparty. Another technique used is *netting*. Instead of paying the gross amounts to each other, only the net amount is paid by one of the counterparties. This reduces the exposure and contains the damage even if things go wrong.

Chapter 11
Credit Risk Modelling

Introduction

Banks typically face multiple credit exposures. Correlations may exist among different exposures. For example, there tends to be higher default rates across all ratings grades during a recession. To capture correlations among different credit events, there are broadly two approaches: *Structural models* and *Reduced form models*.

Structural models

Structural models try to establish a relationship between default risk and the value of the firm. For example, equity prices can be used to estimate the probability of default of the bond of a company whose shares are listed on the stock exchange. In structural models, debt and equity are viewed as contingent claims on firm value. The probability of default is calculated from the difference between the current value of the firm's assets and its liabilities and after taking into account the volatility of the assets. Structural models are difficult to apply if the capital structure is complicated or if the assets are not traded.

Structural models view a firm's equity as an option on the firm's assets with a strike price equal to the value of the firm's debt. Option pricing models, typically, Black-Scholes are used to identify the fair value of these claims. Two approaches are commonly cited in the literature. The first was developed by the Nobel prize winning economist, Robert Merton. The second, called KMV is a modification of Merton's model by the credit rating company, Moody's. Let us briefly examine these two models.

Merton Model

The value of a firm, V equals the sum of the values of debt, D and equity, E. The Merton model frames the situation in such a way it reduces to an option pricing problem. The key assumption in the Merton model is that the firm has made a single issue of zero-coupon debt that will be paid back in one shot, at a future point in time. Other assumptions include perfect financial markets, no bankruptcy costs and no costs to enforce contracts. All these assumptions do not pose any serious limitations and can be suitably modified to extend the Merton Model.

Chapter 12
Credit Derivatives

Introduction

On paper, banks manage their credit risk through diversification. But there are limits to diversification. For example, banks may not like to turn down customers with whom they have a valuable relationship even if the exposure has crossed prudent limits. Assignment of loans to another counterparty is also not that easy. Customers may not like their loans being sold off by the bank to another entity. Due to these reasons, the concentration of credit risk on the banking books is often much higher than desirable.

In simple terms, a credit derivative can be defined as an instrument that allows one party to transfer an asset's credit risk to another party without passing on the ownership of the asset. The two parties in a credit derivative transaction are the *protection buyer* who pays a premium and *protection seller* who receives the premium and stands ready to provide compensation in case of a credit event. The instrument or group of instruments with respect to which the credit risk is being traded is called *reference obligation*. The reference obligation is sometimes called reference asset or reference credit.

The origin of OTC credit derivatives can be traced back to bond insurance which involves compensation in the event of a default. Bond insurance has been around for several decades now, but credit derivatives have become popular only in the past 15 years or so. In 1993, transactions began to be structured which involved a periodic fee payment by the banks. Investors would pay compensation in case of a credit event. The first synthetic credit derivatives product was launched by J P Morgan in 1997. The outstanding notional value of credit derivatives grew from $180 million in 1997 to more than $1 trillion in 2001, reaching $5 trillion at the end of 2004. The credit derivatives market exploded in the build up to the sub prime crisis, reaching a notional value of $62 trillion at the peak. Since then, due to netting and "trade compression," the value has come down. Regulatory authorities in the US and Europe have established central clearing arrangements for various OTC derivatives. But even now the figure is significant.

The case for credit derivatives

Thanks to credit derivatives, banks can continue to make loans and hedge the risks involved. At the same time, the counterparty which goes short on the credit derivative can gain access to an exposure which seems to make

Chapter 13
Managing Operational Risk

Introduction

Operational Risk Management has become increasingly important in recent years. Many of the big scams of the past two decades including Barings, have been due to the failure of Operational Risk Management. In an increasingly complex and volatile business environment, organizations are realizing the importance of robust systems, processes and controls to ensure that human errors and fraud do not occur. The management of operational risk has received added impetus thanks to regulators. The Sorbanes Oxley Act enacted in the US in 2002, after the collapse of Enron has put pressure on organizations to strengthen their approach towards operational risk management. The Act requires boards of directors to become much more involved with day-to-day operations. They must monitor internal controls to ensure that risks are being assessed and handled well. Meanwhile, the Basle framework has come up with detailed guidelines for identifying and measuring operational risk.

In this note, we try to understand the sources of operational risk, how it can be measured and the risk mitigation techniques which can be applied.

Understanding Operational Risk

Operational risk can be defined as the risk of loss due to inadequate or failed internal processes, people, systems or external events. Some operational risks directly affect the financial performance of the organization. Others do so by interacting with credit and market and other risks.

The nature of operational risk is somewhat different from that of market or credit risk. Banks make a conscious decision to take a certain amount of credit and market risk. Operational risk, by contrast, is a necessary part of doing business. More often than not, operational risks are “inherent” not “chosen.” The only way to avoid operational risk is by exiting the business!

It is much more difficult to identify, quantify and manage operational risk than credit or market risk. Data on operational risk is not exhaustive. Most banks are still in the process of collecting data. Developing statistical models for operational risk is thus challenging.

Chapter 14
Managing Liquidity Risk

Introduction

Liquidity risk management has attracted a lot of attention following the subprime crisis. As we mentioned earlier, liquidity risk is the least understood and most dangerous financial risk. This risk arises because markets are not perfect, with a large number of buyers and sellers operating, as is commonly assumed. While some markets are very liquid, others are not. Liquidity risk is dangerous because it reduces the control we have over existing risks and forces us to assume other risks which normally we would not like to hold. Many small companies and financial institutions have got into trouble despite having profitable product lines/portfolios, mainly because they did not have the liquidity needed to tide over periods when there were cash flow problems.

The importance of liquidity

The well-known scholars, Yakov Amihud and Haim Mandelson, who have spent their entire lifetime doing research on the subject have explained the importance of liquidity in various papers they have written. Here we look briefly at some of their key ideas and insights.

The theory of corporate finance has assumed that a company's market value is determined mainly by two variables: expected after tax operating cash flows and the risk associated with producing them. But Amihud and Mandelson point out that there is another important factor affecting a company's value, namely the liquidity of the company's own debt and equity securities.

Less liquidity means investors expect higher returns on the asset causing the price to fall. On the other hand, an increase in liquidity of a company's stock and bonds can raise their prices, reduce the cost of capital and increase the market value. In short, firms can benefit by actively managing the liquidity of their securities.

The cost of liquidity has 3 components:

Direct trading costs: These include brokerage, commissions, exchange fees, taxes.

Price impact costs: These constitute the premium paid while buying and the discount given when selling. The greater the potential disparity of

Chapter 15
Integrated Risk Management

Introduction

Integrated risk management also popularly called Enterprisewide Risk Management (ERM), looks at various kinds of risk - market risk, credit risk, liquidity risk, operational risk and business risk in a holistic fashion. An integrated view generates a better picture of the risk climate of the organization and also helps in making the risk management process more efficient and effective. Considerable cost savings can be achieved by aggregating and netting out positions. A firmwide approach can reveal natural hedges and guide the firm's strategy towards activities that are less risky when considered as a whole. ERM also acts as a check on risk migration, i.e., movement towards other types of risk that are less visible but may be more dangerous. Last but not the least, by providing an aggregate measure of risk, ERM helps companies to decide the optimal level of capital they must hold. *Too little capital means the company is taking risks which it cannot afford to take. Too much capital means the company is being too conservative and may fail to generate adequate returns for shareholders.*

While the integration of market and credit risk in banks has made impressive strides in recent years, the same cannot be said about the integration of business and financial risks in non-banking corporations. Traditionally, the two kinds of risk have been handled in two different silos by two types of people, the business managers, and the finance managers respectively. Businesspeople bring in a strong intuitive dimension to risk management but often lack the tools to quantify risk. The finance people are data driven and swear by quantification. But often they do not understand the business adequately enough to bring in the necessary element of intuition and judgment. ERM can help bridge the silos by striking the right balance between intuition and quantification. In this chapter, the focus will be on the integration of different types of financial risk.

Business Risks

Business risks refer to the risks a company willingly assumes to create a competitive advantage and add value for shareholders. These are the risks which arise in the design, development, production and marketing of products. In other words, business risk refers to the uncertainty about the

Chapter 16
Using Digital Technologies to Manage Risks

Introduction

Digital technologies can improve risk management through better data collection and analytics, process automation, digitized monitoring and early warning. Work-flow automation, optical-character recognition, advanced analytics (including machine learning and artificial intelligence), new data sources, and the use of robotics are part of this new approach to managing risk. Current risk management processes are resource intensive and insufficiently effective. Digital technologies can cut operating costs while also making the processes more accurate and error free.

This chapter draws heavily from a detailed and insightful report published by McKinsey, "The future of risk management in the digital era", October 2017.

The benefits of risk management using digital technologies

According to McKinsey estimates, digital approaches to risk management can reduce costs by 25 percent or more in end-to-end credit processes and operational risk, through deeper automation and analytics.

Risk effectiveness can be strengthened with superior transparency, gained through better management and regulatory reporting and the greater accuracy of model outputs due to better data.

Revenue can be increased through better pricing or an enhanced customer and frontline experience—for example, by reducing the know-your-customer (KYC) cycle time from one week to under one day, or the mortgage-application process to minutes, from days.

Improved employee satisfaction can also be achieved through focusing talent on high-value activities.

Credit risk

Credit delivery is hampered by manual processes for data collection, underwriting, and documentation. There are data issues affecting risk performance and slow cycle times affecting the customer experience.

Section 2: Cases

Chapter 17
Long-Term Capital Management[1]

Introduction

In 1998, the crisis at Long-Term Capital Management (LTCM), a hedge fund[2] set up by a group of highly talented traders, created a major turmoil in the financial markets and nearly blew up the global financial system. The hedge fund had taken such massive positions ($ 120 billion 'on' balance sheet and several times more 'off' balance sheet liabilities on a capital base of $4 billion) involving several counter parties. Its imminent collapse threatened havoc in the financial markets. A single default by LTCM would have triggered off several defaults. Consequently, the Federal Reserve stepped in to arrange an unprecedented bailout. The collapse of LTCM is a very interesting case. It brings out the importance of prudent financial risk management in a highly volatile environment.

Background Note

Long-Term Capital Management (LTCM) was set up in 1994 by John Meriwether, a former head of fixed income trading at Salomon Brothers. Meriwether, a highly respected figure on Wall Street, assembled a group of traders and academicians, which included two Nobel laureates, Robert Merton and Myron Scholes. The team was given the mandate to manage the hedge fund and earn super normal returns. LTCM levied an annual charge of two percent of capital and 25% of profits[3]. The incentive was linked to the end-of-the year Net Asset Value (NAV) and the highest NAV recorded at the end of any previous year. So, if the NAV declined during a year, this had to be first recovered before LTCM could claim incentives. In February 1994, when LTCM commenced trading, it had 11 principals and 30 non-principal employees. By September 1997, the numbers had increased to 15 and 150 respectively. Many non-US entities had invested in the fund which

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1 This case draws heavily from the Harvard Business School Case 9-200-007, 008, 009, 010, 1999 prepared by Prof. Andre. F Perold.

2 A hedge fund is typically a partnership of private investors. The fund is available primarily to institutions and high net worth individuals and is outside the normal regulatory framework.

3 This was higher than the typical one percent of capital and 20% profits charged by other funds.

Chapter 18
Amaranth Advisors

Introduction

Amaranth's collapse is the story of an aggressive trading strategy that backfired. Brian Hunter, head of trading at hedge fund Amaranth Advisors, bet over 50% of the firm's assets under management on a calendar spread trading strategy. An unexpectedly mild winter, however, threw his trading strategy out of gear. He was unable to exit his positions. In a matter of weeks, Amaranth collapsed.

Background

In 2000, Nicholas Maounis set up Amaranth Advisors. Amaranth's flagship fund, the Amaranth LLC Fund, was established as a multistrategy fund that could invest in virtually any market.

In December 2003, Deutsche Bank's natural gas desk, headed by Brian Hunter, lost $51 million in a week. Hunter claimed the loss was the result of an unforeseeable development in the market. But Hunter's relationship with Deutsche Bank deteriorated, and he was removed from Deutsche's trading team.

Hunter was hired by Amaranth in early 2004. In April 2005, he was named co-head of the energy desk and given control over his own trades. The firm increased its energy trades. In Fall 2005, Hunter took a bullish position on natural gas prices. When the 2005 hurricane season interrupted natural gas production, causing prices to increase, Amaranth realized large profits.

The calendar spread strategy

The natural gas market tends to exhibit certain predictable patterns over time. Summer demand is light and gas prices tend to fall, while winter demand is heavy, and prices tend to rise. Using a "calendar spread strategy," Hunter bet that the spreads between winter-month and non-winter-month contracts would widen. By August 2006, Amaranth reached $9.2 billion in assets under management (AUM). Hunter invested approximately $5.7 billion in a highly leveraged bet on the spreads between natural gas futures contracts for 2007 and 2008 (long winter-month contracts and short non-winter-month contracts).

Chapter 19
The Collapse of Bear Stearns

Introduction

Bear Stearns (Bear) was one of the largest global investment banks and securities trading and brokerage firms in the world, prior to its sudden collapse and distress sale to JP Morgan Chase in March 2008. Bear, a major player in the securitization and asset-backed securities markets, found itself facing huge losses as the subprime crisis worsened. In March 2008, the Federal Reserve Bank of New York provided an emergency loan to try to avert a sudden collapse of the bank. The bank could not be saved, however, and was sold to JPMorgan Chase at $10 per share, a price far below the 52-week high of $133.20 that the share hit a few months before the crisis.

Background Note[1]

Bear Stearns was founded as an equity trading house on May 1, 1923 by Joseph Bear, Robert Stearns, and Harold Mayer with a capital base of $500,000. By 1933, Bear had opened its first branch office in Chicago. In 1955, the firm opened its first international office in Amsterdam. In 1985, Bear Stearns became a publicly traded company. The bank's business expanded to cover corporate finance, mergers and acquisitions, institutional equities, fixed income sales, trading and research, private client services, derivatives, foreign exchange and futures sales and trading, asset management and custody services.

Bear established a solid reputation in investment banking circles. During the period, 2005-2007, Bear was recognized as the "Most Admired" securities house by Fortune. The April 2005 issue of Institutional Investor magazine mentioned that Bear was the seventh-largest securities firm in terms of total capital.

The subprime crisis changed the fortunes of Bear dramatically. On June 22, 2007, Bear pledged a collateralized loan of up to $3.2 billion to "bail out" one of its funds, the High-Grade Structured Credit Fund, while negotiating with other banks to loan money against collateral to another fund, the High-Grade Structured Credit Enhanced Leveraged Fund. During the week of July 16, 2007, Bear disclosed that the two subprime hedge funds had lost

[1] This background note draws heavily from the information provided on Wikipedia and Investopedia.

Chapter 20
The Collapse of Lehman Brothers

Introduction

On September 15, 2008, Lehman Brothers, the well-known investment bank, filed for Chapter 11 bankruptcy protection. The collapse of Lehman marked the largest bankruptcy in U.S. history and the largest failure of an investment bank since the failure of Drexel Burnham Lambert 18 years earlier. It also marked an important turning point in the subprime meltdown.

The Lehman collapse had major repercussions for the financial markets as the events of the next three months would testify. The Dow Jones closed down just over 500 points on September 15, 2008, the largest drop in a single day since September 11, 2001. The collapse of Lehman even had implications for the US presidential elections. An evenly matched presidential race till that point of time, changed into a clear lead for Barack Obama as the markets looked for a leader who could bring calm to a highly turbulent business environment.

After Lehman collapsed, other banks tried to step into the vacuum. On September 16, the British bank Barclays announced it would purchase Lehman's North American investment-banking and trading divisions along with its New York headquarters building. A few days later, Nomura Holdings announced that it would acquire Lehman's franchise in the Asia Pacific region, including Japan, Hong Kong and Australia as well as the investment banking and equities businesses in Europe and the Middle East. Lehman Brothers' Investment Management business, including Neuberger Berman, was sold to its management on December 3, 2008. Thus came to an end one of the most respected banks on Wall Street.

Background[1]

German immigrants to the US set up Lehman Brothers in 1850. After starting off in the cotton business, the firm later entered the emerging market for railroad bonds and then the financial-advisory business. Lehman became a member of the Coffee Exchange as early as 1883 and finally the New York Stock Exchange in 1887. In 1899, it underwrote its first initial public offering (IPO), that of the International Steam Pump Company.

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[1] This background note draws heavily from the information provided on Wikipedia.

Chapter 21
The Bernard Madoff Scam

Introduction

Prominent investor Bernie Madoff duped a long list of wealthy and famous clients by operating a sophisticated Ponzi scheme. As client redemptions piled up during the market turmoil of 2008, Madoff could not fulfill investor redemption requests and his $50 billion fraud was exposed. Madoff's Ponzi scheme had apparently gone on for more than 40 years. In December 2008, Madoff was arrested and charged with securities fraud.

Background

In 1960, 22-year-old Bernard (Bernie) Lawrence Madoff opened his trading operation, Bernard L. Madoff Investment Securities LLC (BLMIS). BLMIS became well known for making "third-market" OTC trades that used innovative computer technology and bypassed the NYSE trading floor to make markets. The firm also opened a private investment portfolio division, where Madoff managed money for his investors.

By 1989, BLMIS was handling approximately 5% of the trading volume on the NYSE. In 1990, Madoff was appointed the nonexecutive chairman of NASDAQ. Through the 1990s, the firm's private investment accounts continued to grow and reported consistent growth with positive returns. Investors included hedge funds, large charitable foundations, individuals, and pension plans.

In 1992, the US SEC investigated a Madoff Securities feeder fund, for selling unregistered securities. The fund shut down but Madoff was revealed as the fund's mystery manager. His fame as an investment manager became even more widespread.

In 1999, Harry Markopolos, a portfolio manager at an options trading company in Boston, did a detailed analysis of Madoff's scheme. He was convinced that the returns claimed by Madoff were not possible without some sort of fraud. Markopolos filed various complaints and reports with SEC about Madoff's fraudulent operations. But the SEC failed to act. In 2005, the SEC investigated but did not find any evidence of fraud.

By 2008, BLMIS had grown into the sixth-largest market maker on Wall Street. But the developing financial crisis prompted investors to request redemptions faster than Madoff could bring in additional funds.

Chapter 22
The Greek Financial Crisis

Introduction

The Greek financial crisis was largely the result of the mismanagement of the Greek economy and of government finances. To compound the problems, Greece's membership in the Eurozone meant it did not have full control over its monetary policy. So interest rates were kept too low for too long despite the inflationary pressures building up in the Greek economy. Monetary policy was out of sync with a booming economy and easy access to credit.

As Greece's fiscal deficits surged in 2008–2010, owing to heightened risk perception, yields on government and private debt in Greece shot up significantly. But Greece being part of the Eurozone could not reduce interest rates or devalue its currency to stabilize the situation.

Three bailouts, totaling EUR246 billion, coupled with stringent austerity measures, partially stabilized the situation but at a tremendous human cost: high unemployment, widespread poverty, and plummeting incomes. Real GDP contracted by approximately one-fourth between 2009 and 2015.

This write up draws heavily from a detailed post by Adam Kindreich, CFA, published on July 20th, 2017.

Background

The Eurozone was created in 1999 as a monetary union of 11 countries (out of the, then, 15 member states of the European Union). Greece had not qualified to join the Eurozone in 1999 because it failed to meet the 1992 Maastricht Treaty's entry criteria: low inflation, a budget deficit of less than 3% of GDP, and government debt of less than 60% of GDP.

But Greece was keen to join the Eurozone and was allowed to do so in early 2001 as its 12th member despite having a budget deficit well in excess of 3% of GDP and government debt in excess of 100% of GDP.

When the crisis unfolded in 2010 with large budget deficits and debt maturities to be refinanced with more bond issuance, Greek bond yields soared. Investors were unwilling to grant a blank check to Greece without a substantially improved reward for holding this risky debt.

Chapter 23
The London Whale

Introduction

This write up draws heavily from an article written by Ron Rimkus, CFA. Rimkus, is a content director at CFA Institute, where he focuses on economics and alternative investments.

In early 2012, the well-known bank, JP Morgan Chase, which has always prided itself on its strong balance sheet and robust risk management practices, found itself embroiled in a controversy around the actions of one of its traders. After JPMC announced a $ 2 billion loss on derivative positions on May 10, 2012, tales of the so-called London Whale, also known as Voldemort began to float. The London Whale was the nickname for a JPMC trader, Bruno Iksil, who bet huge sums of money in the derivatives markets from his home base in London.

The analysis by Rimkus reveals that Iksil had three parts to his trading strategy.

- He purchased credit default swaps (CDS) on high-yield bonds. He would make money if these high-yield bonds got into trouble and their prices went down.
- He wrote substantial amounts of CDX.NA.IG.9, a basket of CDS on investment-grade bonds from 121 different issuers. He would make money if the credit outlook improved.
- He bought CDS on investment-grade bonds.

Package A (long CDS on high-yield bonds) could on paper act as a hedge on a loan book. But it is not clear how related the derivatives were to the actual loan book, given that high-yield bonds were not the main focus of JPMorgan's commercial loan book. In any event, these trades went against Iksil as the economy appeared to show some improvements.

Recognizing that package A was performing poorly, Iksil created package B, projected as a hedge on package A. But Rimkus feels it was more likely a discrete proprietary trade. Iksil wrote CDS on investment-grade bonds to take advantage of the improving economy that he was betting on.

It appears that once Iksil realized that the market was moving against package B, he sought to make up for it with trades on package C, rather than

Chapter 24
Archegos Capital and the pitfalls of Total Return Swaps

Introduction

The collapse of Archegos once again underscores the care needed while handling derivative instruments. A large proportion of the hedge fund's investments went into a derivative, called Total Return Swap (TRS). The strategy began backfiring when the stock prices of companies (mostly media and tech) in which Archegos had significant exposure, including China internet-search giant Baidu and Farfetch, began to fall.

About Archegos Capital

Archegos, which made the headlines in early April 2021, is the family investment vehicle of Bill Hwang, a former protégé of hedge-fund titan Julian Robertson, better known as the founder of Tiger Management. The name Archegos comes from the ancient Greek word for leader. It is used reverentially in the New Testament in reference to Jesus. Hwang is a devout Christian and a cofounder of a large Christian charitable foundation.

Hwang founded Tiger Asia in 2001. Based in New York, it went on to become one of the biggest Asia-focused hedge funds, handling more than $5 billion at its peak. In 2008, it was one of many funds that suffered losses related to the soaring share price of Volkswagen. (In 2008, Porsche bought up so much of Volkswagen's stock that within two days, the price of VW shares quadrupled. Short sellers, who were betting on a fall in the stock price lost tens of billions of dollars in a couple of days.)

In 2012, Tiger Asia decided to return the money to investors. Hwang and Tiger Asia also paid $44 million to settle a related lawsuit concerning insider trading and market manipulation. Hwang then turned Tiger Asia into his family office and renamed it Archegos. Being a family office, Hwang did not take any money from the public.

Family offices

Family offices are firms that serve a single family with huge amounts of wealth. (For example, Bill Gates, Michael Dell, George Soros and Sergey Brin have family offices.) The family has its own money managers, accountants, estate planners, lawyers and other specialists to manage the

Risk management has become more important than ever before. Not only should companies be able to identify and anticipate risks, but they must also have the tools necessary to manage them.

An organisation-wide view of risk management can greatly improve efficiencies and generate synergies. That is why there is so much emphasis on Enterprise Risk Management (ERM), which involves dealing with risks in a systematic and coordinated way across the organization.

In Volume 1 of this series, we looked at non-financial risks. In this volume, we look at financial risks. We start by examining how the global financial system has evolved and the impact of the global financial crisis of 2007-08. We then look at market, credit, operational and liquidity risks in more detail. Several case studies have been provided to understand how risk management failures happen and what we can learn from them.

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Ved's passion is in simplifying complex and abstract concepts and making them relevant to students and practitioners. Ved also has a deep interest in the use of storytelling in various aspects of leadership and management. As an academic, Ved has been an enthusiastic proponent of the use of case teaching.

Ved lives in Hyderabad with his mother K. Lakshmy, wife, Ananthalakshmi and two children who have recently started their careers: Vishwanath (Qualcomm) and Lakshmy (Microsoft).

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The Relationship Between Glass Ceiling and Women's Performance in the Banking Sector: An Empirical Study

Saloome Showkat*

The existence of gender equality and equal opportunity is critical to the growth of the world's idealistic social structure. However, this fundamental impression is often compromised by the dominance of patriarchal beliefs and values, as reflected in the invisible barrier that restrains the growth and advancement of working women. The glass ceiling is an implied orientation followed by organizations that impede women from holding executive positions despite their qualifications, competence, and experience. Despite numerous social reforms and amendments to laws and regulations, initiatives to highlight women's underrepresentation in executive positions have been limited. Therefore, the aim of this paper is to determine the relationship between the glass ceiling and women's performance in the banking industry. The data was collected by stratified random sampling. A sample of 300 women working at the managerial level was selected. The study found evidence of glass ceiling in the banking sector and a moderate negative correlation between glass ceiling and work performance of women.

Introduction

Global leaders from all over the world are expressing their concern for long-term sustainability (Barber, 2003). Similarly, pioneer institutions and organizations are taking initiatives towards sustainability as a part of their obligation towards corporate social responsibility (Mežinska *et al.*, 2015). However, limited initiatives have been taken towards gender equality and women's autonomy which not only reflects the matter of social justice but also supports as an essential feature for sustainable development of world economies (Terjesen *et al.*, 2009).

The trend of women's involvement in international markets has changed dramatically in recent decades. The total woman's labor participation was 47.1% in 2019, which has

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Talent Management and Its Impact on Organizational Commitment and Turnover Intention: A Literature Review

Suman Dahiya* and Rupa Rath**

To attain competitive advantage and achieve business growth, organizations have realized that a highly engaged, and motivated workforce is the key. Retention of talent is an important agenda of every organization in the competitive world of business. Organizations are required therefore to be more innovative and dynamic in their Talent Management (TM) approach. However, academic research in the field of TM does not provide any specific conclusions for a right TM explanation. In fact, research on TM has been assumed to be not offering right talent management solutions to organizations to accomplish its effective talent management practices. This review of literature includes a detailed study of different interpretations of talent management as a concept, it also studies different factors of talent management. The study defines different components of commitment and the concept of turnover intention of employees in organizations. A theoretical framework is proposed to study the causal relationship between different factors of talent management and organizational commitment and also the causal relationship between organizational commitment and turnover intention of employees in organizations. Further research in establishing and analyzing the relationships will support effective implementation of different talent management policies, practices and their influence in addressing retention challenges in organizations.

Introduction

Talent Management (TM) is an important and critical aspect for senior managers (Skuza *et al.*, 2013). Organizations have realized that a highly engaged and motivated workforce is the key to achieving business growth and attaining competitive advantage. Organizations are required therefore to be more pioneering and active in their TM approach. Research works in the field of TM do not provide any specific inferences for a right TM description. In fact, research on TM has been alleged to not offering a right TM solution to organizations to achieve its effective TM practices (Collings *et al.*, 2011). There has

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Psychological Empowerment as a Predictor of Affective Commitment Among Employees of Indian Banks

Neha Gahlawat* and Sandeep Kumar**

The study is an attempt to examine the mechanism of enhancing affective commitment by understanding the effects of psychological empowerment on employees' commitment. The respondents included 208 employees from the Indian banking sector, and the regression results confirm a positive relationship between psychological empowerment and affective commitment. On the theoretical front, the study adds to the limited literature on psychological empowerment in the Indian context. On the practical side, the study helps organizations to understand the importance of psychological empowerment among employees to improve their affective commitment. Bank managers should focus on minimizing the elements present in the work environment that might create a feeling of helplessness in employees. They should create a working environment in the organization where employees are encouraged to take part in the decision-making process.

Introduction

A highly dedicated and committed workforce is essential for achieving organizational goals. Several studies have revealed the numerous benefits of affective commitment of employees to the organization. Commitment binds the employees to their organization and makes them more inclined to stay with the organization (Dewettinck and Ameijde, 2011). Affectively committed workforce feels a sense of pride in being members of the organization (Kehoe and Wright, 2013). Affective commitment develops a sense of organizational citizenship behavior among employees and enhances their level of job performance (Cobbinah *et al.*, 2020). Affective commitment among employees makes them more dedicated to contribute in enhancing the performance of the organization (Hadžiahmetoviæ and Dinç, 2017). Because of these valuable outcomes of affective commitment, organizations feel a strong need to make employees more committed. This

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The Impact of Trust and Integrity on Police Performance and Community Happiness: The Mediating Role of Procedural Justice

Mohammed Abdul Nayeem*

This review explores the impact of trust and integrity on police performance and community happiness and the mediating role of procedural justice in the context of Telangana police. The relationship among the variables is established through a systematic literature review and accordingly, the research gaps are also identified. A conceptual framework is also presented to study the relationships. A mixed-method approach to validate the relationship in question through the collection of data is also suggested, hoping it would provide theoretical and practical implications and recommendations on making community policing more effective in generating community happiness.

Introduction

The Government of Telangana has in place a citizens' charter to cater to the needs of the people by making people-friendly police that determine government policies, strategies, and services that would harness the virtues of positive lifestyle and well-being in the community and a plan to develop happiness index to measure people's satisfaction (Telangana Police Portal, 2019). The government has placed much importance on the happiness of the communities, and community policing is one of the ways expected to achieve it. The State follows a strategic vision of the State police concerning community happiness and has initiated a wide spectrum of initiatives to achieve it. In the State, community policing is employed to promote successful models that bring collaboration between police and communities to address community concerns and ensure that the police respond to the needs of the public in general, thus ensuring that trust and integrity are developed for improved security.

A lot of research has been done on community policing in terms of how close the police are to the community, the best practices, the effect on crime rates, external strategies and security. However, there is still a need to investigate the effect of community

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Determinants of Employee Engagement: A Study of Select Information Technology Firms

Vikas Gautam* and Harsh Vardhan Kothari**

The study investigates the role of organizational climate and self-efficacy as determinants of employee engagement amongst employees of select Information Technology firms. Primary data was collected from 105 employees working in different sectors in the National Capital Region, India. The Utrecht work engagement scale developed by Schaufeli et al. (2002), General self-efficacy (10 items scale) developed by Schwarzer and Jerusalem (1995) and Organizational climate questionnaire developed by Litwin and Stringer (1968) have been used to measure the constructs. The data was analyzed using Structural equation modeling. The analysis revealed a significant positive impact of organizational climate and self-efficacy on employee engagement. Both determinants explained 46% of the variance in employee engagement construct.

Introduction

Why is it that some employees are very energetic and they find their work meaningful and challenging, whereas others feel exactly the opposite? What is it that makes some employees not feel enthusiastic about their work? And what is it that makes employees not feel proud of what they do? Are these the questions which necessitate an understanding of the determinants of employee engagement? What role does self-efficacy and organizational climate play in helping us find answers to these questions? Indeed, organizations face many challenges at the workplace. However, creating a highly motivated and engaged workforce in order to ensure a high level of performance and productivity is vital for organizational survival and the success of business. The employee engagement as a construct has attracted the attention of management professionals and academicians alike, and yet we do not find answers to a few of the above questions.

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The Influence of Job Characteristics on Attrition in the IT Industry

M Showry* and Ravi Dasari**

The attrition of employees has emerged as one of the unyielding human resource challenges confronting the IT industry. Brutal cost-efficiency, intense competition, relentless innovation, and persisting rate of attrition of employees would threaten the organization's ability to accomplish strategic goals. Hence, organizations in the IT sector have made substantial efforts to reduce the rate of attrition by implementing diverse HRM practices. Despite the implementation of innovative human resource practices, the attrition among IT professionals remains unabated and threatening the competitive advantage of the organization. Hence, the managers have shifted their attention to examining the influence of the job characteristics on employee attrition. The current study examines whether or not an employee's subjective evaluation of job characteristics influences attrition by using Hackman and Oldham's job characteristics model. The findings of the study conclude that skill variety, task identity, task significance, and autonomy influence attrition.

Introduction

Studies show that employee attrition in the IT industry is significantly higher than in all the other industries. According to the research firm Gartner, the attrition rate has seen a steep rise from sluggish 10% in 2020 to alarming 20% in 2021, and some are even battling with higher rates of up to 30%. According to *Business Standard*, the attrition rate at top tech majors like Infosys, Wipro and HCL Tech touched a new high of 20.1%, 20.5% and 15.7%, respectively. The research studies indicated poorly designed tasks, lack of appreciation in the job and task ambiguities that triggered an intention to leave the organization. Employees are the most indispensable resource of any organization, especially the IT industry, as they are responsible for delivering the projects on time and fulfilling the specifications of the clients which are the key to accomplishing the objectives of an organization. To achieve this, an organization should design a job environment that stirs up efforts to acquire and utilize skills, and importantly allocate specific tasks according to the skills that they deliver on the job. However, many organizations in the

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Manager's Role in Employee Turnover Intentions: A Special Study During Covid-19

Yamini Meduri* and Poonam Jindal**

The study aims to examine the relationship between manager's role and employee turnover intentions in the Covid-19 pandemic situation. A questionnaire survey was designed by using three constructs – Manager Quality Performance Index (MQPI), Manager's Participation in Talent Planning (MPTP), and Employee Turnover Intention (ETI). 358 IT employees responded to the survey conducted during Covid-19 lockdown. Structured Equation Modeling (SEM) was performed to test the hypothetical association among the variables, which found that if managers are more involved in talent planning and their performance index is high, the turnover intentions in subordinates will be less. The study suggests implications on the practices and theories of Leader Member Exchange (LMX) and Social Exchange Theory (SET). The originality of this study is conceived by focusing on performance index of quantitative and qualitative behavioral information of line managers and their participation in talent planning, and by statistically proving their relationship with employee turnover intentions.

Introduction

The unprecedented Covid-19 pandemic pushed the boundaries of the environment that the employees, employers, businesses and economies are operating in. A sudden drift in the work environment has brought in unexpected challenges to a lot of organizations and thus to the economies around the world. Such uncertainty triggers anxiety and volatile work-life relationships, and the fear of layoffs multiplied the psychological effect of the pandemic, and when these feelings were coupled with negative support systems from the organizations, it led to higher turnover intentions of the employees (Vaziri *et al.*, 2020).

The corporate world is on the one hand working hard to remain in the business in the face of the pandemic and on the other hand, working on tackling the psychological impact of the pandemic on the employees through positive work systems (Carnevale and Hatak, 2020; and Pacheco *et al.*, 2020). Shan and Tang (2020) highlighted the need for developing higher employee morale and its positive impact on the organizations during the pandemic. The GREAT model proposed by Mani and Mishra (2020) underlines the importance of better employee management and the role of frontline managers in

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Boundary Dynamics of Work-Life Integration During Covid-19 Induced Work from Home

Kalaa Chenji* and Sode Raghavendra**

Many organizations were forced to adopt Work From Home (WFH) practices during the lockdown due to Covid-19. As employees are experiencing WFH for the first time, the study aims to understand the positive and negative experiences of 25 respondents from the manufacturing sector, service sector and academia. Boundary dynamics of work-family conflict and the theory and constructs of work-life integration are reviewed to identify and understand the existing literature. The study examines the trends that contributed to the area, and studies the theoretical perspectives of boundary/border management, integration/segmentation and related constructs.

Introduction

The Covid-19 pandemic has changed the world today. Work From Home (WFH), flaunted as the future of work till recently, has now become the only alternative to survive for employees as well as employers. Remote working has always been a motivational tool for most as it protected many from the confines of a physical office and saved commuting time. A few words like "quarantine", "social distancing", "containment", "community spread", "pandemic", never heard before, are most frequently used today. Unprecedented challenges introduced by Covid-19 have thrown the world into a new universe. Busy office premises are now deserted, dark and lonely, wondering where the army of inhabitants has suddenly disappeared. Millions are no longer confined to the offices but are locked in their own homes.

This paper focuses on the hardships faced by employees due to WFH during the lockdown, provides insights from the border and boundary theories of work-family boundary dynamics of work-life integration during these testing times propounded by Allen *et al.* (2014), and finally suggests opportunities and strategies available to employees to make best use of the present time to overcome the uncertain future. The current study conducted interviews with 25 employees working in different sectors, who are under different age groups, to identify and understand their experiences with the new work regime.

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Authentic Leadership, Sustained Performance, Job Satisfaction, and Inclusive Culture: The Role of Psychological Empowerment

Salini S Pillai* and Sitamma Mikkilineni**

With disruptions due to technology/transformations and changing market/client landscapes, organizations are constantly adapting to keep up with the external environment. This in turn is driving organizations to be nimble, agile, and flexible in their structures and people practices. The need for the study in the emerging field of Authentic Leadership points to the need for organizations to focus on authentic leadership to create impact, build culture and influence the teams towards achieving the organizational objectives. The paper examines the research on AL and its impact on key variables of sustained performance, job satisfaction and inclusive culture. The paper is unique compared to prior research due to the inclusion of the role of psychological empowerment beyond the structural empowerment discussed in prior research. The paper presents a detailed literature review, key definitions of the variables and multi-level perspectives of the variables. It also provides the prior research measures and tools used to establish the relationship of various variables with Authentic Leadership. The paper concludes with multiple hypotheses to be studied for establishing the impact of psychological empowerment on the AL components, if any.

Introduction

The Covid-19 pandemic, the greatest global crisis of our times, has placed an unprecedented strain on the social, economic, and governance structures worldwide, and leadership has been extremely critical for organizations to face and deal with challenges (Antonakis, 2021) like evolving market landscapes, technology transformations or more importantly the changing workplaces. In the past few years, scholars and practitioners have been trying to comprehend the future of work—from a work, workforce, and workplace perspective and trying to come out with interventions and changes. Fueled by remarkable

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Examining the Influence of Self-Efficacy and Conscientiousness on the Freelancers' Self-Leadership: A Study in India

Keerti Shukla*, Surajit Saha** and Musarat Shaheen***

Self-leadership strategies make employees agile in today's uncertain and ambiguous work environment. But there exists a debate whether self-leadership is an inborn or developable characteristic. Thus, the present study attempts to investigate whether an individual psychological resource (i.e., self-efficacy), which is malleable in nature, and individual personality trait (i.e., conscientiousness), which is relatively fixed over a period of time, can predict self-leadership. The influence of conscientiousness as a personality trait and self-efficacy as a personal resource on self-leadership were examined based on the data collected from 103 professionals working in different industries of India. Correlations and regression analysis was performed to investigate the impact. The findings indicated a significant effect of self-efficacy and conscientiousness on self-leadership. More interestingly, the data shows that self-efficacy is more critical for self-leadership compared to conscientiousness. The findings of the study suggest several avenues for the engendering of self-leaders at the workplace.

Introduction

Cost-effectiveness is one of the strategic tools for an organization's survival. A good amount of money is required for developing and retaining leaders of an organization. To perform in a Volatile, Uncertain, Complex, and Ambiguous work environment (VUCA), organizations are developing their human resource as an agile workforce who can work independently and take crucial decisions like leadership development (Mack *et al.*, 2015). Creating more self-leaders is a better cost-effective investment. Self-leaders are the ones who are good at self-analysis and can manage and lead themselves across all challenging situations. The conceptualization of self-leadership has its foundation in the self-

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The Dark Side of Leadership: A Review of Literature on Abusive Supervision

Ashok Kumar Goute*, Avanthika Goute** and N Akbar Jan***

The role of managers and supervisors is becoming more important in the modern VUCA (Volatility, Uncertainty, Complexity and Ambiguity) world and the emerging new normal of post-Covid. The different styles of leadership produce different outcomes for the organization. Similarly, one of the dark sides of leadership, i.e., abusive supervision, brings out outcomes that are of greater concern for organizations across the globe. The present literature review of abusive supervision is intended to highlight the aspects more relevant to organizational behavior domain. The study also elaborates the relationships of abusive supervision with other organizationally important variables, including relevant mediators and moderators. The various opportunities for future research like relationship of abusive supervision with organizational culture, injustice, and organizational citizenship behavior have been identified.

Introduction

Managers and supervisors play an important role in influencing the performance of their reporting teams and the well-being of the team members. The role of managers and supervisors is becoming even more important in the modern VUCA (Volatility, Uncertainty, Complexity and Ambiguity) world and the emerging post-Covid 'new normal'. This has made aspects of the dark side of leadership such as abusive supervision a matter of greater concern for organizations across the globe.

Abusive supervision can be expressed as the subordinate's insight on the supervisor's unfriendly behavior. It refers to both linguistic and non-linguistic behavior. Abusive

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Leadership and Communication During a Crisis – The Case of Tony Fernandes (AirAsia) and Ahmad Jauhari Yahya (Malaysia Airlines)

Indu Perepu* and Sitamma Mikkilineni**

The purpose of this paper is to examine the communication styles of two leaders in managing the crisis they faced. The study gives an insight into and a perspective on the qualities leaders need in times of crisis. It is significant as it investigates how crisis communication was handled by the leaders of AirAsia and Malaysia Airlines. The study then discusses the main reasons why the communication by Tony Fernandes of AirAsia went on to become a perfect example of how to communicate during a crisis, and why the communication efforts of Malaysia Airlines' Ahmad Jauhari Yahya did not meet the stakeholders' expectations.

Introduction

Herbert Spencer (1884), the philosopher, said that the times produce the person and not the other way around. His philosophy is reflected in the situational leadership theory which assumes that different situations call for different leadership characteristics (Northouse, 2007). This theory states that for a leader to be effective, the person has to adapt his or her style to the demands of the situation. This becomes all the more significant in organizations that are facing a crisis.

The importance of communication in leadership has been stated often enough. Leadership is interpersonal influence exercised in a situation, and directed, through the communication process, toward the attainment of a specified goal or goals (Tannenbaum *et al.*, 1961).

Crisis communication engages both practitioners and scholars in terms of ethics, problem solving, strategy, and effective interpersonal communication. How organizations manage crisis, and how they deal with risk are important concerns for both professionals

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Perception of Management Students Towards E-Leadership

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Information technology tools have proven to be the desired response for sustaining organizational performance. The paper examines the perceptions of students towards e-leadership. It is based on the observations obtained through a survey from 105 students. An important finding in this paper is that e-leaders will encourage the exchange of information in the organization. The swift decisions, continuous sense of urgency and speed have made e-leadership a vital part of the organization. However, this has certain limitations such as misunderstanding, lack of trust and empathy.

Introduction

The global economy has been witnessing a major shift in recent times. There is a fundamental change in the way organizations build new markets and relate to their stakeholders. The adoption of Advanced Information Technology (AIT) like video conferencing, virtual teams, group decision support systems, artificial intelligence, robotic process automation and cloud computing has had important effects on organizations and the employees. Consequently, leadership processes are continuing to develop through the support of these technologies.

The term e-leadership was first introduced by Avolio *et al.* (2001) to describe leadership in a new emerging context and develop a nomological framework for analyzing it using the adaptive Structuration theoretical framework. The framework assumes that technology influences organizational structures including leadership and these in turn influence the use of technology. Avolio *et al.* (2014) proposed that the effects of AIT interact with and help to develop leadership and leadership itself is transformed when interacting with and adopting AIT. E-leadership is defined by them as "a social influence process embedded in both proximal and distal contexts mediated by AIT that can produce a change in attitudes, feelings, thinking, behavior, and performance".

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Graduating Students' Job Search Intensity: The Impact of Social Support Dimensions and Employment Commitment

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This paper intends to propose a conceptual framework on the personal and contextual antecedents of job search intensity among the final year job-seeking university students in India. It focuses on three dimensions of social support, viz., emotional, financial and informational, received by the graduating students during their job search process. The paper also proposes that the social support dimensions will have a differential impact on the job search behavior exhibited by the entry level job seekers. Further, it discusses the impact of employment commitment on job seekers' search intensity. Besides, the paper proposes a conceptual model that can be used to study the mediating role of job search self-efficacy and job search clarity on the relationship between social support dimensions and job search intensity, and employment commitment and job search intensity.

Introduction

In recent years, concern over elevating youth unemployment rate in India has been raised repeatedly by the national and international bodies (ASSOCHAM, 2016). The unemployment rate of educated youth has been reported to be higher than the overall unemployment rate in both rural and urban India (Ministry of Labor and Employment Labor Bureau, 2014). The inability to find a job often leads to depression, stress, anxiety (Wanberg *et al.*, 1999), and a sense of incompetence among others (Kulik, 2000). In particular, unemployment is reported to be taxing amongst the recent college graduates due to lack of work experience (Swanson and Tokar, 1991). Given the significance of first job in one's life and the negative consequences associated with unemployment, it is relevant to examine the factors that contribute to an effective job search behavior by the new entrants and lead to favorable employment outcomes (Kreemers *et al.*, 2021).

Job search behavior refers to identifying the presence of job opportunities and gathering more detailed information on selected job alternatives (Barber *et al.*, 1994; and van Hooft *et al.*, 2021). Kanfer *et al.* (2001) suggested that job search is a self-regulated behavior directed towards identification of and commitment to an employment goal. Boswell

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Perceived Academic Stress and Quality of Campus Life in Business Schools

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The main objective of this paper is to explore the impact of students' perceived academic stress on the quality of campus life of business schools in South India. A survey was conducted among the first and final-year MBA students from Chennai, Bengaluru, and Hyderabad business schools. Structured questionnaires designed through Google Forms were used to gather the primary data from a sample of 386 students. A cross-sectional study examined the significant academic stressors and how students perceive and manage these stressors. In addition, this paper also analyzes the impact of academic stress on the quality of campus life by examining the physical health, environmental health, mental health, and social relationships among students. Data was collected thrice in a semester, i.e., during the beginning of the semester, mid-semester, and end of the semester during examinations. The research outcome shows that all the academic stress factors identified in the study (stress perception, stressors, and stress management) significantly relate to the academic stress construct. Similarly, physical, environmental, and mental health and social relationship are positively associated with the quality of campus life. The results of the SEM also portray that the academic stress prevailing in the business schools results in negative perceptions towards the quality of campus life among the student community.

Introduction

Stress is an inevitable part of present-day life; however, the reason, type, and level of stress varies from person to person based on the age group, gender, profession, and lifestyle. In addition, competitive environment around us also leads to stress in our

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The Impact of E-Learning Framework on Student's Learning in Technical Education in India

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The focus of this paper is to examine the effect of the e-learning framework on students' learning in technical educational institutions in India. The paper considers Khan's e-learning framework to analyze the students' perception of the system used in their technical education. The student's learning was measured through three main dimensions of learning, which include knowledge, skills, and attitude, by analyzing the individual impact on the overall learning process. This study attempted to test the hypothesis through Structural Equation Modeling (SEM) technique. The data was collected from a sample of 294 respondents. The sample was selected using snowball sampling technique. The results of descriptive analysis and SEM indicate that the e-learning system used in technical educational institutions has a significant positive impact on various dimensions of students' learning. The findings reveal that proper design and delivery of e-learning systems with appropriate pedagogies in technical educational institutions will enhance the quality of technical education and result in improved learning among students, making them employable.

Introduction

Education has a significant contribution to the economic growth of any country. Indian education has two major components, namely, school and higher education. School education is further divided into primary, middle, secondary, and higher secondary (or intermediate) segment. The higher education system comprises of basically technical, medical, law, and arts and science education. Technical education imparts technical knowledge and skills to increase the competencies, thereby improving the productivity

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Perception of Female Students Undergoing Professional Courses Towards Gender Stereotypes at the Workplace

Nirupama Chakraborty* and Namrata Chatterjee**

Gender stereotyping is a psycho-social process that illustrates structured sets of beliefs about the personal attributes of men and women. An awareness of the contents of gender role stereotypes subconsciously begins in the preschool years and is rather well-developed by the time children enter first grade. Women continue to be plagued by gender stereotyping that we perceive as a thing of the past. The existence of actual differences between male and female managers has been challenged for some time in the research literature. While men are expected to "take charge," women are mostly expected to "take care," playing a more supportive and nurturing role both on their personal and professional fronts. But in order to overcome these disparities, organizations must first acknowledge that gender stereotypes still exist. Studies have reported that organizations that have a significant number of women in the management positions have a higher return on investment, and work teams that consist of an even number of men and women who are more productive than those made up of primarily just one gender. Hence, this study is an attempt to look at some of the key stereotypical perceptions associated with professional women. As more and more young women are entering the various industries today, it is of importance to understand their perceptions regarding the various stereotypes that working women might be subjected to since these might act as perceived barriers for female students undertaking professional courses.

Introduction

Gender stereotyping is categorical beliefs about traits and behaviors that are attributed to people based on their gender. They serve as expectations about the characteristics and behavior of individual group members (Cleveland *et al.*, 2000) and are considered one of the direct antecedents of discrimination at workplaces (Dovidio and Hebl, 2005).

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The Success of Learning Management System in Higher Educational Institutions in India

Saumya Kapoor Sharma*, N Akbar Jan** and A K Subramani*

The study's key objective is to examine the success of the Learning Management System (LMS) used in various Higher Educational Institutions (HEIs) in Chennai city. This study used a descriptive research design, which describes the users' perspective towards the success of LMS used in various HEIs in Chennai city. Data was collected through a stratified sampling technique to measure the satisfaction level attained by institutions adopting LMS. The SEM model shows that all the LMS factors have a significant positive effect on the usage of LMS. The findings of the study will help policymakers of HEI focus more on content quality while developing LMS platforms.

Introduction

The economic growth of a country depends on the knowledge possessed by its citizens. Therefore, education is considered fundamental for building a sustainable society. Knowledge platforms across the globe are changing with varied methods incorporated for enrichment. Even our government has drafted National Education Policy, 2021, which plans for everyone's equitable and lifelong learning opportunities by 2030. The future of our country depends on the knowledge landscape provided primarily to the younger generation. Therefore, learning is an inevitable part of human life. The emergence of an unforeseen contingency like Covid-19 has taught us to innovate and inculcate new methodologies for teaching and learning. The basic premise of learning has shifted its attention from "what to" to "how to" learn in the current scenario. Learning may be of two types, namely, formal learning and informal learning. Formal learning refers to learning in a training-based organization, workplace, mobile devices, classrooms, online and

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Perceived Stress and Coping Mechanism of Generation Z Management Students: Empirical Evidence

Sombala Ningthoujam[1], Teena Singh[2], Vikas Gautam[3] and Maria Zafar[4]

The present study investigates the relationship between perceived stress and coping mechanism of postgraduate management students. The qualitative research led to identification of six themes related to sources of stress among students, namely, academic/career, financial factors, environmental factors, interpersonal factors, moving to a new place for college, and miscellaneous sources. Further, the qualitative methodology identified stress coping measures such as problem-focused strategies, and emotion-focused strategies. The results of Correlation Analysis confirmed positive relationship between perceived stress and self-distractions (r = 0.118); denial (r = 0.170); substance abuse (r = 0.178); use of instrumental support (r = 0.129); behavioral disengagement (r = 0.158); venting (r = 0.233); self-blame (r = 0.290) and humor (r = 0.133). Moreover, the study found negative relationship between perceived stress and active coping mechanism (r = –0.211); perceived stress and positive reframing (r = –0.159); perceived stress and acceptance (r = –0.211). Also, the study found moderate stress level with 76.5% (n = 309) of the respondents, low stress level with 14.10% (n = 57) and perceived high stress level with 9.40% (n = 38). A MANOVA was conducted with gender as the independent variable on the group of outcome variables (perceived stress and coping mechanism).

Introduction

The definition of stress was formally given by Selye (1979) as stress is a perception and perceived demands that are imposed upon us because there are too many alternatives, and as a result, the body develops General Adaptation Syndrome (GAS) to fight or flight stage to meet the demand. Lazarus (1993) defined stress as a condition when a person

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Work-Life Conflict and Psychological Health Among Healthcare Sector Employees: A Comparative Study of Employees of Public and Private Hospitals

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In the current situation of Covid-19, it is clear as to how health professional warriors are fighting against disease, distress, social discrimination and many atrocities while upholding their profession and compassion. Moreover, they are exposing themselves to the risk of infection and death to save the lives of patients from a life-threatening disease. The study examines the relationship between work-life conflict and psychological health of healthcare sector employees and the flexible workplace arrangement. Further, it examines if there is any difference between those employed in public hospitals and those in private hospitals. Comparison of means using t-test, means, frequency and correlation analysis is done in order to achieve the study objectives. The results confirm low levels of overall conflict as well as family-work and work-family conflicts. With regard to comparison between government and private hospitals, a significant difference is found between the two at burnout levels only and not in terms of conflict and health.

Introduction

Greenhaus and Beutell (1985) conceptualized Work-Family Conflict (WFC) as a form of inter-role conflict that arises when one's work and family roles interact and result in three sources of conflict: time-based, strain-based, and behavior-based, while investigating the

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Occupational Stress as a Function of Organizational Commitment and Personality Type: A Study on Legal Professionals

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Occupational stress is experienced in all professions, law included. There are studies to suggest that organizational commitment has a positive impact on occupational stress. Similarly, studies have been conducted to prove the link between personality type and occupational stress. However, there are very few studies linking all three variables. The present work aims to bridge this gap. The aim of the paper is to measure occupational stress experienced by lawyers. Studies on this subject in India are few and far between. Data from 102 respondents, representing 68% response rate, were analyzed. The study was carried out using standardized questionnaires, which include Philip L Rice occupational stress questionnaire, Myers-Briggs personality type questionnaire and Alan Meyer organizational commitment questionnaire. Correlation and stepwise regression statistical analysis was performed to arrive at the results. The results show that there is significant correlation between occupational stress and personality types of introversion, sensing, feeling and thinking. A significant inverse correlation has also been deduced between occupational stress and organizational commitment. Emotional commitment has been identified as the best predictor of occupational stress and feeling as the least predicting variable. The findings of the study can be used to devise strategies to combat occupational stress experienced by lawyers working in litigation as well as for corporates.

Introduction

The word 'stress' is derived from the Latin word, *stringere*, meaning to draw tight. In 1936, Hans Selye, the father of modern stress, borrowed the term from physics and used it in medical literature. He suggested that stress is a non-specific response of the body to any demand. In this modern hyper competitive world, stress can come from anywhere and everywhere.

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What Factors Influence a Woman's Decision to Return to Work? A Review of Literature on Career Models

Rupali Nandamuri*, Smita Kulkarni** and Prerna Chhetri*

The literature on women workforce that rejoin work after a career break, is limited to either determinants or consequences. However, there is a need to identify and understand career development models that focus on career breaks and women re-joining the workplace. This will give an understanding and insight into the factors that determine and influence women to return to work. Therefore, the paper reviews existing career development models in the available literature and proposes a comprehensive framework of factors that influence a woman's decision to re-join work post career break. The factors have been classified as internal and external factors. An understanding of the factors can help organizations as well as individuals contribute towards supporting women to rejoin work post career break.

Introduction

Career motivation and development have long been topics of great interest for both practitioners and academic research. This has led to a plethora of research on career and career development which resulted in several career models. However, many of these models are not specific to women and their issues. This is especially critical for women who leave work to look after their families, responsibilities of caring for younger children, elders, etc. Several papers have focused on the reasons why women leave the workplace (Hanson *et al*., 2008; and Metz, 2011), but rarely have researchers investigated the reasons for women returning to work after a break. This paper aims to understand the reasons why women who have left the workplace want to return to work by reviewing the literature on the career models. It aims to understand the influence of internal factors

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Application of Theory of Planned Behavior for Assessing Entrepreneurial Behavior of Workers in the Unorganized Sector

P Venkateswarlu* and R R Reddy**

Ajzen's Theory of Planned Behavior (TPB) was applied to study the entrepreneurial behavior of workers in the unorganized sector. Workers from the construction sector were considered for the study. The results indicate that all the three TPB variables, viz., attitude, subjective norm and perceived behavior control, have significant effect and are the strongest predictors of becoming entrepreneurs. It is evident that females have shown lesser attitude and perceived behavior control than males to become entrepreneurs. There is a need for the governments to recognize the unorganized construction sector and provide some basic education to strengthen their entrepreneurial skills and enhance their confidence to become better entrepreneurs.

Introduction

Entrepreneurship is always a priority when it comes to the socioeconomic agenda of the country. Entrepreneurship generates employment opportunities and bridges the gap between the poor and the rich. The word entrepreneurship depicts the challenges and the struggles of individuals who invest their time, money and efforts to bring a change in the lives of the people. Entrepreneurs create job opportunities and spend on innovation of new products and technology development, thus contributing to the economy of the country. People who are highly motivated towards business, their perseverance and willingness to take risk for making profits in their business become successful entrepreneurs.

The construction industry in India is the second-largest sector after agriculture. Building activity is highly labor-intensive and creates a lot of employment opportunities. It is also one of the engines for the economic development of the country. There are several big players in the market who undertake the activities and in turn subcontract to the petty contractors for completing the activity.

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The Influence of Stream on the Entrepreneurial Intentions of Engineering Students

P Venkateswarlu*

This paper was conceptualized with an objective to identify the entrepreneurial intentions among the students pursuing engineering degree and to assess the influence of the stream, such as Electronics and Communication Engineering, Computer Science Engineering, Mechanical Engineering and Civil Engineering. Ajzen's Theory of Planned Behavior was applied to assess the behavioral intentions of the students pursuing engineering degree. The results indicated that no influence of stream was found on the entrepreneurial intentions of the students. However, students pursuing mechanical engineering and civil engineering had shown higher degree of attitude towards entrepreneurship as their career.

Introduction

Entrepreneurship essentially comprises two important aspects: acumen to create a business venture and risk-taking propensity. An entrepreneur is an individual who is driven by the desire to innovate and create business idea, products and services and anticipate the risk and rewards involved in the business. They are expected to encounter challenges and hardships related to market contingencies, regulatory issues or raising financial resources. Entrepreneurship calls for immense passion and perseverance as it involves several factors, such as predicting the market uncertainties, bureaucratic glitches, financial quandaries and risks. Entrepreneurs need to be possessing resilience, self-efficacy and propensity to take high risks. Characteristics such as enterprise, ambition, providence, competitiveness, appetite for success coupled with aptitude to face the competition are indispensable to the entrepreneur. Entrepreneurs create wealth, generate employment opportunities and enhance quality of life for larger public. They also stimulate the socioeconomic development of the country. The roles played by the entrepreneurs in the country's economic growth are multifold such as improving the quality of life through innovation of new products and services; creating employment at various levels; and to cater to the needs of the global markets.

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E-Commerce Industry – HR Strategies: A Perspective Analysis

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The purpose of the study is to explore the challenges faced by the stakeholders of e-commerce industry in India, and to understand the business as well as HR strategies adopted by them to cope with these challenges and stay at the top. To study the phenomenon and understand the challenges of e-commerce industry, the qualitative methodology was used. The approach followed by the authors was: on-site observation of e-commerce processing centers; conducting semi-structured interviews with subject matter experts and with the team leaders in charge of 'planning' and 'operations' of e-commerce business players; with the team leaders in charge of operations at the parcel and COD processing centers, Transportation Management Center at Hyderabad, and HR at the Delivery Points (involved in last mile delivery of the shipments) in a south Indian State. The interaction was at length with the functionaries in charge of the logistics partner of these e-commerce players based in Hyderabad. The findings explored the approaches adopted by the two e-commerce business players and by their service partners at the processing centers and at the last mile delivery points. The study also brought forth some interesting business strategies and strategic HR practices being adopted by the different stakeholders. Themes emerged out of these interviews and the on-site observations were captured and a set of propositions were made as findings in this study. Based on these findings, a set of propositions were made, which can become a base for all the stakeholders to work upon for planning and reaching higher efficiency levels. Further, such studies can be carried out in other states of the country and also in other countries of Asia in the future.

Introduction

With technological advancement, e-commerce is growing from strength to strength, with easy access of the consumers to the huge selection and product range, enabling the linking of different stakeholders. Even as the electronically-driven business and commerce is soaring at a stupendous rate, there is a need for players in the e-commerce business to match up to the requirements of the boom.

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Strategic Human Resource Management and Employee Relationship Management: An Approach for Realizing Sustainable Competitive Advantage

Swati Hans*

The paper presents a conceptual framework establishing the link between strategic human resource management and employee outcomes (such as motivation, satisfaction, and happiness), and sustainable competitive advantage at the firm level. The paper also explains that HR practices, if integrated with other functions at work and strategically aligned with the overall business strategy, would lead to superior benefits for an organization. This framework could be used as a reference framework by future researchers for similar kind of research on SHRM.

Introduction

The business environment around the globe has changed dramatically over the last few decades, and today it is characterized by phenomena such as acceleration in information technology, intense competition, changing customer needs, and diverse workforce (Khajeheian *et al.*, 2018; and Soloducho-Pelc and Sulich, 2020). To stay competitive in this dynamic environment, organizations are required to constantly evolve and adapt by innovating products, acquiring new technologies, improving process and service quality, and formulating powerful strategies (Augier and Marshall, 2017; and Miceli *et al.*, 2021). An organization's physical capital no longer benefits in realizing the Sustainable Competitive Advantage (SCA) for an organization, rather what helps is, non-physical human resources and their intellectual capital (Delery and Roumpi, 2017; and Emeagwal and Ogbonmwan, 2018).

Since HR practices are instrumental in managing, developing, and influencing employees, it becomes paramount to appropriately integrate those practices with the overall strategy of the organization as a means of gaining competitive advantage (Gilmore and Williams, 2009; and Collins, 2021). The Strategic Human Resource Management (SHRM) views HR from the strategic perspective and considers employees as strategic assets. SHRM makes it evident that linking HR practices and policies with the strategic

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Case Study

Open Leadership at Red Hat

A Kranthi Kumar* and Jitesh Nair**

The case study describes the open leadership approach followed by Red Hat, Inc., an American multinational software company providing open source software products. Red Hat's culture was rooted in the open source movement since it had hired employees mostly from open source communities in the initial years post its inception in 1993. Constructive criticism through open and heated debates was common and acting openly was the norm and what was expected. The top management realized that open leadership gave Red Hat a competitive advantage and efforts had to be made to retain this culture even as the company grew in size. The company management observed that in an open organization, employees evolved into leaders when they exhibited certain behaviors as a result of their beliefs. Red Hat identified the general principles (mindsets) and the resulting open leadership practices (behaviors) and took steps to interlock these mindsets with the leadership behaviors. In the initial phase of building an open leadership system, Red Hat did not find any suitable end-to-end leadership development systems that would help train its people to lead in a flat organizational structure and a culture that preferred meritocracy over hierarchy and seniority. The company decided that it would build some of those systems itself, and in other cases modify and adapt best practices used in standard organizations.

> *I believe that the future success for businesses to attract and retain top talent relies on a more open management and leadership approach. The workforce is evolving and the new employee is part of a major change affecting not only how we hire and who we hire, but how our companies operate on a basic level. It's especially prevalent in the new generation entering the workforce.*[1]
>
> ***– DeLisa Alexander, Chief People Officer, Red Hat, in 2012***
>
> *People are emotional beings. Traditional management does its best to wring every bit of emotion out of people, which can often lead to disengagement. We recognize that if you can actually leverage emotion and the passion it creates, you can really double down the effort you get from your people.*[2]
>
> ***– Jim Whitehurst, President and CEO, Red Hat, in 2016***

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1 DeLisa Alexander, "Sharing the Path to Success with Your Employees", https://opensource.com, June 7, 2012.

2 "Jim Whitehurst on the Open Organization: A Conversation with the CEO of Red Hat", https://www.bcg.com, October 26, 2016.

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Case Study

IBM's Desperate Bid to Create Younger Organization – Big Blue's Woes with Age Discrimination

K B S Kumar* and Indu Perepu**

In 2018, US-based multinational information technology company International Business Machines Corporation (IBM) faced a series of lawsuits filed by former employees. These lawsuits accused IBM of discriminating against the employees who were over 40 years old, in order to make way for new talent and tech-savvy millennials in the workforce. The case explains the different ways that IBM used to target older employees and discriminated against them. With many employees approaching the courts and senior personnel testifying to the deep-rooted age discrimination prevailing in the company, IBM's future course of action remained uncertain. The verdict in these cases would have wider repercussions for the aging employees and age-related discrimination not only in the US but across the world.

Age discrimination is an open secret like sexual harassment was until recently. Everybody knows it's happening, but often these cases are difficult to prove because courts have weakened the law. The fact remains it's an unfair and illegal way to treat people that can be economically devastating.[1]

– Victoria Lipnic, the acting Chair of the Equal Employment Opportunity Commission[2] in 2018

Introduction

"When people look at IBM, we're blue and we are 100 years old. So it is a question of in the eyes of people coming to join the organization, how do we show IBM as a different place to the one they have in their mind? One way to show millennials that IBM was

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1 "What Does Age Discrimination Look Like? ProPublica Examines IBM," www.thatcherlaw.com, May 2, 2018.

2 Equal Employment Opportunity Commission (EEOC) is an independent federal agency that administers Workplace Anti-Discrimination Laws in the US.

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Case Study

Can Thierry Delaporte Revive Wipro?

Smita Kulkarni*, Syeda Maseeha Qumer** and Syeda Ikrama***

The case focuses on corporate restructuring at Wipro, one of the largest IT companies in India. Wipro's CEO, Thierry Delaporte, announced a huge restructuring exercise, the first since he took charge of the company in July 2020. The restructuring of the company was aimed at simplifying the existing organizational structure and driving growth in all markets beyond the US. Wipro, which was one of the leaders in the Indian IT space, had been witnessing a slump in revenues since 2012 compared to other IT peers. Its inability to adapt to new technologies, its conservative approach, unimpressive acquisitions, slow economic growth, growing competition, and unwarranted price concessions to clients were some of the reasons for its underperformance. As Delaporte embarked on a major restructuring at Wipro, the challenges before him would be to boost revenues, build a strong talent pool, strengthen market share, help the company regain its market position, and drive growth amidst the Covid-19 pandemic.

> *The new management has tried to take the bull by the horns—which is what Wipro needed. After many failed experiments, this was perhaps the last throw of the dice by the Wipro board—a CEO who will not shy away from taking hard decisions, to take Wipro to its rightful place, on a par with peers.*[i]
>
> ***– Analysts at Philip Capital (India) Pvt. Ltd., a financial advisory firm, in November 2020***

Introduction

In November 2020, India-based global information technology, consulting, and business process services company Wipro Ltd.'s (Wipro) newly appointed CEO and MD, Thierry Delaporte (Delaporte), announced a major organizational restructuring to turnaround the

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Case Study

Crisis at Papa John's Pizza: Fall of John Schnatter

Memendu Showry* and Indu Perepu**

This case describes the struggle of the US-based pizza chain Papa John's International Inc. (Papa John) to recover from the PR crisis. In 2018, the troubles for the company began when Forbes *reported about the racial slur made by the founder of the company John H Schnatter (Schnatter).* Forbes*' article also detailed about the company's 'toxic' culture and a number of deep-rooted issues involving Schnatter. Following the controversy, Schnatter had to step down as chairman of the company, but did not stop putting his foot in his mouth. In 2017, he lost his position as CEO after he set off an uproar by blaming the National Football League (NFL) players for the pizza chain's lagging sales. His statement led to a drop in sales. Further, marketing partners and consultants were breaking ties with the pizza chain. The numerous allegations against the founder posed a threat to the company's image. Struggling to put an end to the fiasco, the board of Papa John's finally decided to ward off Schnatter from the business by adopting 'poison pill'.*

Our future will not be defined by the words or actions of one person.[i]

– Steve Ritchie, CEO, Papa John's, in 2018

The outlook for Papa John's is growing dimmer with recent media reports citing a fraternal corporate culture that is reinforcing consumer perception that Papa John's is not a trusted brand.[ii]

– Chris O'Cull, Analyst, Stifel Financial Corp[1], in 2018

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1 US-based multinational independent investment bank and financial services company.

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Case Study

Ethical Dilemmas of Decision Making in a Crisis: Tragedy at Memorial Medical Center, New Orleans

Akbar N Jan*, G V Muralidhara** and Shwetha Kumari***

The case study describes the moral dilemmas faced by the leaders, doctors, and nurses of Memorial Medical Center (Memorial), New Orleans, during Hurricane Katrina in 2005. The hospital had no electricity, running water, or air conditioning. The temperature shot up to more than 110° Fahrenheit and the putrid smell of dead bodies burnt the back of the throat. Both chaos and heroism defined the scenes at Memorial; Memorial staff worked around the clock with few provisions to sustain them. Further, the case discusses the decision of the hospital leaders that patients with Do-Not-Resuscitate (DNR) orders should get the lowest priority as they had the least to lose. It then describes the triage conducted by Dr. Anna Marie Pou (Dr. Pou), a well-regarded head and neck surgeon. Later, Dr. Pou along with two nurses Cheri Landry, and Lori Budo, euthanized the DNR patients, although there was still hope of evacuation. The case ends with a discussion on the arrest of Dr. Pou, Cheri Landry, and Lori Budo for second-degree murder..

> *The physicians and staff responsible for the care of patients, many of whom were gravely ill, faced loss of generator power, the absence of routine medical equipment to sustain life, lack of water and sanitation facilities, extreme heat in excess of one hundred degrees, all occurring in an environment of deteriorating security, apparent social unrest and the absence of governmental authority. Dr. Pou and other medical personnel at Memorial Hospital worked tirelessly for five days to save and evacuate patients, none of whom were abandoned. We feel confident that the facts will reveal heroic efforts by the physicians and the staff in a desperate situation.*[i]
>
> ***– Rick Simmons, Dr. Anna Pou's attorney, December 22, 2005***

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Case Study

Hindustan Unilever Limited: Providing the Right Work-Life Balance

Ashok Kumar Goute*, Koti Vinod Babu** and Namratha V Prasad***

The case study discusses the initiatives taken by India's largest Fast-Moving Consumer Goods (FMCG) company, Hindustan Unilever Limited (HUL), to enable its employees to strike the right work-life balance. The case delves into details of HUL's various Human Resource (HR) policies and explains how each of the policies made the company's employees execute both work and personal responsibilities better. HUL's initiatives to cater to the varied needs of its women employees are explained in detail. The measures being taken by the company to keep itself abreast of the changing needs of new-age employees are also mentioned. So, will HUL continue to remain an 'Employer of Choice' and a 'CEO Factory' in India?

> *At HUL, we have policies and workplace facilities that enable a nurturing environment for everyone. We support and encourage our employees not only to be great business leaders but to also lead happy and fulfilling families.*[1]
>
> **– B P Biddappa, Ex-Executive Director of Human Resources, Hindustan Unilever Limited, in 2018**

In December 2020, India's largest Fast-Moving Consumer Goods (FMCG)[2] company, Hindustan Unilever Limited (HUL),[3] announced a policy to protect its staff from domestic abuse.[4] This was the first time that such a policy was being introduced by an Indian company.

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1 "Extending Full Support to Working Parents," www.hul.co.in, July 1, 2018.

2 Fast-moving consumer goods are products that sell quickly at relatively low cost. These goods are also called consumer packaged goods. FMCGs have a short shelf life because of high consumer demand (e.g., soft drinks and confections) or because they are perishable (e.g., meat, dairy products, and baked goods).

3 Hindustan Unilever Limited is an India-based global consumer goods company. It was founded in 1933. It is a subsidiary of British multinational consumer goods company, Unilever plc. Its products include foods, beverages, personal care products, water purifiers, and other fast-moving consumer goods. In fiscal year 2020, Hindustan Unilever Limited reported an investment value of about ₹15 bn (As of March 15, 2021, $1 = ₹72 approximately).

4 Domestic violence (also called domestic abuse or family violence) is violence or other abuse in a domestic setting, such as in marriage or cohabitation.

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Case Study

IKEA's Talent Management and Corporate Culture

Mohammad Abdul Nayeem* and Hadiya Faheem**

The case discusses IKEA's talent management initiatives and its corporate culture. The retailer recruited employees based on values and beliefs rather than just on skills, experience, and other credentials. It fostered an 'egalitarian culture' that offered full benefits even to part-time workers who worked for 20 hours or more per week. In 2017, global research and consulting firm Great Place to Work and Fortune named IKEA US among its 2017 Fortune 100 Best Companies to Work For. Analysts opined that its talent management initiatives and its strong corporate culture provided IKEA with a competitive advantage.Though IKEA was touted to be an ideal employer in the retail market, it was hit with a lawsuit in the US court over alleged age discrimination in February 2019. Some IKEA employees stated that the retailer had fostered a culture of age discrimination wherein young workers were recruited and promoted over workers who were 40 years and older, thereby violating the Age Discrimination in Employment Act.

> *When recruiting for IKEA, it is attractive to recognize that the applicant has read up about the company and managed to describe the connection, i.e., what are the values they have as a person which makes them the perfect fit for working with the organization.*[i]
>
> **– Anna-Carin Månsson, Country HR Manager for India, in 2018**

> *Maintaining a strong IKEA culture is one of the most crucial factors behind the continued success of the IKEA Concept.*[ii]
>
> **– Ingvar Kamprad, founder of IKEA, in 2004**

Introduction

In February 2019, Swedish furniture retailer IKEA Group (IKEA) launched an interesting recruitment campaign for the job interview process. The campaign showed potential candidates entering a room for giving the interview only to be confronted with a board

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Case Study

Launchpad: The Internship Program at Flipkart

Jitesh Nair* and Balaswamy Pasala**

The case looks at the selection process and design of the internship programs offered by Flipkart for graduate and undergraduate students in India. It first describes the summer internship program offered to students pursuing their Bachelor's or Master's in computer science or business management who interned for two months in the software development, operations management, and product management roles. The case then talks about Launchpad, an internship program offered by ekart, the supply chain arm of Flipkart, since 2019 for undergraduate students. The 45-day internship program was designed to introduce students to work in Flipkart's supply chain. It ends with a look at Flipkart's focus on becoming a value player in the Tier-II cities of India as part of its long-term business strategy.

> *We have been focussing on Tier 2 business but it has become more intense now. We want to be a value player focussed on Tier 2 locations.*[1]
>
> ***– Rajneesh Kumar, Chief Corporate Affairs Officer, Flipkart, in 2020***

> *As internships create a lot of excitement among young students as they set foot into the professional world, our carefully devised internship programme works towards the overall development of the students.*[2]
>
> ***– Amitesh Jha, Senior Vice-President, Flipkart, in 2019***

Introduction

Flipkart, an e-commerce company headquartered in Bengaluru, Karnataka, India, was founded by Sachin Bansal and Binny Bansal in 2007. The company, which initially focused

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1 Avishek Rakshit, "Flipkart Aims to Penetrate Tier 2 Cities; To Focus More on Value Than Speed", https://www.business-standard.com/, February 14, 2020.

2 "Flipkart Iinternship: How to Apply, Duration of Program, Who Is Eligible, Is It Paid and Other Details", https://www.moneycontrol.com/, October 11, 2020.

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Case Study

Microsoft: Building a Collaborative Work Culture to Foster Innovation

Radha Mohan Chebolu* and Jitesh Nair**

The case describes how Microsoft, a market leader in desktop computing in 1995 with a 95% market share, faced its share of problems from 2000 to 2010 with existing products losing market share and new products not taking off. Microsoft executives blamed the system of stack ranking for the lack of innovation in the company compared to competitors like Google and Apple. Upon realizing this, Microsoft ditched its traditional performance management system in 2013 and took several initiatives to help create a new Performance and Development (P&D) system. The new P&D system focused on employees' skills and competencies and facilitated open conversations. Through 'Connects', employees received real-time feedback that helped them learn, grow, and focus on their strengths and key learning areas. Satya Nadella's push for a cultural shift and a growth mindset created an enthusiasm for a new era of innovation at Microsoft. These efforts to improve innovation, collaboration, and communication also led to a business shift. In November 2019, Microsoft achieved a one-trillion-dollar valuation, a 200% increase since Satya Nadella became CEO in 2014.

> *The company was sick. Employees were tired. They were frustrated. They were fed up with losing and falling behind despite their grand plans and great ideas. They came to Microsoft with big dreams, but it felt like all they really did was deal with upper management, execute taxing processes, and bicker in meetings.*[1]
>
> **– Satya Nadella, CEO, Microsoft, in 2017**

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[1] "The Company was sick, Microsoft CEO Satya Nadella says in his Autobiography Hit Refresh", https://www.indiatoday.in/technology/news/story/the-company-was-sick-microsoft-ceo-satya-nadella-says-in-his-autobiography-hit-refresh-1053284-2017-09-27, September 27, 2017.

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Case Study

Safety Culture at General Motors Post the Ignition Switch Recall Crisis

Sireesha Mamidenna* and Balaswamy Pasala**

The case study describes how faulty ignition switches in some car models of General Motors (GM) led to one of the biggest recalls in the history of the US automobile industry. The recall happened almost 10 years after customers first complained about safety issues related to the ignition switch that automatically turned the car's engine off while the vehicle was in motion and caused non-deployment of airbags during crashes. The defect was linked to 124 deaths and 275 injuries and GM paid about $2.6 bn in penalties and settlements, including the fine. The case looks into the various reasons identified for this fiasco when Mary Barra, soon after becoming the CEO of GM in 2014, appointed a law firm Jenner & Block LLP and former US Attorney Anton Valukas to conduct a thorough investigation into the circumstances that led to the recall. One of the primary observations of the Valukas Report was the absence of a culture of safety at GM. The report also cited issues related to working in silos that impacted cross-functional communication and technical operations. GM undertook a number of measures to bring about a change in its safety culture.

> *We are not going to be satisfied with just solving our current problems. We are going to be industry leaders.*[1]
>
> ***– Mary Barra, CEO, GM, in July 2014***

> *Openness and accountability are two things that are very different at GM now. Everyone is encouraged to speak up on safety issues. They'll be followed up on and we'll take action.*[2]
>
> ***– Maryann Combs, Vice President of Global Vehicle Safety, GM, in September 2019***

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1 Ginger Christ, "Barra: GM to be an 'Industry Leader' on Safety", https://www.industyweek.com/, July 28, 2014

2 Jamie L LaReau, "GM: We Encourage Employees, Dealers to Tattle After Ignition Switch Crisis", https://www.freep.com/, September 6, 2019.

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Book Review

Sitamma Mikkilineni (2021), *Competency-Based Human Resource Management,* Vol. 20, No. 4, pp. 530-532.

A V Ved Puriswar (2021), *Building a High Performance Culture Based on the Book No Rules Rules: Netflix and the Culture of Reinvention,* Vol. 20, No. 4, pp. 533-539.

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Proceedings of National Conference

On

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On

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Message from the Vice Chancellor

Greetings!



It gives me immense pleasure to inform you that the Department of Economics is organizing its Recent Trends in Economics (Virtual) on Oct 10-29 2021 at IBS Hyderabad on the theme “Macro Financial stability for social protection and sustainable development in the post Pandemic era”

The conference aims at bringing together academics and scholars to discuss deliberate and analyze the evolving challenges in Macro financial stability for social protection and sustainable development. The year 2020 and 2021 has been challenging year for economies, corporates and financial markets. Due to the lockdown, suspension of public transportations, closure of business houses and other institutions the world economy has experienced a severe blow. Economies of all the major developed and developing countries are in shambles. Due to these depressing scenarios, people across the world are also suffering from mental issues. Several socio-economic issues have also been surfaced in developed and developing countries.

The contributions came from a diverse spectrum of representatives encompassing faculty members, research scholars in the Economics domain. The submissions have captured diverse issues in the field of Economics Area. The Department of Economics is releasing the Book of Proceedings with ISBN containing 40 abstracts.

Prof. J. Mahender Reddy
The ICFAI Foundation for Higher Education, Hyderabad.

Message from the Dean-Academics, IBS Hyderabad

Greetings!



ICFAI Business School, Hyderabad is proud to organize its conference on recent trends in operations management on Oct 28-29 2021 IBS Hyderabad is one of the most prominent and premier B Schools in India accredited with AACSB. Espoused to its three- pronged mission: To provide 'Right Knowledge', develop 'Right Skills', and build 'Right Attitude', the school's research orientation coupled with industry focused pedagogy and courses provide students, faculties and practitioners with rich learning experience.

The world has been going through an unprecedented surreal phase since the beginning of this year due to the outbreak of Covid-19. Due to the deadly effect of this disease, hundreds of thousands of people across the world have died and several million people are infected. Scientific communities throughout the world are trying to develop some kind of vaccine or medicine to contain the disease, but any particular remedy is still elusive. The conference on Recent Trends in Economics has been organized around the theme "**Macro Financial stability for social protection and sustainable development in the post Pandemic era**" insights have been collated into this conference Proceedings.

It gives me immense pleasure in inviting all of you to the conference on Recent Trends in Economics, and hope each participant will reap the maximum benefit from the event.

Prof. C.S. Shylajan

ICFAI Business School (IBS)-Hyderabad

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Examining the Factor Structure of Quality of Technical Education: Evidence from Punjab State of India

Dr. Pooja Choudhary
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: The purpose of the study is to identify the factors affecting the quality of technical education in a developing nation, India. Participants were 465 students and 310 faculty members who were randomly chosen from a total of 31 institutions/colleges/ universities providing engineering education in the Punjab state of India. The factor structures were obtained by applying factor analysis. The result of this research reveals ten factors determining the quality of technical education, such as Teaching Practices, Infrastructural Facilities, Industry-institute linkage, Faculty's Qualification, Reputation of the Institute, Procedural Simplification, Administrative Staff Services, Access and Equity, Financial Burden of the course and Work Culture. Moreover, Research results also reveal eight factors affecting the quality of technical education, namely Institutional Standards, Institutional Support, Teaching Environment, Teaching Practices, Performance linked Promotion, Work Culture, Academic Freedom, and Administrative Services in this order of preference that is essential for the delivery of quality in technical education. This study is the first attempt to examine the factors structure of technical education quality from both the perspectives of students and faculty. The implications of this study are expected to help the management of technical education institutes, regulatory agencies, and the government in devising strategies to enhance the quality of technical education in India.

KEYWORDS: Education, Quality, Technical, Factors, Perception

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Digital divide in India: Does caste play any role?

Dr. Rajesh Barik
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: The covid-19 pandemic has drastically changed the social behaviour of people from physical contact to virtual connection. Because of worldwide lockdown and social distancing, people have preferred virtual meetings as an ultimate mode to operate their daily business. This has led to an upsurge in the use of digital technology in a paramount way. On the other way, the use of digital technology has become a rudimentary means to receive other basic entitlements of life such as education, health, information etc. However, there are large socio-economic inequalities that persist in access to digital technology. The digital disparities can be looked at from caste, religion, region, gender and other socio-economic groups perspectives. Here, this paper is discussing how caste has played a major role in exaggerating digital division in India. Similarly, the paper also discusses the economic and organizational costs associated with caste-based digital division and policy measures that can be taken to mitigate these discriminations.

Key Words: Covid-19, Digital Divide, Caste, India

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Modelling Rupee-Dollar exchange rate using simple sum and Divisia aggregates: Some evidence from India

Dr.T Kaladhar
(Dept. Of Economics, ICFAI Business School, Hyderabad, and IFHE)

ABSTRACT: This study investigates the importance of Divisia aggregates in the financial innovation era of India to observe the dynamics of the Rupee-Dollar exchange rate and cross-compare with the traditional methods of simple sum aggregates. The usage of Divisia aggregates in the monetary framework is the novelty of the study. The results suggest that Divisia aggregates yield more theoretically consistent cointegration relations among the Rupee-Dollar exchange rate and its monetary fundamentals and also forecast exchange rates more accurately compared with simple sum counterparts. Finally, this study recommends Divisia aggregates for the analysis of exchange rate and monetary policies alongside simple sum aggregates for India to capture monetary conditions effectively.

Key Words: Divisia aggregates, simple sum aggregates, exchange rate and monetary framework

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AI and IoT Readiness: Inclination for Hotels to support a Sustainable Environment

G Sudhaamsh Mohan Reddy
Department of Mathematics, Faculty of Science and Technology (IcfaiTech),
ICFAI Foundation for Higher Education (Deemed to be University)

ABSTRACT: The idea of Smart Cities has been one of the key driving factors for the urban transformation to a low carbon climate, sustainable economy, and mobility in recent years because of the alarming situation of Global warming. The hotel industry being one of the fastest-growing industries is a major carbon emission generator and leaves environmental footprints. The new emerging concept of sustainable tourism is envisaged as an important part of the Smart Cities paradigm. Improving sustainability by saving on energy is becoming a priority for many hotels. Artificial Intelligence (AI) and Internet-of-Things (IoT) technology provide the opportunity to integrate various systems on a platform, encouraging and assisting hotel guests to operate them through a single device and also optimizing hotel operations. The purpose of this paper is to identify the strategic positions of a hotel in terms of sustainability, AI, and IoT technology. Components that will be considered by Hotels for the strategic intention of adopting AI and IoT for environmental sustainability. Different development and modification needed to be taken if management wants high sustainability readiness and/or IoT readiness. This conceptual paper constructs the comprehensive study and systematic review of different areas where the Hotels can feasibly implement AI and IoT for improving sustainably and the new technology-based products that are available to guide them to do so. When it comes to AI and IoT related sustainability readiness this paper identifies that it is related to the internal and external conditions of the hotel This study also indicates that a hotel is more likely to adopt AI and IoT if (a) the focus of the hotel is energy conservation because of green certificates (b) it is part of international hotel group (c) Sustainability is considered an important as a customer decision-makers (d) the hotel focuses more B2B (business) than B2C (leisure) guest (e) it is a five-star property (f) More International guests. The path of development within sustainability is focused on saving energy and not on the social dimension of sustainability**.** The amount of investment needed for the various positions and unique AI and IoT resources will be addressed. These limitations can form the basis for future research.

Keywords: Sustainability, Artificial Intelligence, Internet of Things, Hotel Management, Sustainability readiness

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Some Aspects of Globalisation

Dr T Shyam Sundar
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: This is a study of the phenomenon of globalization in light of the impact of COVID-19, the pandemic. Divergent viewpoints are being held & inferences are being drawn as to the impact of the global disruption caused by it on economic decision-making by private & public organizations including the governments. Given the unprecedented magnitude & spread of the economic impact, it would be safe to say that our collective perception of the global economic structure is not going to be the same even after the impact of the communicable disease would have ebbed in the foreseeable future. Public health is already being considered the highest priority by most governments & international agencies. More public money is being allocated for the prevention & treatment of communicable diseases than ever before. The public-private partnership(PPP) approach is being reconsidered by public policy experts in the light of delays & bottlenecks in supply chains of public goods like vaccines.

Key Words: Globalization, Public Health, Public-Private Partnership

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Assessment of SDGs in Telangana

Dr V Padmavathi
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: This is a study of that how Telangana is the front runner in achieving 16 Sustainable Development Goals (SDGs) and opened a discussion on research ideas on the impact of the government programs for the sustainable goals

Key Words: Sustainable Development Goals, Government Programs

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Livelihood Vulnerability, Policy Response of State and Coping Strategies during COVID-19: A Study of Informal Workers in Kerala, India.

Dr Lagesh M.A.
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: This paper examined the livelihood vulnerability experienced by the informal workers in Kerala by analysing losses in employment days and the monthly income of a sample of informal workers during the COVID-19 crisis. A discussion on the policy response of the state is also attempted to understand its role in reducing the levels of livelihood vulnerability. Despite all fiscal constraints the state immediately announced and effectively implemented various welfare measures including both cash and in-kind transfers to vulnerable sections especially informal workers. The majority of the workers have low-level education and are employed as casual workers and self-employed workers. Our results show a sharp increase in the unemployment rate and nearly 40 per cent of the sample informal workers are found unemployed during COVID-19. Even after lockdown, in terms of current weekly status half of informal workers remain unemployed. Further, average days of employment also declined drastically, which ultimately resulted in an almost 69 per cent fall in the monthly income of the workers. However, due to the immediate and effective policy intervention of the state, the informal workers have adopted only less risky and non-erosive coping strategies. Multinominal Logit analysis suggests that several coping strategies adopted by the informal worker are mainly influenced by his age, education and category of employment, and the number of employed members and the presence of SGH members in the family.

Key Words: Multinominal Logit, COVID-19, Unemployed, Informal workers

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Student Engagement through Mentimeter & Breakout rooms

Dr V Padavathi & Dr Laila Memdani
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: Using Mentimeter and breakout rooms from the google apps was presented with the demo, which is useful to the faculty to implement in the online classes.

Key Words: Google apps, breakout room, Mentimeter

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Debt sustainability of States in India-An Analysis

Dr Tamma Koti Reddy
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: Higher borrowing by states could further raise the cost of borrowing and affect their ability to undertake development work. weak socio-economic infrastructure and a socially under-developed population will limit the state's future economic development and necessitate higher developmental expenditure. The states need to strike the right balance between developing social and economic infrastructure to foster economic development. Both social infrastructure and a socially-developed population are required for economic development. Social infrastructure (such as literacy and health services) take longer to develop and affect economic development than do economic infrastructure (such as roads and power). However, investments in social infrastructure are necessary to sustain the benefits derived from developing economic infrastructure.

Key Words: Development Expenditure, Economic Infrastructure, Social Infrastructure

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Impact of Covid-19 Second Wave on Indian Stock Market

K. Hema[1], Preethi Divya.A[2]
(Department of MBA, CBIT)

ABSTRACT: From United States to Japan, over 180 geographies have reported a confirmed case of coronavirus and almost everyone on this planet is adversely affected by this virus. An event of this scale would bring along many catastrophic consequences- social and economic. Many pundits have already declared COVID-19 as the "Black Swan" of 2020 with global economies starring at one of their worst recessions ever. There is something strange happening in the stock markets across the globe, especially India. It states that the markets are either not paying adequate seriousness to the pandemic or anticipating the discovery of a vaccine more optimistically when compared to the rest of the world. The bounce back to pre-COVID levels has left many investors in ambiguity. This piece is not about predicting what will happen to the markets going forward rather it talks about what could be a possible explanation to the path markets followed since the announcement of lockdown in India. In this context, the paper tries to examine the impact of covid 19 on Indian stock market.

Keywords: Indian market, Covid, lockdown, impact

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Economic Impact of Covid-19 Related Lockdowns: A Study on Selected Countries

Dr Suresh KG
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: This paper attempts to understand the economic impact of covid19 related lockdowns on 24 economies. Most of the firms in our sample reported temporary closure of operations due to covid19. About 70%of the firms have reported that they have experienced a fall in sales and demand for their product and services and this has resulted in liquidity problems. Firms have not received proper institutional support to deal with the liquidity crisis and many of the firms have resorted to equity finance or their source to deal with the crisis. Government support to the struggling firms is not enough as fewer firms have received government support and most of the African country governments have not given any kind of support to their firms. Firms have started laying off their workers to deal with the crisis and delayed tax payments and other kinds of payments to deal with the crisis.

Key Words: Lockdown, liquidity Problem, Government Support

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Impact of COVID 19 on the Fiscal Health of India: A Sub-National Analysis from Odisha State

Dr Sushanta Kumar Mahapatra
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: COVID 19 across the globe has retarded the fiscal health of the economy due to excessive health expenditures and lack of revenue generation on account of partial and total lockdown of the economy. The governments of almost all the countries have used nationwide lockdown, fully or partially, as a preventive measure against the spread of the coronavirus. The economic deterioration of countries has become a debatable issue among academicians, social scientists, researchers and policymakers. Further, the sub-national government being a unit having low revenue potentiality and prime responsibility to provide better health faces greater challenges to fight the pandemic. With the emergence of COVID 19 within Odisha of India, preventive measures like partial or total lockdown of the state have been undertaken by the state government despite the provision of health-related infrastructure to control its spread and protect the mass from the pandemic as far as possible. This paper attempts to examine the fiscal health of India at a sub-national level from the state of Odisha using the secondary data from 1980-81 to 2020-21. The growth rate of the gross domestic product of the state is expected to stoop to a lower level. The revenue generation capacity declines to a larger extent while expenditure responsibilities in terms of health expenditures expand tremendously. Consequently, the state has to face serious difficulties in sustaining its fiscal balance. The fiscal health of the state deteriorates to a larger extent during the lockdown period than the pre-lockdown period. In such a critical situation, the state needs to plan effective strategies to raise the level of income through fiscal policy allowing economic activities compromising the sanitization measures of the pandemic.

Key Words: GDP, Fiscal Health, Health infrastructure

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Factors Determining NPAs in the Indian Banking Sector

Dr Laila memdani
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ABSTRACT: Non Performing Assets are continuously increasing in the Indian Banking sector. There is a large number of studies based on secondary data to explore the factors responsible for this state of affairs. The present research surveyed bank officers to find out the causes of high NPAs in India. The technique used is a qualitative analysis using primary data to identify the important factors responsible for NPAs in the economy. An attempt is also made to identify remedial measures for it. The important factors are the bank's negligence, political pressure, lack of morals and other exogenous factors. The remedial measures were classified into structural reforms in the banks, credit management, legal measures and other measures.

Key Words: Non-Performing Assets, Structural reforms, Credit Management

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Comparing Debt Choices of Existing and New Smes of India: A Study on Indian Manufacturing Sector

Dr Suresh KG
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ABSTRACT: We examine the differences in financial debt choices of existing and newly added SMEs of India as per the new criteria introduced in July 2020. While the existing SMEs use more unsecured debt, the newly added SMEs use more long term debt and secured debt reflecting firm-specific growth opportunities. This shows the difference in capital structure decisions of SMEs operated under different policy environments.

Key Words: Financial Debt choices, SMEs,

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Resurgence of the Indian economy- Atmanirbhar Bharat Abhiyaan

Dr Neeraj Kumar

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ABSTRACT: The overarching theme of the Atmanirbhar Bharat Abhiyan paint an ambitious picture of a self-reliant India, the catch lies in implementation. The implementational hurdles that confront the nation are corruption, red-tape, competitive federalism, failure of coordination between various authorities, overlapping jurisdictions and bureaucratic hurdles The largely undelivered promise of maximum governance minimum government made by the government is key to this ambition. If India succeeds in crossing this bridge, then a new ray of hope awaits on the other side.

Key Words: Self-reliant India, Competitive Federalism, maximum Governance, Minimum Government

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The silver Lining of COVID 19 lockdown: Proposal of carbon-lockdown policy and other practices

Dr Neeraj Kumar
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ABSTRACT: The world has been going through an unprecedented surreal phase since the beginning of this year due to the outbreak of Covid-19. Due to the deadly effect of this disease, hundreds of thousands of people across the world have died and several million people are infected. Scientific communities throughout the world are trying to develop some kind of vaccine or medicine to contain the disease, but any particular remedy is still elusive. To contain the spread of this disease many countries across the world have declared complete or partial lockdown. Due to the lockdown, suspension of public transportations, closure of business houses and other institutions the world economy has experienced a severe blow. Economies of all the major developed and developing countries are in shambles. Due to the lockdown, suspension of public transportations, closure of business houses and other institutions the world economy has experienced a severe blow. Economies of all the major developed and developing countries are in shambles. Due to these depressing scenarios, people across the world are also suffering from mental issues. Several socio-economic issues have also been surfaced in developed and developing countries. In this paper, we are going to discuss how the lockdown or reduction of economic activities have improved the air quality and how the regulatory bodies can take cues to develop a long-lasting carbon policy.

Key Words: Public Transportation, Carbon-lockdown policy, Economic Activities

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Recent trends in insurance and challenges

Dr Padmavathi V
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: This presentation focused on Recent trends in the insurance sector. There is a technology-driven shift in selling insurance products especially through digital channels which include new service-based and innovative products. Telemedical process, e-KYC process, standardised products like for life, health, accident cover, travel and on-demand insurance with switch on and switch off options, wellness products with the internet of things are the recent trends in the insurance sector. The challenges in implementing these products were discussed in this paper.

Key Words: Insurance Sector, Digital channels, Standardized Products

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A Review of Studies on Inequality & Their Implications for Public Policy

Dr Shyam Sundar T
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ABSTRACT: There are three approaches to the study of the important phenomenon of inequality in any modern mixed economy: 1. income, 2. wealth, & 3. consumption. Of these, the first, viz. income is the easiest to estimate, while the last, viz. consumption is the most difficult. However, consumption-based estimates of inequality are the most relevant for public policy decisions by governments. Governments & political parties routinely take interest in these estimates because of the likely fallout of persisting inequality. In this discussion, the author describes, in detail, the maiden state-wide study of inequality carried out by the Delhi government using the third method referred to above i.e. consumption

Key Words: Inequalities, Income, Wealth, Consumption

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Round Table on Unlocking the Great Lockdown: Uncertain Global Growth

Dr Shyam Sundar T

(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: Emerging markets and low-income nations across Africa, Latin America and much of Asia were at especially high risk. The policymakers in many countries have engineered what it calls a "swift and sizable'' response to the economic crisis. In the United States, for instance, the Federal Reserve has intervened aggressively to smooth lending markets. That package includes direct payments to individuals, business loans, grants to companies that agree not to lay off workers and expanded unemployment benefits. In Europe, the sudden downturn has spotlighted the vulnerabilities of the shared euro currency. European governments are deploying plans that subsidize worker pay at companies that have had to put employees on shorter hours or send them home. Some countries can't afford sufficiently aggressive rescue plans

Key Words: Global Growth, Direct payments

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Advertising Impact in Students Choosing a Private Deemed Universities in Telangana and A.P.

Dr.K.Anusha

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ABSTRACT: Publicizing is a type of advertising correspondence utilized by organizations to advance or sell items and administrations. Generally, promoting is one of the parts or subsets of showcasing. The essential objective of publicizing is to impact the purchasing conduct by advancing an item, administration or organization. Advertisements are important for students to enroll/enrolled in AP private deemed universities. Most of the students are influenced by recommendation by family/friends/campus visits. Advertisements are playing a crucial role to enroll the students in private deemed universities.

KEYWORDS: Advertising, Private Deemed Universities in A.P, Primary survey.

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Can Foreign Aid Buy Growth in South Asian Countries? An Empirical Insight

Dr Aruna Kumar Dash
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ABSTRACT: This study investigates the impact of foreign aid on economic growth in the context of eight South Asian countries, such as Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka from 1996 to 2018. By using macroeconomic variables such as economic growth, trade openness, foreign aid, domestic investment, financial development and inflation, the study applies the panel cointegration technique. We found that there exists a long-run equilibrium relationship among the variables and it is seen that the foreign aid inflows are significantly and positively impact the economic growth of the South Asian region. Our panel FMOLS and PDOLS test indicate the positive relationship between foreign aid and economic growth at a 1% level of significance. We also observed that domestic investment; financial sector development and trade openness positively and significantly impact economic growth. We note that foreign aid complements domestic investment in promoting economic growth. From a policy point of view, it may be said that both foreign aid and domestic investment complement each other to promote growth in this region. We found that the combination of trade openness, foreign aid, domestic investment and financial sector development are required for the sustainability of economic growth in the region. This study supports the aid effectiveness hypothesis for South Asian countries.

Key Words: Economic Growth, Cointegration technique, financial sector development

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Impact of Covid-19 On Asian Economy

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ABSTRACT Covid-19 has impacted all the sections of society, which is a matter of serious concern. The economies of more than a hundred countries have been deeply affected, which will take years to recover; thus, many countries have asked for monetary help from the International Monetary Fund. Businesses across the world, like entertainment, aviation, hospitality, etc., have seen a significant negative impact. Various sports events, such as the Olympics, Cricket 20-20 World Cup, have been postponed. It has also impacted the functioning of various online giants such as Amazon, Flipkart, etc. Countries like the USA, India, Brazil, Italy, and Spain suffer the most since their death toll is very high. There is a significant change in the world economy. Restaurants, pubs, markets, Universities, and Colleges, etc. were closed. The fear has limited the movement of individuals. People were not buying the daily use products; all these are impacting the economy of the world. The organization for economic co-operation and development has reported that the expectation for global growth has been cut to 2.4% from 2.9%, and it could fall as low as 1.5%. India faces a massive decline in government revenues and growth of the income for at least two quarters as the coronavirus hits the country's economic activity. The fall in investor's sentiments impacts the privatization plans, industry, government. The lockdown in India has impacted the economy, mainly consumption, which is the most significant GDP component. This paper focuses on analysing the impact of covid on various sectors of Indian Economy.

Keywords: Indian, economy, Covid, lockdown, impact, sectors

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Innovation, Internationalization and Energy Efficiency: A study of Indian manufacturing firms

Dr Harvinder Pal Singh
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ABSTRACT: Analysing the determinants of energy efficiency is an emerging area of research in environmental economics. This study proposes to examine the role of firm-level innovations, innovation activities, and firm internationalisation in improving the energy efficiency of firms in the Indian manufacturing sector. Using a unique data set of Indian manufacturing firms from the Enterprise Survey (WBES) database maintained by the World Bank, the proposed study investigates the role of different types of innovations - process, product, and organizational innovation, in improving energy efficiency. The face-to-face interviews were conducted with business owners and top managers from August 2013 through December 2014 to collect firm-level data. The sample for India was selected using stratified random sampling. Three levels of stratification were used in this country: industry, firm size, and region. The final sample of the innovation survey consisted of 3493 firms. Besides this, the study considers the impact of different types of innovation activities such as R&D, training and purchases of new equipment, machinery, or software for developing innovative processes or products on energy efficiency. Further, the role of firm internationalization, via foreign investment and export intensity in improving firms' energy efficiency will also be examined. To the best of our knowledge, this is the first study that analyses the role of different types of innovations and firm internationalization on improving firm-level energy efficiency in the Indian context.

Key Words: Energy efficiency, firm internationalization, innovation, innovation activities.

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Some Aspects of COVID-19 in Southeast Asia

Dr Shyam Sundar T
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ABSTRACT: This study discusses the responses of governments in Southeast Asia to the incidence of COVID-19. The responses varied from tough & prompt measures like a strict lockdown to less stringent & ambivalent responses bordering on neglect. It carries out a comparative analysis of the successes & failures of these governments in containing the spread of the pandemic by relating it to the stand taken by them in the early stages of its spread. The main theme of the discourse is the trade-off involved between avoidance of economic slowdown & avoidance of the spread of communicable disease. Strict lockdowns in early stages, complemented by measures like contact tracing, ensured that the least shrinkage of the production possibility frontiers of nations. Inability to take such decisive steps resulted in irreparable damage both to the economy & public health. This study highlights the importance of investments in public health facilities by governments to ensure both the objectives of the trade-off viz. resilience of the economy to disruptions, & resilience of general health conditions of the population by public support. To support this hypothesis, the author has highlighted the significant divergence between the nations in terms of the spread of the disease & mortality rates. This would be an eye-opener for policy planners in emerging market economies who have been supporting the retreat of the state from essential public investments in healthcare. Public-private partnership models & privatization drives have been leading to the relative neglect of the healthcare sector in these countries for the past three to four decades.

Key Words: Public Health, Privatization, Public-Private partnership

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Do financial cycles cause business cycles in India? Evidence from Wavelet-based Causality Analysis

Dr Lagesh M.A.
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ABSTRACT: The recent economic crises caution us that a better understanding of the 'financial cycle' is important in designing the right policy measures to tame the financial and macroeconomic instability. This study is an attempt to characterize the financial cycles in India and understand its linkage with the business cycles during the period from 1990q1 to 2019q4. Firstly, this study derived an aggregate measure of the financial cycle from the low-frequency component of the credit and equity price cycle decomposed using the discrete wavelet transformation method. Next, a turning point analysis is performed to characterize the stylized facts of the financial cycles in India. Finally, the Toda-Yamotto causality test is performed to understand the linkage between the financial and business cycles in India. The analysis confirmed the presence of financial cycles in India with an average duration of 12 years and expansion and contraction lasting 6 quarters. The causality test provided significant evidence for a causal relationship running from financial cycle to business cycles. The result implies that the financial shock cause business cycle fluctuations in India. Overall, the findings of this study point to the need for a carefully designed macroeconomic policy with a macro-prudential orientation to achieve financial and macroeconomic stability in India.

Key Words: Financial cycle, Toda-Yamotto causality test, Macroeconomic Policy

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Markovian Analysis of Finite Capacity Queue with Unreliable Server

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ABSTRACT: In this paper, we analyze a queueing system that is composed of impatience of customers, working breakdown under service pressure condition with threshold-based recovery policy. Customers arrive in the system in a Poisson manner, and service rendered follows an exponential distribution. When the queue length is large enough, the server under pressure conditions increases the service rate in order to reduce the queue length. The arriving customers have a tendency to behave impatiently and leave the system without getting service. Further, the matrix analytic method is used to calculate the steady-state probability distribution. The profit maximization problem is formulated, and the classical optimizer: The Quasi-Newton method, is used to calculate the optimal values of system design parameters. Lastly, several graphs and tables are provided to show the quality performance of the service system.

Keywords: Single server, Customers' Impatience, Unreliability of the server, Working breakdown, Service pressure condition, Threshold-based recovery policy, Quasi-Newton method.

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Working Capital Management Efficiency of Cement Sector of India

Dr IRS Sarma
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ABSTRACT: India's cement industry is an integral part of its vibrant and growing economy, employing over a million people. Ever since its deregulation in 1982, the Indian cement industry has attracted large investments, both from India and abroad. Due to the ever-increasing demand from various sectors such as housing, commercial construction and industrial construction, the cement industry's production capacity is expected to reach 550-600 million tons per annum (MTPA) by the year 2025. This study attempts to analyze the efficiency of working capital management in the selected list of 23 cement companies in India covering the period 1991-2018. In analyzing the efficiency of working capital management, three indices were used, namely, utilization index of working capital management (UI WCM), the performance index of working capital management (PI WCM), and the efficiency index of working Capital management (EI WCM). The results reveal that the cement industry in India has managed its working capital satisfactorily, by and large, during the study period. While some of these companies have performed remarkably well, there exists ample scope, for a few Indian cement companies to improve the management of their current assets

Key Words: Deregulation, Cement Industry, Working Capital Management, Current Assets Management

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Round Table on COVID-19 crisis and India: Economic Impact and Response

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ABSTRACT: During the pandemic period due to lockdown the fragility of India's labour market was patent. workers struggle to get paid, which the government identifies as a great challenge. The has announced a fiscal stimulus of 20 trillion rupees.RBI has come up with an expansionary monetary policy to promote liquidity. The National Rural Employment Guarantee Scheme (MNREGA) and supply of subsidized food grains have acted as useful buffers keeping unemployment down and ensuring social stability

KeyWords: Labour Market, expansionary Monetary Policy, Fiscal Stimulus

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The Debt – Openness Puzzle: Does Trade Openness Influence Government Debt differently in BRICS

Dr Vighneswara Swamy P
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ABSTRACT: Trade openness which was at the forefront of trade liberalization push under the "Washington Consensus" is now the focus of economists as the government debts have mounted excessively during the past five decades. Further, the rise of inequality and lopsided economic growth across the countries necessitates a study of the role of trade openness in the rising debt levels called the 'debt– openness puzzle'. Do BRICS countries experience different nexus between trade openness and government debt compared to the advanced economies? Does Does there exist a cause-effect relationship between trade openness and debt? This study offers three major findings: (i) in advanced economies, the positive association of trade openness with debt in the short-run turns negative in the long run; suggesting a nonlinear association between the two; (ii) BRICS exhibit a distinct relationship between trade openness and debt, as both in the short and long-run, there is a statistically positive relationship; and (iii) shows the presence of unidirectional causality flowing from trade openness to debt. The policy the implication is that countries must embrace trade openness with caution and design appropriate
policies and measures to protect the indigenous firms, local jobs, and attain fiscal health devoid of the excessive debt burden.

Key Words: Trade liberalization, Debt

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Round Table on 2020-21 Central Budget Expectations

Dr Vighneswara Swamy P

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ABSTRACT: Sharp deceleration in growth has led to perceptions that India might miss the goal of becoming a US$ 5 trillion economy by 2025. The upcoming Union Budget is expected to unveil the government's strategic standpoint in this respect. Tax buoyancy in India is very low. Improvement in revenue collection will thus be important. Given the changes in the indirect taxes, expectations are building up concerning some calibrations on the direct taxes. Such a move would be welcome and can be considered as populist as well. However, unless GST can enhance tax compliance and eliminate tax evasion, changing the current direct structure could pose risk for revenue realisation for the government. Thus, tax compliance reforms are needed. GST should be simplified, and direct tax collections should increase.

Key Words: Growth, GST, Tax Compliance Reforms

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Factors determining agricultural GDP in India

Dr Tamma Koti Reddy
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: This study examines the factors influencing agricultural GDP in India. The nature of the relationships between formal banking agricultural credits, rainfall, irrigated area, agricultural investments by public authorities in dams, irrigation projects, subsidies given to farmers and Agricultural GDP in India. The Growth rates of Agricultural Gross Domestic Product (GDP) have been languishing and the traditional crop sectors have seen declining profitability. This has pushed policymakers to direct special attention towards addressing some of the pressing concerns confronting Indian agriculture. Institutional credit has been an important lever in this effort. The study uses state-wise data to see the impact across the states and to understand the impact of agriculture credit on agriculture GDP in the post-financial crisis with comparison to the previous period.

Key Words: Agricultural GDP, Investment, Rainfall, Agricultural Credit

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Round Table on "Indian Economy: Current Growth Challenges"

Dr Tamma Koti Reddy

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ABSTRACT: The economic impact of the COVID-19 pandemic in India has been largely disruptive. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1%.In India during the COVID-19 Pandemic, several challenges, most of them foreseen, were encountered. The well-being of migrant labourers directly affected by the lockdown emerged as a major concern. The rural health care system in India is not adequate or prepared to contain COVID-19 transmission, especially in many densely populated northern Indian States because of the shortage of doctors, hospital beds, and equipment. The COVID-19 pandemic creates a special challenge due to the paucity of testing services, weak surveillance system and above all poor medical care. The impacts of this pandemic, and especially the lockdown strategy, are multi-dimensional

Key Words: Migrant workers, Health care system

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Customer Preferences Towards Go-Green Products

Dr.K.Anusha

(Department of MBA, CBIT)

ABSTRACT: The demand for green products is growing swiftly and customers are gradually becoming more conscious about these products. Green products are good for health and customers have started to recognize the significance of these products. This paper aims to tackle the customers' understanding and mindset in the direction of green products. The Paper tries to analyze the range of responsible factors which impact in making purchase decisions of the green products and these eco-friendly products have been capable to attract the customers in the current past. In a world where climate change, resource consumption, pollution, and waste are turning into greater and greater critical issues, both society and organizations are required to take action. Within this context, green product innovation can play a crucial role in assisting society to reach the goal of environmental sustainability.

KEYWORDS: Green products, Attitude, Environment, Customer.

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Predictive Analytics for Insurer Risk management-behavioural

Dr Padmavathi V

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ABSTRACT: Insurance Organizations around the world have often come across individuals or companies who are their insureds, trying to claim much more than what they are liable to receive after the standard deduction. These are cases that fall under the bracket of fraudulent claims. There are cases where blatant criminality is involved and therefore what would have been an assured trip to the jail, ends up resulting in the insurance organization losing money. It is such cases that prompted Insurance firms to set up Investigation teams to verify the authenticity of the claim. However, despite having improved the loss percentage, the Special Investigation Teams (SIT) of insurance companies could not predict potential fraudsters. It is after this that, predictive analytics was used to profile insureds based on a huge number of parameters. Despite this development, Insurance organizations still lose out – as 10% of the claims are still fraudulent. What can aid in the reduction of losses is the ability of the organization to profile applicants and the insured based on behavioural traits. To address, what better than to use tools already at disposal of insurance companies for profiling the same, this article is addressing the importance of globally accepted Psychometric tests to assist an insurance organization in knowing more about the clientele they intend to serve.

Key Words: Insurance Companies, Risk management, psychometric test

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Monetary and Fiscal Policy Coordination during the Fiscal Dominance Regimes

Dr Vighneswara Swamy

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ABSTRACT: This study evaluates the conduct of monetary and fiscal policies for the post-liberalization period 2005: Q1– 2017: Q1 in India and explores the need for coordination. As quantifying the extent of coordination, mostly depends on the appropriate policy mix that responds effectively to different shocks, this study empirically examines the interaction between monetary and fiscal policy by using Vector AutoRegressions (VAR) and a Vector Error Correction Model (VECM). Further, this study discusses the Stackelberg interaction model with government leaders to know the strategic interaction between monetary and fiscal policy. The estimates show that an unexpected increase in the monetary policy effect: (i) has a contractionary impact on the economic growth; (ii) leads to a gradual decline in inflation; (iii) tightens the liquidity conditions; and (iv) rise in the bond yields. On the other hand, an unexpected increase in the fiscal policy affect: (i) has a positive effect on GDP growth; (ii) has an initial decline, but a gradual rise in inflation levels; and (iii) leads to falling bond yields. Monetary policy is found to be more responsive to fiscal policy effects. The results imply that there is a greater need for effective coordination between monetary and fiscal policy as a sufficient condition to achieve economic stability.

Keywords: Monetary Policy, Fiscal Policy, vector Error Correction Model

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Abhijit Banerjee- A critical appraisal of Life & Work

Dr T Shyam Sundar

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ABSTRACT: The award of the Nobel-Memorial Prize to Abhijeet Banerjee & two of his former students turned associates from MIT signifies a milestone in the evolution of empirical studies as inputs for public policy advice in emerging economies. The citation of the award mentions the use of statistical methods to advise in public policy formulation. Banerjee & his associates have built the organization called Jameel Poverty Alleviation Lab(J-PAL) which is actively working with governments in several countries in the developing world to answer specific queries of interest to policy formulation.

Key Words: public Policy, Jameel Poverty Alleviation Lab, Government

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Demonetization and the Growth of Cashless Economy in India

Dr Laila memdani
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ABSTRACT: Demonetisation has undoubtedly affected the common public and bankers. It has had many short term effects which are visible. The long term effects are yet to be experienced and felt. The Indian economy is a cash-driven economy and demonetisation has largely affected its growth. This was largely due to less availability of cash in cash-intensive industries like manufacturing and construction. It has also adversely impacted the primary function of banks to issue loans and has put pressure on them as current account holders demand0 large sums of cash. The authors stressed the need for a digital economy where transactions are being recorded and the economy has more white money which enhances the tax revenue of the government.

Key Words: Demonetization, Manufacturing, Construction

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A Review of Indian Education System-Some Noteworthy Recent Policy Recommendations

Dr T Shyam Sundar
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: The proposed New Education Policy(NEP) of the central government in India is a radical departure from the existing structure of the education system in the country. This study explores the changes proposed to be made through this policy. It redefines the scope of formal education by altering the entry age, & brings in other noteworthy features like the size of institutions of higher learning & the choice of subjects of specialization. It also offers greater flexibility to students towards the successful completion of their undergraduate education.

Key Words: Formal education, Higher Education, New Education policy

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Mergers and Efficiency gains in Indian Banking System

Dr Neeraj Kumar
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: This paper reflects an attempt to measure the effect of mergers on the efficiency of banks in India. Five major merger cases in India from 2000 to 2005 were examined to measure the pre-and post-merger efficiency to achieve the purpose of this study. Secondary data were obtained from bulletins and reports of the Reserve Bank of India (RBI) and Data Envelopment Analysis (DEA) was employed to calculate efficiency. The study found efficiency gains in four merger cases except for the merger of the Oriental Bank of Commerce with the Global Trust Bank. The findings of the study suggest that market-driven mergers boost and forced mergers lead to a decline in the efficiency of banks

Key Words: Banking Sector, Mergers, Efficiency Gains, Data Envelopment Analysis(DEA)

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A Review of Arvind Subramanian's (former CEA of India) paper: "India's GDP Mis-estimation: Likelihood, Magnitudes, Mechanisms, and Implications."

Dr Vighneswara Swamy
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: In this seminar, I review AS's paper which claims that India's GDP is misestimated and the annual average GDP growth between 2011-12 and 2016-17 should have been about 4½ per cent instead of 7 percent. I present in this seminar a point-by-point discussion on the data, methodology, and the claim of the former CEA

Key Words: GDP, Likelihood, Mechanisms

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Economic Analysis of Different Variants of Unreliable Server

Shreekant Varshney
Department of Mathematics, Faculty of Science and Technology (IcfaiTech), ICFAI Foundation for Higher Education (IFHE)

ABSTRACT: This paper analyzes a finite capacity queueing system with a single server in a Markovian environment for different variants of the unreliable server. Three different cases are discussed using the queueing-theoretic approach and nomenclatures based on the characteristics of the unreliable server. For each case, the Chapman-Kolmogorov differential-difference equations are demonstrated. Further, to depict the steady-state queue-size distribution, the matrix method is used. Additionally, explicit closed-form expressions of the various quality performance measures are provided, which are used to construct an expected total cost function. A cost optimization problem is developed to determine the optimal combination of system design parameters with the minimal expected cost of the service system. To ascertain the solution of the developed cost optimization problem, the classical optimizer: Quasi-Newton method is used. Lastly, several graphs and tables are provided for the validity of the research findings.

Keywords: Markov chain, Server breakdown, Working breakdown, Service pressure condition, Threshold-based recovery policy, Quasi-Newton method.

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Climate Change Vulnerability and Agrarian Communities: Insights from the Composite Vulnerability Index of Four Southern States of India

Dr Sushanta Kumar Mahapatra
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: Climate change is the main challenge for agriculture, food security and rural livelihoods for millions of people in India. Agriculture is the sector most vulnerable to climate change due to its high dependence on climate and weather conditions. Among India's population of more than one billion people, about 68% are directly or indirectly involved in the agricultural sector. In this context, this paper examines the Socio-economic and climate analytical study of the vulnerability index in the Indian states of Andhra Pradesh and Karnataka. Using secondary data; it examines the vulnerability through five different sub-indicator of socio-demographic, agriculture, occupational, common property resource (CPR), and climate in respective states among different districts. To understand the vulnerability of the two different states, the composite vulnerability index (CVI) was developed and used. It has been found that Adilabad district in Andhra Pradesh and Chamarajanagar in Karnataka had the highest level of vulnerability while Hyderabad and Bangalore are the least vulnerable cities in respective states

Key Words: Climate Change, Composite Vulnerability Index

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Focus Seminar on Slowbalization

Dr Sushanta Kumar Mahapatra

(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: The term “slowbalization” was coined to describe the shrinking or slowing of international trade, investments, loans and supply chains, marking a distinct shift away from an influential era of global manufacturing. It’s a new focus on regional manufacturing and “post-globalization” that’s changing the world. The real reasons behind slowbalisation are more structural, As per "The Economist" reports: The cost of moving goods has stopped falling. Multinational firms have found that global sprawl burns money and that local rivals often eat them alive. The portion of trade as part of global GDP has fallen. Multinationals have seen a drop in their share of global profits. Foreign direct investment tumbled from 3.5 percent of global GDP in 2007 to 1.3 percent in 2018

Key Words: Slowbalization, Global GDP, Manufacturing, Investments

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Indian Economic Survey: Challenges before the New Chief Economic Advisor

Dr. K.S. Shaileshwara Rao
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: The Economic Survey report is a snapshot of India's economy. Round table discussion was conducted to discuss the challenges before the Chief Economic Advisor

Key Words: Economic Recovery, Trade-GDP Growth, Debt sustainability

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Mutual Fund Performance: A Study On Public and Private Sectors

Dr. K.S. Shaileshwara Rao
Associate Professor, Department of MBA, MGIT

ABSTRACT: In this study, an attempt has been made to analyses the performance of equity mutual funds industry against risk free rate and benchmarks return over one year before and after the implementation of GST. The samples consist 10 growths oriented- open ended- equity mutual fund schemes belong to 5 public and 5 private mutual fund companies. Results are tested through risk-return analysis, Coefficient of Variation (Beta), Treynor's ratio, Sharp's ratio, Jensen's measure. The data used is monthly closing NAVs and benchmark market index closing for the study period of October 2016 to October 2017. The risk return analysis revealed that out of 10 schemes Baroda Pioneer Mutual Fund and Canara Robeco Mutual Fund in Public sector Reliance and Aditya Birla Mutual Fund in Private sector resulted in good returns. The Treynor ratio of all the mutual funds scheme are under perform the benchmark market index and Sharpe ratio of all mutual funds scheme underperform the benchmark market index

Keywords*:* Mutual Funds, Equity, Risk-Return Analysis, Public and Private Sector

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Determinants of Energy Intensity

Mr Harvinder Pal Singh
(Dept. Of Economics, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: In recent times the subject of energy efficiency has gained increased attention among global economists, organizations, practitioners, and researchers due to increased climate change issues, resource scarcity, and increasing pollution problems. Energy efficiency depends on both technological innovations and sectoral composition. There are two prime sources for technology advancement - one domestic innovation i.e. within the economy and the other can be adoptive innovation. With the changing times, the role of innovation in energy efficiency is becoming an important area of study among professionals and scholars. In this direction, the proposed study aims to investigate the impact of innovation and firm internationalization on energy efficiency. Using firm-level data of Indian manufacturing firms, this study proposes to examine: the impact of different types of innovations introduced, firm internationalization, and innovation activities are undertaken on energy efficiency. The study is expected to make contributions towards factors determining energy efficiency and will help organizations and practitioners in framing suitable sustainable policies at the firm level.

Key Words: Energy Efficiency, Manufacturing Firms, Firm internationalization

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DEPARTMENT OF MARKETING & STRATEGY

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Message from the Vice Chancellor

Greetings!



It gives me immense pleasure to inform you that the Department of Marketing & Strategy, IBS Hyderabad is organizing its conference on **"Recent Trends in marketing in a Dynamic World (Virtual)** on the theme **"Disruptions in Marketing – Opportunities and Challenges"**

The conference aims at bringing together academics and scholars to discuss deliberate and analyze the changing face of the Marketing function during and post Covid 19 pandemic. As a result of the pandemic, marketers are forced to relook and reconfigure their business models, marketing mix, branding and customer strategies to overcome the challenges.

In a highly connected world, commerce and businesses flourish due to collaborations. Businesses are engaging in a borderless world like never before. However, the rapid pace of change that marketers face in today's hyper-competitive environment needs quick solutions. Marketers are gearing up to meet these challenges by investing in Digital Transformative technologies, processes and trained manpower. They are also collaborating with multiple platforms to ensure success in the marketplace.

The contributions to this conference have come from a diverse spectrum of representatives featuring faculty members, research scholars and students in business management domain. I am hopeful that the research articles and cases submitted to this conference will provide an enriching learning experience to all.

Prof. J. Mahender Reddy
The ICFAI Foundation for Higher Education, Hyderabad.

Message from the Dean-Academics, IBS Hyderabad

Greetings!



ICFAI Business School, Hyderabad is proud to organize its conference on **"Recent Trends in Marketing in a Dynamic world"** IBS Hyderabad is one of the most prominent and premier B Schools in India accredited with AACSB. Espoused to its three- pronged mission: To provide 'Right Knowledge', develop 'Right Skills', and build 'Right Attitude', the school's research orientation coupled with industry focused pedagogy and courses provide students, faculties and practitioners with rich learning experience.

The marketing functions is going through rapid changes in recent years. Technological disruptions and ever changing customer expectations are redefining business models and marketing strategies. Marketing has now become a very dynamic sphere forcing marketers to redefine the marketing mix, branding, communications to name a few. Marketing is witnessing a massive shift due to emerging technologies such as Artificial Intelligence, Machine Learning, IoT and Mobile.

The conference on "**Recent trends in Marketing in a Dynamic World**" has been organized around the theme "**Disruptions in Marketing – Opportunities and Challenges**". The book of abstracts contains the work submitted by academicians and research scholars.

I take immense pride and pleasure in inviting all of you to the conference and hope each participant will reap the maximum benefit from the event.

Prof. C.S. Shylajan

ICFAI Business School (IBS)-Hyderabad

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Understanding the Effect of Web Care Characteristics from a Cyber Bystander's Perspective.

Dr Amar Raju
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ABSTRACT: Understanding the role of online responses, specifically web care, has gained prominence over the years in online word of mouth research. Many researchers have investigated numerous strategies and behavioral outcomes of responding to online reviews with web care. However, much attention has not been paid to investigating web care attributes that may affect bystanders' perception of web care diagnosticity. Using consumer inference theory and cue summation theory this study examines the effect of webcare characteristics on web care diagnosticity and booking intention from the perspective of bystanders. The study also investigated the moderating role of reviewer reputation in the relationship between web care characteristics, web care diagnosticity, and booking intention. Results of an experiment and a moderated mediation analyses showed that web care characteristics and reviewer reputation had a significant effect on web care diagnosticity and bystanders booking intention. The study provides several implications for academicians and managers.

KEYWORDS: Online responses, Consumer inference theory, Cue summation theory.

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Linkage between brand personality and brand equity: Examining the mediating role of consumer-brand relationship.

Dr Anees Ahmad
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ABSTRACT: The role of brand personality in creating brand equity is an established marketing phenomenon. Though researchers confirm a direct linkage between brand personality and customer-based brand equity, there is a dearth of literature examining the role of the consumer-brand relationship in this phenomenon. Hence, the present study examines the relationship between brand personality and customer-based brand equity by investigating the mediating role of consumer-brand relationship, which is represented through three variables namely, brand trust, attachment, and commitment. This study adopts a cross-sectional descriptive research design involving the collection of primary data from 612 respondents. Responses were gathered for six brands across three different product categories. Structural Equation Modelling was used to analyze data. Findings suggest both direct as well as indirect linkage between brand personality and customer-based brand equity. Overall, this study extends the existing body of knowledge by establishing a partial mediating role of the variables representing consumer-brand relationships while linking brand personality with customer-based brand equity. Hence, the present work provides insight for brand managers to strengthen consumer-brand relationships through brand personality to enhance customer-based brand equity that is crucial for a firm's competitive advantage and long-term growth.

KEYWORDS: Brand personality, Brand equity, Consumer-brand relationship,

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Women Entrepreneurial engagement in rural India - an empirical analysis

Dr G Vijayudu
(Dept. Of Marketing, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: The present empirical study examines the major dimensions that drive the rural women towards entrepreneurial skills followed by the second, to analyze the impact of the entrepreneurial dimensions on their entrepreneurial engagement mediating through entrepreneurial attitude. The study collected the sample from 350 rural women entrepreneurs from Andhra Pradesh and Telangana states of Rural India through a structured questionnaire using the convenience sampling method. The structural Equation Model is used to test the proposed model 'Women Entrepreneurial Engagement'. SPSS and AMOS software's are used to empirically test the relationship among three constructs namely Women Entrepreneurship Dimensions, Entrepreneurial Attitude and Entrepreneurial Engagement. The study findings proved that the women's entrepreneurship dimensions such as Societal support, Individual skill set, Financial & Legal support have a positive impact on their entrepreneurial engagement, but partially mediated through women entrepreneurial attitude that has been based on the theory of planned behaviour. This study can be helpful for the Government and Non-Government Bodies (NGOs), Not-for-Profit organizations, and other voluntary organizations for developing/ renewing policies and strategies. To facilitate, train and build the entrepreneurial attitude amongst women entrepreneurs, the present study has proposed a model that has been proved empirically. The results can lead a path to women entrepreneurship in rural India, promote rural entrepreneurship, create job opportunities that can be led to the sustainable development of rural India.

KEYWORDS: Women Entrepreneurship Dimensions, Entrepreneurial Attitude, Theory of planned behavior.

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Mothers Brand Trust for baby care product categories

Dr. Debajani Sahoo
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ABSTRACT: India's large infants' population provides innumerable opportunities for baby care product companies, understanding the factors that lead to the building of brand trust and brand experience is of substantial importance. Furthermore, this research presents a model that examines the variables that are critical in the process of building brand trust, brand commitment in an emerging-market context. The relatively stronger relationship between brand trust and brand commitment indicates that consumers' engagement about the brand behavior plays a pivotal role in enhancing calculative loyalty toward it in baby care brands.

KEYWORDS: Consumers' engagement, Brand trust, Brand commitment

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Paytm's Foray into Payments Bank

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(Dept. Of Marketing, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: The demonetization decision has opened a new horizon to digital wallet companies. The leading wallet player Paytm wanted to capitalize on this initiative by the government of India and decided to foray into a payments bank. The main objective of this initiative by the Indian government was to transform the Indian economy into a cashless economy. This situation helped the digital payments industry to strengthen its position within India. One of the biggest beneficiaries of demonetization was Paytm, one of the popular mobile wallet services in India, as people had moved toward cashless payments. The demonetization has pushed the cashless transaction to a greater extent. To, take advantage of the growing use of digital payments, Paytm had diversified its business to the Payments Banking industry and launched Paytm Payments Bank (PPB) by the end of 2017. With the launch, it had become the pioneer in offering online transaction services with no charges. Even though the demonetization decision, high penetration of the internet and smartphones have created a new avenue for cashless transactions, it was not easy for Paytm payments bank to capitalize on the opportunity as the majority of the people preferred cash transactions. The case helps to understand the diversification strategy adopted by Paytm and the pros and cons of a cashless economy. Considering India's move to cashless transactions, can Paytm's diversification into payments banks also achieve market share as the other products of Paytm?
KEYWORDS: Demonetization, Digital wallet, Cashless economy,

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The Survival Strategy of Brand Vadilal

Dr Gaurav Bhatt and Dr Achyut Telang
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ABSTRACT: Vadilal, which was founded in 1907 in Gujarat as among the oldest ice cream brands in India evolved over time to become one of India's biggest players. It faced competition from giants like HUL with its predatory pricing. Vadilal however, kept fighting the competition and focused on expansion throughout the country which paid off. Later GCMMF's Amul became a big threat with its very competitive prices which almost led to the end of Vadilal and they also got involved in a battle with Amul over the ice cream versus frozen dessert dispute. However, they took several steps trying to reduce the price without affecting quality by repackaging, reducing the volume and restructuring the products. Subsequently, they even diversified into areas of exporting frozen fruits and vegetables targeting the large NRI population. As of now this old brand is still going strong and has no plans to stop.

KEYWORDS: Diversification, Predatory pricing

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Social Marketing- Food Waste Management

Dr. Anuja Agarwal
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ABSTRACT: Each country will be known as a food secured, only when the people of the country will have sufficient, safe and nutritious food. For achieving the same, it is important to minimize food loss and wastage. As per the statistics about one-third of the food gets wasted or lost per year, which is about 1.3 billion tonnes of food and USD 936 billion. India is the second most populated country in the world with a population of 1.3 billion in 2019. Even though India has been considered as growing economically, it still has ranked 94th among 107 countries in Global Hunger Index (GHI) 2020 and comes in the category of 'serious hunger'. There is a dearth of academic research on household food waste. To fill the literature gaps, the present study focuses on exploring the major reasons behind household food waste and the barriers to recycling food waste in India.

KEYWORDS: Social Marketing, Food Waste Management

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Air-India-The saga of a loss making State owned Airline

Prof Sriram Soundararajan
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ABSTRACT: It was about the Air India Story and where it was headed with talks of the sale of the Airline. The revival plan of Air India began in 2009 when the merger of 2007 was concluded as not helping recover the airline's losses. The options and alternatives that were offered to improve the situation were privatization, lease-outs, fleet-downsizing and Government bailouts. There were also other suggestions, such as corporate revamps of the organizational policies and employee cuts and refocused marketing. The Government has also been criticized for bailouts by the media in the last three years and justifiably so. The 2008 global economic collapse had thrown operational expenses out of gear when oil prices skyrocketed. The national carrier, Air India also faced fierce competition from private airlines that took to flying on routes that once belonged to Air India, resulting in a plummeting business. The central government has pumped in more than Rs30, 000 crore into stabilizing the airline. As of December 2015, its debt stood at over Rs50, 000 crore. The 85-year-old Air India has been steadily losing market share to rivals such as Indigo and Jet Airways and while the employee morale was low, they were even more indifferent now. Air India's share, as of January 2016, in the pie stood at 16% compared to over 35% at the time of the merger. The case of Air India is ripe for disinvestment as evidenced by the events of the last 2 years. The regular feedback about the airline was, routine Flight delays, the equipment was old and mouldering, and the prospect of good service depends upon the whims of the flight attendant who happened to be assigned to you. The airline had come to be seen, with ample justification, as a platform through which politicians and officials enjoy the perks of office, at everyone else's expense. Can there be a revival of this ailing airline, through refocused marketing and operational revamping is the question.

KEYWORDS: Refocused marketing, Airline revival, Service revolution

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Market access and aggregate sale through Value chain in Agri Product – Role of women

Dr G Vijayudu
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ABSTRACT: Gram Abhyudaya Mandali (GRAM) functions as the parent NGO, conceptualizes the requirement of social and economic development of rural poor women through self-help groups. It conceptualizes, the idea of the Aggregate Sell Model for its members, endeavours to create a successful platform by collective pooling and marketing and the sale of its agricultural commodities (like Soya, Paddy, and Maize), by surpassing local mediators transparently using technology. This model benefits its women service members (around 50,000) through 20 Mutually Aided Cooperative Societies (MACS) located across villages in tribal districts of Nizamabad and Adilabad of Telangana, India. The methodology adopted for the research study is based on Focused Group Discussions (FGDs). FGDs were conducted and the results were analyzed. Results showed that the elimination of intermediaries and adopting a transparent process facilitated profitability to the members of the society. The contribution of the study is to elevate the 'Collective Sale' (through community-owned hub point for its agricultural products), which is uniquely adapted by GRAM. This model could be either adopted or modified to other societies that are operational in rural/semi-urban areas.

Keywords: Gram Abhyudaya Mandali, Aggregate Sell Model, Mutually Aided Cooperative Societies.

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Redbull: Giving Wings to People and Ideas

Dr Pankaj Singh
(Dept. Of Marketing, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: Increased urbanization, rising disposable income and growing health consciousness among the Indian youth have increased the demand for non-carbonated drinks called energy drinks. At the same time, long and erratic working hours and the increasing occurrence of social gatherings are driving Indian consumers towards the consumption of energy drinks which are primarily classified as non-alcoholic, caffeinated beverages and sports drinks. Over the past few years, the sale of energy drinks has been driven by changing consumer lifestyles and increasing demand for alcohol mixers. The market size of energy drinks in India is estimated at Rs 700 crore, growing 20-25% year on year. The carbonated drinks market is close to Rs 6,000 crore and is growing by 10-12%annually, says a report. According to Euromonitor International, with changing lifestyles and increasing paucity of time, urban consumers are relying on Energy drinks to cope up with fast-paced lifestyles. Most of them would continue to use energy drinks to boost stamina and energy levels. However, it noted that the high price of energy drinks would restrict its growth in tier and tier III cities.

Keywords: Increased urbanization, disposable Income, Energy drinks

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Smart phone application behavior of rural India

Dr Souvik Roy
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ABSTRACT: Smartphone applications have become an inevitable part of consumer lives nowadays. Inferable from their high user engagement and efficiency, smartphone applications have produced considerable enthusiasm among marketers. The Indian smartphone applications market is flourishing with India ranked as number one in terms of the downloads made via Android and Google play store. However, the smartphone application penetration is still low in rural India as consideration to its urban part. This study tries to find out the app usage behaviour of the rural Indian market is and can it be considered an attractive target market by the marketers in future

Keywords: Smartphone applications, User Engagement, Efficiency

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A Study on Machine Learning Techniques for Churn Prediction in Telecommunication Sector

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Associate Professor, *Department of CSE,*Chaitanya Bharathi Institute of Technology

ABSTRACT: In the field of telecommunication, on a daily basis a large amount of data is being generated due to a large number of user base. New users are more expensive to acquire than existing users, according to decision makers and business analysts. Business analysts and customer relationship management (CRM) analysts need to understand why customers churn, as well as the behaviour patterns that can be gleaned from existing churn data. In this paper we proposed a churn prediction model that uses classification and clustering techniques to identify the churn users and presents the factors behind the churning of users in the telecom sector. We have used the information gain and correlation attribute ranking filter to choose features. The suggested approach initially uses classification methods to classify churn customers' data, with the Random Forest (RF) algorithm performing particularly well, with 88.63 percent of cases properly categorised. In order to avoid churners, the CRM must create effective retention strategies. Following classification, the suggested approach divides the data of churning customers into groups using cosine similarity in order to deliver group-based retention offers. This study also revealed churn characteristics that are crucial in determining churn's core causes.
Keywords*:* Customer relationship management; customer churn; Machine learning**.**

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A study of behavioral aspect of adventure tourism in India

Prof. Sriram Rajann
(Dept. Of Marketing, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: Indian Tourism sector is the third largest foreign exchange earner for the country while contributing to 7.5 per cent of the GDP. COVID impact on tourism and Adventure tourism, in particular, was enormous in the first two quarters of the financial year 2020-2021. The 3 rd Quarter has shown some signs of rebooting, with airlines as well as hotel bookings picking up. But to bring it to the levels of growth of pre-COVID times, CRM can play a big role in understanding consumer behaviour and as a strategy for searching, attracting and providing better facilities to the tourists. It requires updated software that bridges the gap between CRM and existing information systems. The study with a qualitative approach has endeavoured to fuse consumer behaviour insights with a CRM model and will be useful for the revival of the adventure tourism industry and customers in COVID times.

KEYWORDS: Adventure Tourism, CRM approach, Consumer behaviour

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Text Mining Using R and R studio

Dr Surjit Kumar Kar
(Dept. Of Marketing, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: Thematic coding and categorization can be done on data obtained from various sources of qualitative data e.g. participant observation during FGD and narrative enquiry during depth interviews. Data gathered are usually transcribed from speech to words/ texts. Latest Packages R & RQDA and all dependency files are installed on systems. To do text mining, sentiment analysis, and word cloud visualization on this package, the transcript file carrying aggregate data is used to create character vectors & then single object vectors. Using open-source R codes and programming (e.g. https://www.tidytextmining.com), punctuation, stop-words, numbers, white spaces are removed. Text is transformed into lower cases, and finally, a corpus of words is created for analysis.

KEYWORDS: Thematic Coding, Categorization, Single object vectors

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A Study of Cointegration and Forecasting of Returns on Indian Stock Market

Dr. D. Rajeshwara Rao,
Department of MBA, **MGIT**

ABSTRACT: Stock Market is the place where the equities of public listed companies are traded. It is a meeting place of buyers and sellers of equities. In India the premier stock exchanges are the Bombay Stock Exchange and the National Stock Exchange and their Indices are Sensex and Nifty. As there are 2 indices exhibit a speculative nature, the investors and researchers may get confused in investing their money due to their inherent relationship for short run and long run, which has become research question to be answered. Hereby, the major objective of the study is to examine the short term and long term relationship effect of SENSEX and NIFTY on each other to guide the investors properly. The study moved with a stationarity test named Augmented Dickey–Fuller test to test the stationary of time series in NIFTY and SENSEX. Further, the study verified causality with the help of Granger causality test. After meeting the criteria, the study examined the effect of one on the other i.e., SENSEX and NIFTY as well as NIFTY on SENSEX using ARIMA model. Overall, the result of the study states that NIFTY effects SENSEX but not in the other way. The study can be further extended to analyse the effect of NIFTY and SENSEX on other stock indices too.

KEYWORDS: Investor, Researcher, Granger Causality Test, SESNSEX, NIFTY, Augmented Dickey–Fuller test

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Indian Cement Industry - The Role of Business Environment

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ABSTRACT: The century-old Indian cement industry has mostly been homegrown and evolved into a globally competitive industry in quality and capacity utilization parameters. The role of the external business environments such as allocation of naturally available raw materials, supply of energy sources and the regulatory mechanism prevails upon the industry. As a result, the difficulty in acquisition of raw materials, power and other facilities have become very much critical for the manufacturers and these ultimately started serving as the reasons for consolidation through M&A. In addition to the existing problems, the currency demonetization has played havoc with the prospectus of the industry by hampering with the demand structure, making the small manufacturer struggle for survival, if not growth. These trends have made it necessary to analyze the business environment in terms of the prevailing external environment through PESTEL and the structure, conduct, and performance of the industry through the five forces framework, to make long-term oriented strategic decisions.

Keywords - Indian cement industry, Merger and Acquisition

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Mothers' Engagement Behavior towards Baby Care toiletries: An Empirical Study in Emerging Economy

Dr Debajani Sahoo
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ABSTRACT: The present study tries to understand the impact of mothers' experience on their engagement behavior through trust and commitment in the case of the baby care product category. The proposed model used Psychological constructs such as ., brand experience, brand trust, brand commitment, customer engagement and brand loyalty using interpersonal relationship theory. The conceptual model empirically tested through a survey using 320 samples from India followed by 431 samples from Srilanka. Data were analyzed using structural equation modeling. Sensory and behavioural dimensions of brand experience can be considered as key drivers of brand trust and brand commitment among millennial mothers in the context of baby care toiletries. It was observed that brand trust had a significant positive impact on brand commitment. There is a significant relationship between brand trust, brand commitment and customer engagement. It was validated brand loyalty as a consequence of customer engagement

Keywords –Brand experience, Brand trust, Brand loyalty

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Repositioning Maggi in India

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ABSTRACT: The fortune of Maggi in the Indian market seems to have changed for the brand after the biggest crisis of its safety. The management was happy to share that the customer trust metric has increased to 90% in March 2018 from 3% in August 2015. In August 2015, after the safety issue crackdown, the market share of Maggi was hit rock bottom by 44% compared with 75% which the brand was having before the crisis. Maggi has become the market leader once again, with more than a 61% market share of the instant noodles market, and the company has aimed to return to pre-crisis levels. Thanks to the advertisement campaigns focusing on health and nutrition, product extension by the brand appealed to the different stakeholders of the brand.

Keywords –Customer Trust Metric, Repositioning

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Social Media Marketing Simulation

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ABSTRACT: Social media marketing is the use of social media platforms to promote a product or service, connect with the audience and drive traffic to the website by publishing good content, listening to followers and analyzing the results. Social Media has become a very important virtual space that helps in reaching a large number of people with reduced costs. Some examples of popular social networking websites over the years are Facebook, Instagram, Twitter, LinkedIn etc. Each one of them is different from the other and has different characteristics. With so many platforms and options, how should one go about social media marketing? Social Media Marketing Simulation helps with that as it introduces students to a company, giving them a scenario wherein they can learn to write targeted social media ads, perform demographic targeting, utilize promotional strategies, measure KPIs, manage budgets and schedule content.

KEYWORDS: social media marketing, simulation, platform

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Artificial Management Decision Support-A Cursory look

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ABSTRACT: In management in general, and marketing management in particular, most of the time a manager finds him/herself stuck at a crossroad that shows two possible but comparative directional paths. In reality, the decision scenario may not be just white or black always. It can even be grey at times. Now the question is how much grey is the 'grey', or what is the intensity of the grayscale? Can it be quantified? Can it give decision support to a human manager or a machine that controls the system? If so, can a boolean logic address it, or do we need fuzzy logic to bring about an intelligence artificially?

KEYWORDS: fuzzy logic, Boolean logic

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An Evaluation of Risk Management Practices in NBFC's in Telangana

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ABSTRACT: Non-banking financial companies (NBFCs) form an integral part of the financial system. The history of the NBFC Industry in India is a story of under-regulation followed by over-regulation. Policy makers have swung from one extreme position to another in their attempt to set controls and then restrain them so that they do not curb the growth of the industry. This report covers the industry. Most of this NBFCs' are operating with high risk of lending and more often NBFCs' lend credit to MSMEs, which are categorized as high risk class of Assets. To assess such high risk assets we need to have a comprehensive model. This paper aim is to build Risk Assessment Model for NBFCs' based on both qualitative and quantitative aspects of the client.

Keywords: NBFC, MSME, regulations, risk and assets

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Mothers' engagement towards babycare product: A comparison across developing nations

Dr Debajani Sahoo
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ABSTRACT: India's large infant's population provides innumerable opportunities for baby care product companies, understanding the factors that lead to the building of brand trust and brand experience is of substantial importance. Furthermore, this research presents a model that examines the variables that are critical in the process of building brand trust, brand commitment in an emerging-market context. The relatively stronger relationship between brand trust and brand commitment indicates that consumers' engagement about the brand behavior plays a pivotal role in enhancing calculative loyalty toward it in baby care brands.

KEYWORDS: brand commitment, trust, engagement

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Human Competencies for Disaster Relief Management: A Study

Dr. D. Rajeshwara Rao,
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ABSTRACT: Effectiveness of humanitarian assistance often depends on the effectiveness of the resources utilized such as predictive logic, relief partners, logistics technology and relief personnel. Analysis of the most recent yet more vulnerable disasters have pointed out that the relief workers often created a difference. Lack of appropriate access to standardized models to train the relief workers has created a need to develop a competency model which can further be validated with the relief organizations to create a standard. The current study aims to develop and test a hypothetical model that proposes a relationship between the competencies of the emergency relief workers, job performance and job satisfaction through empirical analysis of primary data. The study reveals a good relationship between the competencies, job performance and job satisfaction and shows a significant impact of the three variables on each other. The study culminates into recommending the key findings of the personnel to be able to improve the efficiency of the relief operation.

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Integrating Branding, Marketing, Sales & CRM in Digital World: Case of A Mid-Sized Indian Real Estate Company

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ABSTRACT: The study discusses how Ashiana Homes, a mid-sized real estate company transformed its marketing using state-of-the-art digital marketing techniques. The case discusses how marketing automation was deployed to streamline marketing operations and lead management.

KEYWORDS digital marketing, lead management, marketing automation

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The Impact of brand familiarity, customer brand engagement and self-identification on word-of-mouth

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ABSTRACT: The purpose of this paper is to check for the effects of brand familiarity, customer brand engagement and self-identification on word-of-mouth (WOM) communication. A systematic review of the literature regarding brand familiarity and customer brand engagement CBE) was conducted and data were analyzed using structural equation modeling. The results revealed that brand familiarity had a positive impact on CBE; self-identification also had a positive impact on WOM communication.

KEYWORDS word-of-mouth, brand familiarity

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Marketing and the sharing economy

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ABSTRACT: The study would focus on highlighting the sharing economy's impact on marketing's traditional beliefs and practices in terms of how it challenges three key foundations of marketing: institutions (e.g., consumers, firms and channels, regulators), processes (e.g., innovation, branding, customer experience, value appropriation), and value creation (e.g., value for consumers, value for firms, value for society). Finally, a set of forward-looking guideposts that highlight the implications of the sharing economy's paradoxes, maturation, and technological development for marketing research is provided to help marketing scholars to keep pace with the evolving domain of sharing economy.

KEYWORDS: sharing economy, customer experience

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Factors Effecting Volatility in Indian Stock Market with Reference to Nse Nifty

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ABSTRACT: Stock Market is one of the most versatile sectors in the financial system, and it plays an important role in economic development. Stock Market is a platform for trading various securities without any barriers. In stock market various companies are listed to their business venture through public issues. In the current scenario, long term investors are investing in the companies through Stock Market to attain profit. The study confines to selected securities in National Stock Exchange (NSE), this largest turnover in Indian capital market. Volatility is a statistical measure of the dispersion of returns for a given security or Market Index. Commonly, the higher the volatility greater the risk associated with the security. Volatility estimation is important for several reasons associated with different people in the market. Developed markets continue to provide over long period of time with higher returns constituting low volatility. The study covers factors and cause impact of volatility in selected stocks in NSE using statistical measures. The study would facilitate to understand the past, current and future aspects of Indian Stock Market.

Keywords: Stock markets, NSE, Volatility

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Amazon: Cozying up to Influencers

Dr Amar Raju
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ABSTRACT: Influencer marketing is expected to grow tremendously in the future on account of growing consumer trust in influencers, their wider reach, and the gradual replacement of television time with mobile screen-time. Social media influencers – like Instagram stars or YouTube celebs – often promote products they like, either as part of a brand relationship or as means of generating income through affiliate sales. Now, Amazon is looking to get in on this action as well. Amazon Influencer Program brings product-related content from Influencers onto Amazon to help customers research and discover products. However, the retail giant is cracking down on counterfeit goods, filing a series of lawsuits against more than a dozen defendants including social media influencers, accused of false advertising and selling fake luxury items. Burdened with several challenges. The big question here is, will Amazon dominate Influencer marketing too?

KEYWORDS: Influencer marketing, consumer trust

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Examining Brand Bundling as a New Product Introduction Strategy

Dr Sweta Singh
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ABSTRACT: Bundling is one of the strategies that marketers may use for reducing the uncertainties and launching the new product successfully in the market by combining it with the existing strong brand. The firm can introduce the new product/brand by themselves or could endorse it by bundling it with a known strong brand which is having a high brand image. This further leads to a positive attitude towards the focal unknown brand and high bundle purchase intention.

KEYWORDS: Bundling, self-congruity, functional congruity

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Understanding Roles of Institution Based Trust and Social Interactions in Social Commerce Environment

Dr Vikas Gautam
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ABSTRACT: User-generated content is a double-edged sword as it can build and shake trust in social commerce websites. Institution-based trust is one of the vital ingredients in the social commerce environment. This study examined the relationships among institution-based trust, social interactions (content, positive and negative valence), purchase intentions, purchase and post-purchase behaviour of consumers in a social commerce environment. The proposed research model was validated by using structural equation modeling and binary logistic regression analysis techniques with the help of 227 responses. The findings of the study confirmed significant effects of social interactions (content, positive and negative valence) on consumers' intentions to purchase, in that way growing the chances of actual buying and sharing shopping experiences with other customers in a social commerce environment. Besides, Institution-based trust was found crucial in affecting content, positive valence and negative valence respectively. Academic and managerial implications are discussed at large.

KEYWORDS: institution-based trust, social interactions, purchase intentions

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Index Development using Formative Measures in Management and Marketing

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ABSTRACT: Customer supplied reviews are widely and increasingly used by the websites as well as the customers for information dissipation and consumption. Due to their presence in huge numbers and varying quality, it is very important to assess the helpfulness of these reviews to assist customers dealing with information overload and facilitate their decision making. Most research in this field employs several helpfulness votes received by a review for assessing review helpfulness. However, there may be many good quality reviews that might lack a sufficient number of helpfulness votes for other customers to evaluate their helpfulness level. Although measuring review helpfulness is important, still the field lacks a review helpfulness measurement instrument that is psychometrically robust and parsimonious for practice. In a bid to address this issue, the authors develop a formative index using survey data from 990 respondents. Structural equation modelling was used to test the linkages between the review helpfulness index and consequences measures (product attitude and purchase intention). The final construct comprises four dimensions: feature-wise information, comparison, grammar and timeliness. A second sample of 250 respondents cross validates the findings. For researchers, the findings expand the platform from which to generate a fresh understanding of antecedents and consequences of review helpfulness. The index also offers diagnostic capabilities which can help the managers understand review attributes which makes a review helpful in the customer's eyes.

KEYWORDS: formative index, review helpfulness

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Exploring the Effectiveness of Webcare Characteristics in Fine Dining Restaurants

Dr Amar Raju
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ABSTRACT: Webcare is a tool available to marketers which enables them to mitigate the detrimental effects of negative online reviews on the Internet. It is a relatively new area of research and draws its origin from traditional service recovery literature. Extant research on web care focuses on investigating its relevance in managing negative reviews and typically examines the effects of various web care strategies on brand evaluation. On the contrary, academicians have not paid much attention to exploring various aspects of web care which marketers should focus on to increase its efficacy as a persuasive tool. Keeping this research void in mind, the present research intends to explore and investigate the effects of webcare characteristics (i.e. webcare strength, webcare sidedness, and webcare ownership) on consumers' perceived forgiveness. Further, the study proposes to investigate the effects of consumer forgiveness on consumers' attitudes toward the brand, purchase intention and satisfaction. Fine dining restaurant service in India has been considered for examining the aforementioned relationships – predominantly due to renewed interest among Indian consumers towards this sector followed by a steady growth rate of the same in recent times. This research is one of those few studies that would guide transgressing marketers to effectively control online damage by manipulating these web care attributes.

KEYWORDS: webcare attributes, brand evaluation, efficacy

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A Study on Performance of Payment's Bank

Dr. K.S. Shaileshwara Rao
(Associate Professor, Department of MBA, MGIT)

ABSTRACT: In 2014, RBI introduced two new categories of banks into the Indian Financial System are Payment Banks and Small Banks. The objective of introducing these new things is to reduce financial inclusion drive in economy. Payment banks is a new kind of bank which is potential with the express purpose of extending the reach of banking to vast majority of the unbanked and under banked. These banks can accept restricted deposit which is currently limited to INR 1 lakh per customer and may be increased in further. This paper presents about the framework of the payment banks, and the expected benefits from the payment banks. It also attempts to identify major bottlenecks in the development of such banks. Payment banks has been announced by RBI as a possible of digital transaction only one kind. On 19 August 2015, The RBI of India gave "in-principle" licenses to11 entities to launch payment banks. This paper also focuses study on performance of payment bank, and study the factors influence on payment banks. The present paper provides an awareness about the factors on payment banks. A standard methodology has been adopted, statistical tool ANOVA, been used to extract the output.

KEYWORDS: Payment banks, factors, challenges of payment bank.

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The Role of Felt Involvement and Argument Strength in Ad Persuasion

Dr Achyut Telang
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ABSTRACT: In the advertising context, argument strength is related to the importance of the product/service claims in the ad. The strength of the arguments in ad messages can impact the effectiveness of the advertisements. Past research in consumer marketing has stated the role of argument strength to create strong elaboration and subsequent persuasion. The paper by Sanbonmatsu and Kardes (1988) talks about the effects of physiological arousal on persuasion. In this study, an exercise task was used to manipulate physiological arousal, and systolic blood pressure readings were taken to assess the effectiveness of this manipulation. The results showed that endorser status (celebrity or noncelebrity) had a stronger influence on brand attitudes under high than moderate levels of physiological arousal. Also, argument strength had a greater impact under moderate than under high arousal levels. The results were consistent with the Elaboration Likelihood Model of persuasion.

KEYWORDS: Elaboration Likelihood Model, physiological arousal, advertising

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Ad to Consumer- Brand to Consumer: The Case of Vivel Shampoo

Dr G Vijayudu
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ABSTRACT: In personal care products the importance of shampoo is more recognized across the Fast Moving Consumer Goods (FMCG) Industry. Almost every personal care products manufacturing company is maintaining a Shampoo product line in a wide range. Vivel from ITC has also not been exempted from this. Being ITC is behind Vivel, the expectations of the consumers are high. Every communication like TVCs, Hoardings and other kinds of marketing communications are integrated and educating the customer. The case presents the history and introduction of the Vivel shampoo.

KEYWORDS: Fast Moving Consumer Goods, video

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Service Systems: A Broadened Framework and Research Agenda on Value Propositions, Engagement and Service Experience

Dr Vaibhav Shekar
(Dept. Of Marketing, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: The proposed framework sheds light on the fundamental role that value propositions play in service systems. Building on service-dominant logic from marketing and structuration theory from sociology, the authors theoretically link three service constructs: value propositions as invitations from actors to one another to engage in service, engagement as alignment of connections and dispositions, and service experience as many-to-many engagement. The proposed framework generates future research directions and theory development regarding the crucial role of value propositions in service systems; ultimately, it contributes to a deeper understanding of markets that is different from that which is guided by the standard neoclassical economics view of markets.

KEYWORDS: structuration theory, engagement, neoclassical

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Rural Electrification and use of Solar lamps in villages

Dr JSK Chakravarthi
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ABSTRACT: Solar power energy away from the conventional electric power supply has been bringing radical changes in the lives of rural people. Installation of solar panels has been given importance by the local and state governments, though initial capital investment looks big. Filling of this infrastructure gap was aimed to improve social and economic activity along with environmental friendliness. This article brings in trends of rural electrification through solar and the role of local bodies, NGOs and Government in making this journey successful.

KEYWORDS: solar power, government, electrification

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Airbnb

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ABSTRACT: The case is about Airbnb and its expansion globally. The case first discusses the history of Airbnb. It highlights the innovative services it has introduced to its customers and the marketing strategy adopted to create brand awareness. This short case study looks at how new business models can create immense improvements in competitiveness. Airbnb has enjoyed tremendous success in the tourism and hospitality industry in a short period. The first part of the case gives a brief introduction of the company, like the year of establishment and the founders of the company. The next section describes the services offered by the company. The case concludes by highlighting the challenges which Airbnb is facing.

KEYWORDS: brand awareness, hospitality, innovative services

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A Secure Novel Cloud Framework for Personal Healthcare Records

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ABSTRACT: The Personal Healthcare Record (PHR) allows the patients or other authorized persons to accomplish their own medical records in a centralized way, and it (PHR) appears as a patient-centric model which helps in the health information interchange. The PHRs can be deposited in the server maintained by the hospital/clinic or other trusted third-party including cloud providers. However, the data must be secure in the server. To provide security cryptographic service may be the solution. However, encryption and decryption of all the PHRs may degrade the processing performance of the system. So, we have proposed a novel framework that provisions the data in two domains. One is public domain and another is private. The PHRs in the private domain needs more security than the public domain. The data (PHRs) of the private domain is further classified according to their class of sensitivities and provided security according to the sensitivity levels. This leads to the enhancement of the processing performance of the system.

KEYWORDS - PHR, security, suite, classification, sensitivity

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Customer Lifetime Value & Sensitivity

Dr Surjit Kumar Kar
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ABSTRACT: In marketing, customer lifetime value (CLV or often CLTV), is a prediction of the net profit attributed to the entire future relationship with a customer. It is a reliable metric employed by organizations to evaluate the future worth of a customer. Customer Lifetime Value is the total of all the financial profit a customer brings in for the firm, calculated from the existing period to the future (revenues – costs incurred). In analytics, data modelling is done based on a few assumptions e.g. non-varying per capita profit margin, steady loss of a specific fraction of customers, and a total of 360 number periods (period may be of the specific length as per scope). The data modelling will enable finding Customer Value Multiplier under two specific situations, i.e. when margin does not vary and when margin varies. The package used for the demo session will be MS-Excel 2010.

KEYWORDS: customer lifetime value, data modelling, Customer Value Multiplier

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A Luxury Service Consumption Behavior of Gen-Z consumers in an emerging economy

Dr G Vijayudu
(Dept. Of Marketing, ICFAI Business School, Hyderabad, IFHE)

ABSTRACT: Generation Z consumers (who are the first generation of true digital natives) are rich increating and interpreting trends. It is not limited only to technology but also through all consumptions. For example, personal care products and services. Generation Z consumers are consuming various product and service brands to enhance their lifestyle. Having there is a paucity of literature defining luxury services consumption behaviour among generation Z customers, the present research has taken up to study generation Z consumers' behaviour towards luxury service consumption and the motives behind the luxury service consumption. The purposive sampling method is used to collect the data from pan India. A conceptual model 'Generation-Z consumers' behaviour towards Luxury service consumption' is developed by using SEM.

KEYWORDS**:** Luxury consumption value, Vanity, Self-concept

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Mutual Fund Performance: A Study On Public And Private Sectors

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ABSTRACT: In this study, an attempt has been made to analyses the performance of equity mutual funds industry against risk free rate and benchmarks return over one year before and after the implementation of GST. The samples consists 10 growths oriented- open ended- equity mutual fund schemes belong to 5 public and 5 private mutual fund companies. Results are tested through risk-return analysis, Coefficient of Variation (Beta), Treynor's ratio, Sharp's ratio, Jensen's measure. The data used is monthly closing NAVs and benchmark market index closing for the study period of October 2016 to October 2017. The risk return analysis revealed that out of 10 schemes Baroda Pioneer Mutual Fund and Canara Robeco Mutual Fund in Public sector Reliance and Aditya Birla Mutual Fund in Private sector resulted in good returns. The Treynor ratio of all the mutual funds scheme are under perform the benchmark market index and Sharpe ratio of all mutual funds scheme underperform the benchmark market index

KEYWORDS: Mutual Funds, Equity, Risk-Return Analysis, Public and Private Sector

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The growth story of Spotify

Dr Achyut Telang
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ABSTRACT: The growth story of Spotify is an incredible one. It was launched in October 2008 as a streaming service and by 2019, it had 248 million monthly active users. It made some great use of AI-based technology for recommendations to its customers. However, Spotify was in a bit of a bother. Even though it had a 36 per cent share of the global market and led the streaming service industry, it had some competitors in hot pursuit and they were none other than Google, Apple and Amazon- some of the world's biggest companies. Google and Amazon were cutting at Spotify's main profit model by creating new, free, ad-based tiers of their music services, Spotify's shares fell and there were serious concerns about its ability to turn traffic into money. All of these meant that the investors were uneasy about the company's future. Spotify was at that point in its journey where it had some big decisions to make.

KEYWORDS: AI-based technology, Music service industry

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Acceptance of Wearable Trackers in India: A Comparison Among University Students and Teachers in Punjab

Akashdeep Joshi, Meenakshi Malhotra** and Ayesha Khatun****

The study examines the factors influencing acceptance of wearable devices among university students and teachers in Punjab. It is based on Unified Theory of Acceptance and Use of Technology 2 (UTAUT2). A comparison has also been made between university students and teachers to find out whether there is any difference in the factors influencing the purchase intention among these two important consumer groups. It was found that in the case of students, significant variables are price, hedonic motivation and performance expectancy. Maximum variation is explained by price (42%), followed by performance expectancy (26%) and hedonic motivation (25%). Whereas, in the case of university teachers, the significant variables are hedonic motivation and price, with hedonic motivation as the most important variable explaining 59% of variation, followed by price with 33% of variation. It is expected that the study will contribute significantly in explaining the consumer behavior towards wearable technology-based devices.

Introduction

The cost of healthcare in India has increased tremendously and gone beyond the reach of many people. Rather than spending millions on treatment, it would be better if disease could be prevented in their initial stages. With increasing availability of technology in India, many innovative and affordable preventive healthcare products and services could be offered. Out-of-pocket expenditure on healthcare renders 63 million people poor every year in India (*Economic Times*, 2015). The present healthcare infrastructure is ineffective in India, as India has availability of only 1.1 beds per 1,000 people when compared to the world average of 2.7 (PwC). Indian government has launched an ambitious program called Ayushman Bharat Scheme to cover 10 crore families in India; despite this, the goal of Universal Health Coverage (UHC) seems a distant reality. With India leading the world in diabetes cases, Punjab in India is leading with 157% higher per person burden from diabetes (Vikaspedia). In Punjab, there is 134% higher burden

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Factors Affecting Buyers' Choice of OTT Platform in Pune Region

Megha Jain, Nitesh Behare** and Rashmi Mahajan****

With digitization, the test is to see how customers are getting more relevant content on Over-The-Top (OTT) and whether the companies are working on it to capture more markets. The main aim of the study is to identify the factors leading to buyer's choice of an OTT platform among viewers of the Pune region. This study is basically on some of these OTT platforms—Amazon Prime Video, Netflix, Hotstar, Voot, Jio Play, Zee5 and Alt Balaji. The participants in the study were various viewers of the different platforms. The sample included around 250 respondents to examine the viewpoint, that is, how these consumers got to know about the platforms, and which factors influence consumer choice of the different services, such as, preferred platform for watching shows, awareness medium, preferable place of watching, etc. Based on the analysis of the data, there is enough evidence to show that the factors that influence consumer choice are Ad-free viewing experience, cost of subscription, and payment options. Today, viewers are more into the digital world and the contents provided by these OTT platforms are catchier and hassle-free. Amazon Prime Video was the most preferred platform for viewers among all OTTs available in the market.

Introduction

In accordance with the worldwide pattern, the Indian buyers have also gradually increased their spending in the digital world. This is witnessed in areas including news (content), music (sound), or video. Increasing Internet penetration and mobile devices proliferation and the added convenience of watching the content any time, anywhere along with the increasing demand for personalized content is the key drivers for this trend.

This study aims to find the impact of influential factors on the buyer's choice of OTT platforms. OTT has caught the attention of the consumers in India. OTT platform is a streaming media offered legitimately to watchers over the Internet. OTTs are commonly adopted by means of paid memberships, however, there are exemptions.

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The Impact of Covid-19 on Tourism: An Analysis of Travel Behavior and Preferences of Indian Travelers

*Pramendra Singh**

As the tourism industry is very susceptible to crisis and pandemics, Covid-19 has changed its working scenario around the world. Countries put restrictions on travel movement, closed international boundaries and enforced lockdowns. Sooner or later the industry will rise again and bounce back with differentiated traveler needs and preferences. The study examines the impact of Covid-19 on tourism and analyzes the likely travel behavior and preferences of Indian travelers post Covid-19. It investigates the different aspects of post-Covid travel behavior and preferences of Indian travelers related to tour planning and selecting the destination, mode of transportation, accommodation and activities at the destination. It is empirical in nature and descriptive methods were employed to analyze the data. The study also highlights the key outcomes through a model which will help tourism stakeholders, including the travel companies, to have a clear understanding of Indian travelers' changed needs and behavior towards traveling post Covid period. The study also has practical implications for the tourism service providers.

Introduction

The whole world has suffered much due to Covid-19 and its brunt was faced by almost every country. All activities and movements of people have been curtailed by this pandemic. Covid-19 has had a significant impact on all sectors of the tourism industry, including airlines, hotels, cruises, restaurants, Meetings Incentives Conferences Exhibition (MICE) and sports events, etc. And it is anticipated that the impact of Covid-19 would surpass the magnitude of all previous epidemics/pandemics on the tourism industry (Gossling *et al.*, 2020). UNWTO noted that "in 2009, on the back of the global economic crisis, international tourist arrivals declined by 4%, while the SARS outbreak led to a decline of just 0.4% in 2003". As per UNWTO's January 2021 report, international tourism received 1 billion fewer tourists (or 74% decline) as compared to 2019, witnessing the worst ever year on record for international tourist arrival. Due to Covid-19 pandemic,

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Students' Preference for On-Campus Hostel and Canteen Facilities: A Kano Model Analysis

Rishikesh Nalawade and Nidhi Srivastava***

Management institutes have grown by leaps and bounds in the past few decades. Some have established themselves as a brand, but many are still struggling. Apart from academics, students need healthy living and mental peace. In a critical situation like Covid-19 pandemic, it becomes very important for parents and other stakeholders that their wards stay in good and healthy living conditions. Hence, it is a must for every management institute to ensure that they provide the same. The objective of this paper is to identify the preference of students for on-campus hostel and canteen facility with reference to Kano model. The preference of offering hostel and canteen facility by the management institutes will certainly go a long way in being beneficial, as it will increase the satisfaction level of students and hence will make their stay more rewarding.

Introduction

Education is a service, and it has specific characteristics like intangibility, inseparability, heterogeneity and perishability which is challenging to measure unlike other tangible services. Hence, it is very difficult to ensure the quality of management education (Oza and Parab, 2011). Also, in the last couple of years, there is a decline in admissions in management programs due to many reasons like poor quality of education, faculty shortage, poor regulatory mechanism, governance and accountability (Shweta and Manoj Kumar, 2011).

Pune, situated in Maharashtra, has approximately 204 management institutes, and hence it becomes very important for every institute to know the perception of students to offer them good academia, hostel and food facilities. Management education has grown immensely in the past decade and there is a huge competition in acquiring right quality of candidates. It is a professional course where students develop competencies; hence this course is always in huge demand (Sturges, 2003). The students while choosing

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Understanding Mobile Grocery Shopping Continuance Intention: Covid-19 and Beyond

Ravi Sankar Pasupuleti, S Jeyavelu** and Usha Seshadri****

The purpose of this study is to understand the Continuance intention of consumers who have adopted Mobile Shopping for Groceries (MSG) during the Covid-19 pandemic. Specifically, the authors propose an extended Technology Acceptance Model (TAM) by integrating the TAM with perceived threat and the continuance intention model. Gender, age, family type and prior experience were chosen as controlled variables. A total of 266 usable responses from respondents were collected using Google forms. Structural Equation Modeling (SEM) was used to test the research hypotheses. The results indicate that Perceived Usefulness (PU) has a significant direct impact on Continuance Intention (CI) and an indirect effect through attitude (ATT) towards using mobile phones for grocery shopping. This study also found no significant impact of Perceived Threat (PT) on perceived usefulness. Based on the findings, the paper puts forth the limitations, implications for future research.

Introduction

Covid pandemic is having a long lasting effect on organizations and consumer behavior. This study attempts to validate the Technology Acceptance Model (TAM) for Mobile Shopping for Groceries (MSG) in the context of the Covid pandemic and whether MSG will continue in the post-Covid era.

Mobile Shopping (MS) can be described as "an advanced mobile service that allows customers to browse or purchase products and services from retailers via mobile devices anywhere anytime" (Groß, 2015). Consumers' adoption of MS has been slowly increasing, facilitated by the increase in the use of smartphones, high-quality net connectivity through mobiles (Mishra, 2015) and prevalence of mobile apps (Buellingen and Woerter, 2004). The developments in mobile commerce such as payment gateways (Nambiar *et al.*, 2004), Unified Payments Interface (UPI) an instant real-time payment system (Gochhwal, 2017) and safe online banking through mobiles (Safeena *et al.*, 2011) has increased its adoption.

Consumers are likely to adopt mobile shopping for those products that are low priced, have low product involvement or high product complexity requiring feedback through user reviews (Groß, 2015). Consumers accrue personal, social and emotional value that

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College Students' Smartphone App Brand Engagement: An Empirical Study in the Indian Context

Souvik Roy and Sanchali Roy Biswas***

The purpose of this paper is to comprehend the causes and outcomes of smartphone applications brand retention among young consumers, specially college students belonging to Gen Y in India. The smartphone applications market is witnessing one of the most competitive market conditions today because of expanded rivalry and change. Thus, it is very important for the marketer/app developer to identify variables that influence the consumer decision-making process in downloading and utilizing smartphone applications (app) brands. On this premise, and based on the insights from marketing and information technology literature, this paper attempts to investigate shoppers' decision rules in downloading/utilizing smartphone application by examining the factors that prompt customer brand engagement and the results with regard to smartphone application brands. PLS was used to analyze 232 completed survey responses out of the 650 collected responses, for testing the validity of the proposed relationship. The findings indicated that all the relationships are statistically significant, increasing the robustness of the research framework proposed in the study.

Introduction

Today smartphone applications (apps) are progressively getting popular because of their abilities to supplement clients/users' regular lifestyle activities (Baek and Yoo, 2018) as well as any other specific works regardless of whichever age group that client/user belongs to (Reyes *et al.,* 2018; and Wang *et al.,* 2018). Although it is used by all age groups, it is overwhelmingly used by young clients, college students specifically (Gurbuz and Ozkan, 2020). Today around 85% of the advanced mobile apps are possessed by the young buyers in the age group of 18-34 years, the greater part of whom are 20 to 30 year olds in the Gen Y category (Nielson, 2014). 20 to 30 year olds (born between 1981 and 2000) are known for their capacity to perform multiple tasks and use numerous mechanical gadgets at the same time (Gibson and Sodeman, 2014). As indicated by a report by CISCO, about 70% of the millennials use their smartphone app for various

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Atmospheric Marketing: New Way to Create Consumer Perception Towards a Coffee Outlet

Seeboli Ghosh, Radhika Ramesh** and Madhurima Ganguly****

With the paradigm shift in retail from brick-and-mortar stores to e-tailing, retail marketers are forced to incorporate different experiential techniques as their survival strategies. Effective marketing communication points are created through atmospheric marketing in retail. Retail organizations have started paying attention to create a positive buying atmosphere that ultimately leads to desired emotional effects in the purchasing behavior of consumers. Though this is a burning topic in the Western markets, not many studies have been conducted on this aspect in India. This current study seeks to explore the relationship between different factors of store ambience that influence consumers' perceptions towards the coffee outlets. Also, this paper provides significant statistical insights on the topic.

Introduction

Marketing managers have always sought an in-depth understanding of factors that influence the buying behavior of customers. The retail outlets are continually made up in order to match the tastes of the customers. The store atmospherics is made up of a combination of different elements like color, lighting, design, layout, sound and scents, which have an influence on the buying behavior of customers.

Over the years, atmospheric marketing has been a well-researched topic. A significant number of studies have been conducted on fundamental atmospheric elements like light, layout, music, staff, etc. (e.g., Turley and Milliman, 2000; and Dunne and Lusch, 2004). However, most of the studies talked about the importance of further research in this domain. Very few studies have been conducted on some of the topics like the effects of the integrated atmosphere on consumer's purchasing decision, how the atmosphere can create a different impact on different consumer segments, how different categories of retail are impacted by atmospheric marketing, etc. Most of the studies in this domain tried to analyze empirically how single variables create an impact on the mind of the

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Conceptual Model Development for Celebrity Endorsement in Social Advertising: The Case of Source Credibility and Celebrity-Fan Relationship

*Bharathi S Gopal**

The influence of the famous is a widely researched topic. It is equally a sure-shot success formula for marketers selling clothes, cement, life insurance, cars, electronic gadgets, seeking political endorsement, and a plethora of consumption choices. Marketers have been successful with celebrity endorsements to launch a new product, change negative attitudes towards brands, influence trial and even convince a purchase. Celebrities, though not at a comparable scale of consumer product advertising, have also shared their liking and views, and endorsed social issues ranging from immunization, safe driving to creating awareness for rare disorders. While academic studies have explored and validated the influence of a celebrity on consumption-related outcomes, is it any different when celebrities endorse behavioral change for social good? This paper presents the conceptual framework to understand the influence of the source (celebrity) and celebrity-fan relationship on the cognitive and affective components of attitude towards a social cause. The conceptual framework examines the source credibility factors (Ohanian, 1990) of source attractiveness, expertise and trustworthiness and proposes the influence of celebrity-fan relationship as measured through Celebrity Attitude Scale (CAS) (McCutcheon et al., 2004) on the attitude outcomes mediated by Need for Cognition (Cacioppo and Petty, 1982). The conceptual research model is developed using the Eight-Step Theory Building Framework of Dubin (1978).

Introduction

In October 2021, 46-year-old Kannada film actor Puneeth Rajkumar breathed his last. While his fans, moviegoers and stalwarts from across different walks of life were shocked, his family donated his eyes to fulfil his last wishes. Following this incident, eye banks in Bengaluru witnessed a spike in eye donation pledges (Puneeth, 2021). A decade and a half ago, in 2006, when Puneeth's father, Rajkumar breathed his last and his eyes were donated, three of Bengaluru's hospitals reported that there have been more than 205 applicants for eye donation. Several other hospitals also reported receiving more than 1,000 applicants. A year later, in 2007, to commemorate the thespian's first death anniversary, 501 fans were believed to have signed certificates to indicate willingness to donate eyes (501 Fans Donate Eyes, 2007).

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Examining the Association Between Perceived Relationship Investment, Perceived Relationship Quality, and Customer Loyalty with Structural Equation Modeling

Santosh Kumar Alreddy and Dwarakanath Siriguppi***

This study proposed and verified the model of retailer-buyer relationship and presents the association among perceived association investment, perceived association quality, interactive loyalty and emotional/attitudinal loyalty. This framework was created based on De Wulf et al.'s ideal of retailer-buyer relationship exchange, and hypotheses were further established. The outcomes show that the perceived relationship investment has a direct impact on perceived relationship quality that has a direct effect on interactive loyalty intent; and in turn, interactive or behavioral loyalty intent contributes to emotional or attitudinal loyalty.

Introduction

The growth of the retail business is unparalleled in today's economy. It includes a sector like apparel retailing. Different techniques were adopted by marketers to sustain the business and the sellers/stores believed in the importance of customer loyalty. During the visits to stores in the Kalyana-Karnataka area, the authors found that there is no similar study of this kind that surveyed apparel retailers. Hence, there is enough scope for measuring loyalty and to examine the association among different dimensions.

Literature Review

In order to prosper, evolve and estimate the association between stores and loyal buyers the role played by affiliation marketing is apparent (Sheth and Parvatiyar, 1992 and 1995; Clark and Payne, 1995; Lindgreen *et al.*, 2006; and Kim *et al.*, 2009). There are studies indicating that association marketing outcomes are prejudiced by the relational concepts of trust, promise and relationship gratification; and association quality affects buying conduct (Odekerken-Schroder *et al.,* 2003) and increases loyalty (De Wulf and Odekerken-Schroder, 2001 and 2003; and Robert's *et al.*, 2003). Prior studies identified

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Examining the Influence of Transcendent Customer Experience on Website Patronage Intentions in E-Retailing

Nandan Kumar Dey and Vikas Gautam***

This study aims at empirically examining the influence of Transcendent Customer Experience (TCE) on website patronage intentions both directly and indirectly (through two mediators, namely, attitude towards a website and attitude towards the product). In this regard, the study analyzed 120 responses collected from a large Indian university. Hypotheses testing using structural equation modeling with IBM SPSS Amos 21.0 revealed that no direct relationship exists between TCE and website patronage intentions, whereas a significant relationship exists between the two forms of attitudes (mediators). Similarly, indirect effect testing using PROCESS macro for IBM SPSS 22.0 revealed that TCE does not influence website patronage intentions when mediated only through the attitude towards the product. Full mediation as well as serial mediation effects were identified by the multiple-mediation analysis procedure. These findings led to a decent number of theoretical and practical implications.

Introduction

An increasing tendency is being witnessed towards creating "unique experiences" by e-retailers (online retailers). According to researchers, the most pronounced unique experiences are flow and peak experiences (Klaus and Maklan, 2011) by which e-retailers can successfully engage their online customers for the long term and gain competitive advantage (Lemke *et al.*, 2011; and Izogo and Jayawardhena, 2018). Having the aspects of flow and peak experience, Transcendent Customer Experience (TCE) has the power to shape a customer's attitude and behavior (e.g., Agarwal and Karahanna, 2000; Schouten *et al.*, 2007; and Sukhu *et al.*, 2018). By creating TCE, e-retailers can make their customers return to their websites, browse for more, purchase/repurchase, and thus patronize their websites (Hoffman and Novak, 1996; Wang *et al.*, 2007; and Hausman and Sikpe, 2009). Moreover, words associated with TCE such as interconnectedness, interdependence, technological integration, etc. elucidate the phenomenon of retail website globalization (Kale, 2004). Thus, investigating the influence of TCE on customers' attitudes and website patronage intentions is important for any e-retailer.

Starting with the research on some outdoor activities like commercial river rafting (Arnould and Price, 1993), TCE research has recently focused on relationship marketing

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Factors Driving the Adoption of Mobile Phones in the Agriculture Sector: A Literature Review

Police Keerthi and Vikas Gautam***

Agriculture is considered the main driving force in the Indian economy employing around 42% of the country's labor force and generating 18% of national GDP. Indian agriculture sector is facing numerous challenges, including non-adoption of agricultural technology at the farm level due to farmers' lack of access to the latest information. Farmers need to take timely effective farming decisions for improving productivity and their revenue. These decisions may be contingent on the information available to them. The government-funded extension services failed to meet the changing needs of farmers and they need to look for alternative sources of information. Mobile phones act as a good source of information dissemination. This facilitates the farming community in practicing sustainable practices. Given the important role mobile phones play in the agriculture sector, this study attempts to review the literature on factors influencing the adoption of mobile phones by farmers. The factors identified in the review are broadly categorized using content analysis. The findings revealed that there was a huge focus on studying the influence of demographic and socioeconomic factors on adoption in extant literature. Despite testing the impact of these variables in many studies, the influence of these variables on mobile phone adoption is inconclusive.

Introduction

Agriculture is considered as the main driving force in the Indian economy employing 41.49% (Statista, 2020) of the country's labor force and generating 17.76% of national GDP (Statistics Times, 2021). "Everything can wait, but not agriculture," said the first Prime Minister of India, Jawaharlal Nehru. This statement holds true even today (*The Indian Express*, 2014). Farmers need to take timely effective farming decisions for improving agriculture productivity and their revenue. These decisions may be contingent on the information available to them. In developing nations, the dissemination of information to farmers is generally done by government-funded extension services, which could not meet the changing needs of farmers (Ali, 2012). At the national level in India, for instance, the ratio of agriculture extension officers to farmers is as low as 1:1162 (*The HansIndia*, 2018; and Nendumaran and Ravi, 2019) against the recommended ratio of 1:750. With such a low ratio of extension officers to farmers, timely information

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The Impact of Students' Overall Experience Quality on Loyalty

*P Venkateswarlu**

Students are the principal customers for universities and institutions offering higher education. To succeed in the increasingly competitive market, it has become imperative for universities to provide overall experience in terms of quality and satisfy the needs and expectations of the stakeholders, primarily the students and the parents. This study was conceived as an attempt to determine the correlation between the dimensions of student experience quality, including service outcome quality, interaction quality and peer-to-peer interaction quality, corresponding to the overall student experience quality and loyalty. The results indicated that a significantly positive correlation exists between all these dimensions. Universities offering higher education must recognize that these dimensions are very important to retain students and enhance their loyalty towards the university.

Introduction

Education is vital for the development of a society, country and civilization at large. Presently, education is a trillion-dollar industry worldwide. With globalization, universities are spreading their reach beyond geographical and political borders. 'Education Services' is one of the twelve sectors defined by the World Trade Organization as service. Today, a nation's growth or progress depends on the quality of higher education, more than ever in the human history. People with the right repertoire of skills, possessing higher capacity to learn have unlimited opportunities for unprecedented economic fulfillment. Universities are now actively pursuing students using a wide variety of strategies to market their courses.

Service Quality

The premise of "service quality" as one of the tools for attaining advantage over the competitors and lead the institutions in a market-driven system has been pertinently recognized in the educational sector. Service quality has become increasingly important to be the market leader and also to maintain an institution's position in the highly competitive environment. Researchers around the globe have affirmatively established that offering quality services to the customers renders sustainable competitive advantage.

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Marketing of Life Insurance to the Indian BOP Segment: A Literature Review Using the 4A Framework

Rohit Joshi, Vikas Chauhan** and Vipin Choudhary****

The design and implementation of strategies to enter into the base of the economic pyramid requires a thorough understanding of market potential, opportunities and challenges. Life insurance market is a less explored territory in low-income emerging countries. This paper investigates life insurance services using the 4As framework for the bottom of pyramid (BOP) market. The study conducted a systematic literature review in the BOP context, life insurance, and other related services. Literature that fulfilled certain inclusion criteria was subjected to a quality evaluation before being considered for review. The study presents a very good discussion on various key attributes, opportunities, and challenges for life insurance in the BOP market in terms of acceptability, affordability, accessibility, and awareness. Furthermore, it provides suggestions and implications for marketing life insurance in the BOP market.

Introduction

Life happens, be prepared! A phrase that makes us ponder over beauty and uncertainty of life at the same time. As per Kocchar (2015), today, 70% people globally live on less than $10 per day, having insufficient financial provisions to tackle unfortunate events such as demise of the income earner and managing unplanned health expenses. As per Ple and Angot (2015), most of the poor population is still not an active part of the financial inclusion activities. A strong and sustainable financial sector needs to be designed for coping with this graphic reality. Insuring the poor can be a fairly good approach to reduce their vulnerability. BOP concept, as per Simanis and Hart (2011), focuses on developing value for both corporations and low-income customers.

According to a recent World Bank (2021) report, climate change and Covid-19 pandemic stress has caused extreme poverty to rise after two decades in the year 2020.

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Millennials' Brand Switching Behavior in the Indian Online Retail Using Markov Chain†

Surjit Kumar Kar, Debasmita Panigrahi** and Neha Sharma****

The aim of this study is to examine the shifting loyalty and brand switching behavior of Indian millennials in three specific categories of online businesses, pertaining to food ordering and delivery, travel booking, and purchase of fashion apparel one-commerce channels. The primary data was collected through an online survey using Google Form, with a structured questionnaire. The technique of Markov Chain analysis helped forecast the value of a variable whose future value is influenced only by its current position or state, not any prior activity. Calculation and analysis were done manually, using cross-tabulation. It was observed that in all the three selected business categories, two-thirds of loyalty is retained by the top two players in their respective industry, whereas about one-fifth to one-fourth of the market is captured by new entrants who exploit the shifting loyalty in the targeted market. In the cross-sectional study, the respondents were asked about their latest usage of the brands studied, and hence the findings may subsequently vary over time. This paper highlights application of Markov chain analysis in an Indian context.

Introduction

The global Internet audience continues to grow steadily, with the worldwide base of users exceeding 4.8 billion as of July 2021 (https://datareportal.com/global-digital-overview). This growth in the number of Internet users has encouraged businesses to innovate business models in order to offer a variety of online services. Sectors that are growing very fast include food tech, travel tech, edu tech, fin tech and overall e-commerce industries. The online industry consists of companies that provide a variety of products

† This paper was presented in an International conference.

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Social Commerce Preferences in Emerging Economy: An Analysis Using Multidimensional Scaling

Debajani Sahoo and Prattyush Roy***

Selling and trading goods over the Internet is referred to as e-commerce. It has become convenient and this platform has redefined the conventional mode of purchasing goods and services. Besides, the active participation on social media makes it evident that there is indeed great scope for leveraging on this behavior in social commerce such as Facebook Marketplace, WhatsAppShop, LinkedIn Groups, InstagramforBusiness, etc. The purpose of the present study is to identify the social commerce preference among the youth in an emerging economy like India through word-of-mouth promotions, satisfaction that is also aligned to the Net Promoter Score (NPS) of the social commerce platforms, observing the placement of the four social commerce platforms using MDS technique, and identification of pain points they faced while having their social commerce experiences. As social commerce is expected to have the potential to overthrow e-retail in the future, the study holds major significance in the present market scenario.

Introduction

The evolution of purchase of products through the World Wide Web is known as electronic commerce (e-commerce for short). Due to the popularity and ease of meeting consumer needs, this platform is in a constant flux and is rapidly evolving. In India, Facebook Marketplace as well as WhatsAppShop are very famous social commerce-based platforms. Employing social media to carry out the commerce of goods and services is known as social commerce, bridging the gap between the two of the biggest digital movements, e-commerce and social media. Social media allows the generation and exchange of content as generated by the user, building on Web 2.0 foundation. According to previous research, building trust—which is said to be linked to the electronic seller's perceived competence as well as how ethically it runs its business—and their purchase intention, which is linked to their trust in the online retailer, are two major factors that

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Understanding the Dynamics Between Trust, Student Loyalty and Word-of-Mouth: A Case of Higher Education Institutions

*Insha Amin**

Previous researchers have made an attempt to study trust as an antecedent to student loyalty in higher education institutions but took a very narrow view, thereby treating it as a unidimensional construct. This study conducted an empirical investigation considering all aspects of brand trust that would be useful to fill this gap in the literature. A non-proportionate stratified random sampling technique was adopted and data was collected from 580 respondents. Confirmatory Factor Analysis (CFA), followed by Structural Equation Modeling (SEM), was used. The results show that different dimensions of trust have different impact on student loyalty. The main contribution of this study lies in validating a diverse measurement model of brand trust in the education context, which includes components like reliability, benevolence, credibility and integrity studied as separate dimensions, that was so far examined narrowly by previous researchers. By using these components as individual antecedents, the study was able to evaluate the relative effects of those on student loyalty and positive word-of-mouth. This in itself is a novel contribution, as no prior study has examined them this way.

Introduction

The education sector, public as well as private, is booming. The demand for Higher Education Institutions (HEIs hereafter) has increased in the last few years (Girad and Pinar, 2020). Competition among the HEIs has increased significantly and they are struggling to attract and retain students (James-MacEachern and Yun, 2017; and Azzone and Soncin, 2019). Many HEIs are closing down every year because of lack of operating expenses and profits (ASSOCHAM, 2017). As a result, the education sector has become more commercialized and the concept of acquiring competitive advantage has gained momentum (Rampl and Kenning, 2014; and Tan *et al.*, 2016). Previous researchers have made an attempt to study the antecedents to student loyalty and word-of-mouth formation in HEIs and used constructs such as student satisfaction, program image, institute image, etc. A few used brand trust as an antecedent for student loyalty in the higher education sector (e.g., Alves and Raposo, 2007; Helgesen and Nesset, 2007; and Yousaf *et al.,* 2020). Despite the popularity that brand trust has gained in the literature,

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Case Study

Can Zomato Continue Its Deep Discounting Strategy? (Abridged)

Syeda Maseeha Qumer and Debapratim Purkayastha***

Zomato, one of India's leading Food Service Aggregators (FSAs), was engaged in a conflict with restaurant partners over its practice of offering high discounts to customers. On August 15, 2019, hundreds of restaurants under the National Restaurant Association of India (NRAI) launched a logout campaign and delisted themselves from platforms of FSAs such as Zomato, EazyDiner, Nearbuy, Magicpin, and Dineout, alleging that the aggregators had distorted the food service sector through aggressive discounting and predatory pricing, which hurt the core value proposition and bottom line of restaurants. Zomato, in particular, came under severe criticism as its premium subscription-based dining out service Zomato Gold (ZG) had 6,500 restaurants partners and a total of 1.1 million subscribers in India as of August 2019. As part of the campaign, around 2,500 restaurants logged out from the ZG service.

Since August 2019, Zomato, one of India's leading Food Service Aggregators (FSAs), was engaged in a conflict with restaurant partners over its practice of offering high discounts to the customers. While the FSAs were credited with creating a digital platform to bring restaurants closer to customers, National Restaurant Association of India (NRAI) alleged that in their one-upmanship to acquire customers they resorted to deep discounting spoiling customers and eroding loyalty. NRAI alleged that restaurants bore the brunt of these heavy discounts, which came at the expense of their brand value, core value proposition and bottom line. On August 15, 2019, hundreds of restaurants under NRAI launched a logout campaign and delisted themselves from platforms of FSAs such as Zomato, EazyDiner, Nearbuy, Magicpin and Dineout. Zomato, in particular, came under severe scrutiny as its premium subscription-based dining out service Zomato Gold (ZG) had 6,500 restaurants partners and a total of 1.1 million subscribers in India as of August 2019. As part of the campaign, around 2,500 restaurants logged out from the ZG service.

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Case Study

Dabur Chyawanprash: Repositioning and Continuous Reinforcement

Mukesh Kumar Mishra and Manish Agarwal***

This case describes how Dabur India (Dabur) repositioned one of its popular brands, Dabur Chyawanprash, over the years. It is not only one of Dabur's renowned brands but is also a leader in the branded Chyawanprash market. Over a period of time, the brand started facing competition not only from other branded chyawanprash but also from related categories such as health drinks. Children did not find Chyawanprash as appealing as health food drinks like Horlicks, Bournvita, Complan, etc. Chyawanprash looked dated due to the changes in the modern lifestyle. Consumers had the perception that chyawanprash should be consumed when someone is not feeling healthy. Even though Dabur Chyawanprash was a market leader, its growth rate started declining. To overcome this, the company went in for a major repositioning exercise of its popular brand.

The basic positioning remains the same, but the brand message has been changed to help current consumers better identify with the brand and also to establish the age-old Chyawanprash's relevance even in today's world.[1]

– K K Chutani, Executive Director – Marketing, Dabur India Ltd., January 2008.

If we have to be relevant for the next 130 years, we will have to be nimble, engage and inspire and have youth at the center of focus, as consumers and employees. We are getting future ready, not just with its products, but also with its communications, the way it reaches out to consumers and future employees.[2]

– Sunil Dugal, CEO, Dabur Ltd., September 2015.

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Case Study

Dineout – Constantly Re-Imagining Restaurant Technology

Purna P Nandamuri and V Namratha Prasad***

The case talks about the efforts of India-based restaurant technology company Dineout Services Pvt. Ltd. (Dineout) to provide innovative technology solutions in the restaurant industry. Dineout's initiative to enhance its product profile by acquiring other companies with technical know-how is described. The case also explains how the rising prospects of the Indian restaurant industry were expected to create a strong future for Dineout. However, the Covid-19 pandemic drastically altered the restaurant industry, plunging it into losses. Responding to the changed environment, Dineout came out with a slew of new technology offerings. It remains to be seen if Dineout's re-imagining of restaurant technology would work out in its favor.

The Post-Covid (Covid-19)[1] decade would be a test for restaurants to earn the respect and trust of their customers. As responsible entrepreneurs we realize the amount of faith customers put in us, when they dine at our outlets, and this product suite by Dineout will help fellow restaurant owners across the country revive their business and adjust to the new demands of the ever-evolving hospitality industry.[2]

– Prosenjit Roy Choudhary,
CEO of Absolute Barbecues[3], in April 2020.

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1 Covid-19 (Coronavirus disease 2019) is an infectious disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). It was first identified in December 2019 in Wuhan, Hubei, China, and later resulted in a global pandemic.

2 "Dining Out And Restaurant Tech Platform Dineout Has Launched The Country's First End-To-End 'Contactless Dining Suite' For Indian Restaurants," www.indiantelevision.com, April 20, 2020.

3 Absolute Barbecues, started in 2014, provided a 'do-it-yourself' dining experience where diners grilled on the table their choice of meat, seafood, and vegetables starters served on skewers, to their preference.

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Case Study

Evolution of India's Policy on FDI in Single Brand Retailing: IKEA's Response and Its Impact on India

*R Harish**

IKEA's strong and determined entry into the Indian market is a marker of India's success with its Foreign Direct Investment (FDI) policy on single brand retailing. The slow, steady and cautious approach in relaxing the FDI norms eventually led to a take-off point, whereby not only IKEA, but many other multinational retail companies would find it attractive to enter the Indian market. This would in turn bring in multiple benefits to the local economy by way of better back-end infrastructure and modern technology in manufacturing and retailing. This would also boost domestic manufacturing (thus furthering the Make-in-India cause) and create employment as well, apart from triggering several secondary and tertiary benefits.

Introduction

IKEA is the world's largest furniture company. It designs and sells ready-to-assemble furniture, modular kitchens and kitchenware, bathroom accessories, lighting and other home appliances, bedding, bedspreads, furnishings, etc. It is known for its innovative, modernistic and minimalist designs. IKEA is also known for its stringent operational processes, cost control and affordable prices (Goel and Garg, 2018).

IKEA was founded by the then 17-year old Ingvar Kamprad in 1943. It is a Swedish founded multinational, but officially headquartered in Delft, the Netherlands. IKEA is an acronym which is meant to convey—"Ingvar Kamprad from Elmtaryd, Agunnaryd". Elmtaryd and Agunnaryd are the names of Ingvar Kamprad's farm and his village respectively (Freden, 2020).

As of 2019, there were 433 IKEA stores operating in 52 countries. During the year September 2018 to August 2019, IKEA had a total turnover of €41.3 bn (about.ikea.com, 2019). IKEA may be termed as a big box retailer, as its outlets are often very huge, having within them typically over 10,000 varieties of items, with extensive in-situ displays.

A distinctive feature of an IKEA store is its service-scape, whereby shoppers are encouraged to interact with the items and also experience some of the larger items of furniture and accessories, as they would be in an actual room or kitchen. The stores are

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Case Study

Kirkland Signature Private Label Powering Costco

Shailendra Singh Bisht and Jitesh Nair***

The case describes how 'Kirkland Signature,' the private label brand of Costco Wholesale Corporation (Costco), a US-based membership warehouse club, became the leading private label accounting for nearly 30% of all the private-label grocery business in the US, and how it enabled Costco, in the process, to emerge as the leading retailer in the US. Kirkland Signature, introduced in 1995, contributed to over a quarter of Costco's net sales of US$152.7 bn in 2019 and nearly 26.2% of the company's overall net sales in 2018. The case ends with a note on the future plans of Costco for the 'Kirkland Signature' product range as well as the need for it to further innovate and differentiate itself owing to the rising competition in the private label space from other retailers like Walmart and Target.

The working rule followed by Costco employees is that all Kirkland Signature products must be equal to or better than the national brands, and must offer a savings to our members.[1]

– Dick DiCerchio, Senior Executive Vice President – Chief Operating Officer, Costco, in October 2009.

I don't think at the beginning of this process in the early 1990s we thought nearly a third of our business would be under this brand [Kirkland Signature].[2]

– Richard Galanti, Vice President and Former Chief Financial Officer, Costco, in January 2019.

Kirkland is a brand in its own right. It is one of the reasons people go to Costco.[3]

– Karen Short, Retail Analyst at Barclays, in January 2019.

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1 "Costco Connection," http://www.costcoconnection.com, 2009.

2 Nathaniel Meyersohn, "How Kirkland Signature powers Costco's success," https://edition.cnn.com, January 10, 2019.

3 Caitlin Mullen, "Kirkland does big business for Costco," https://www.bizjournals.com, January 14, 2019.

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Case Study

Kweichow Moutai – Building and Sustaining a Top Luxury Brand

Madhavi Garikaparthi and Vinod Babu***

This case describes the journey of Kweichow Moutai Co., Ltd. (KM) to becoming China's biggest public company by market capitalization and to its key product Moutai becoming the world's top liquor brand. Though Moutai had always been renowned, the dramatic rise in its popularity in recent years was due to the marketing and branding strategies undertaken by KM from the 2000s. The case then touches upon the challenges that KM faced – supply shortages, counterfeits, and corruption scandals in its management ranks – that had the potential to adversely impact its carefully crafted brand image. In the present scenario, KM's Chairman Gao Weidong was confronted with the dilemma of growing the company keeping in mind KM's Moutai production limitations. He also had to think about ways to protect the brand image of Moutai and prevent it from being associated with bribery and corruption.

I challenge you to find another company that is so predictable. Great margins, very beloved brand… people still buying it like there's no tomorrow.[1]

– Hao Hong, Head of Research at BOCOM International Securities Limited[2], in June 2020.

Two thousand years ago, the Chinese calling card was lions, 1,000 years ago it was Chinese porcelain, 500 years ago it was tea leaves and now it's local brands with their own intellectual property. I believe Moutai is one of these.[3]

– Yuan Renguo, Former Chairman of China Kweichow Moutai Winery Group Co. Ltd., in January 2018.

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1 "Kweichow Moutai: World's Top Liquor Brand Is Now Mainland China's Biggest Public Company," www.webinfoservices.in, June 24, 2020.

2 BOCOM International Securities Limited, founded in 1998, operates as a brokerage firm. It is a Hong Kong based company that provides securities and futures contracts trading and margin financing services. It serves customers worldwide.

3 "The World's Most Valuable Distiller is Running out of Liquor," www.economictimes.indiatimes.com, January 18, 2018.

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Case Study

OnePlus: A Chinese Success Story in India

K S Venu Gopal Rao and Syeda Maseeha Qumer***

The case discusses the success story of Chinese smartphone maker OnePlus in India, the world's second-largest smartphone market. OnePlus came to India in late December 2014 and in just four years emerged as the number one smartphone brand in the Indian premium smartphone segment. With the launch of its first flagship smart TV – the OnePlus TV – exclusively in India in September 2019, the company planned to develop a strong ecosystem of products in order to strengthen its premium-only brand proposition in the country. Despite its phenomenal success in India, OnePlus had several challenges ahead. These included fierce competition, issues relating to scaling offline, price-sensitive Indian consumers, low smartphone penetration, and an economic slowdown. Moreover, as OnePlus phones were getting expensive, the company faced the risk of losing price-conscious customers. As India continued to be a critical market for OnePlus, the challenges before OnePlus India were to increase adoption of OnePlus devices in the country, expand offline, crush competition, and continue to rule the premium Indian smartphone segment.

While over 70% of our business comes from global regions, India has been our biggest success… [T]oday, OnePlus has a 43% share in the premium segment. This is more than the combined share of the next two brands—Apple and Samsung—in India. And this has been just from online presence.[i]

– Vikas Agarwal, General Manager, OnePlus India, in 2019.

Introduction

In Q2 2019, China's OnePlus overtook Samsung Electronics Co., Ltd[1]. (Samsung),the world's largest mobile phone maker, to become the number one smartphone brand in the Indian premium smartphone segment (₹[2]30,000 and above). Driven by strong demand

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[1] Samsung is a South Korean multinational electronics company. It was the top global smartphone vendor for 2018 in terms of overall global smartphone shipments.

[2] As on October 2019, One Indian Rupee was approximately equal to 0.014USD and 0.099 CNY

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Case Study

TATA AIA Life Leverages Digital Technologies to Create a Superior Customer Experience

Dwarakanath Siriguppi and Jitesh Nair***

The case study discusses the different digital initiatives undertaken by Tata AIA Life Insurance Company Limited (Tata AIA Life) and their impact on its business operations. The initiatives included equipping sales agents with smartphones and tablets, providing user-friendly mobile applications to customers that enabled them to access and download information and upload documents from their smartphones, implementing the Video Post Sales Calling (PSC) procedure to prevent mis-selling by agents, and deploying predictive tools to identify high-risk policies. Tata AIA Life adopted different digital technologies to simplify various post-sales services and processes such as customer service operations, redressal of customer grievances through the adoption and improvement of the Net Promoter Score (NPS) metric, timely payment of insurance premiums, as well as cross-selling and up-selling. The company plans to digitize more internal business operations such as data management platforms as well as external business operations such as electronic standing instructions.

Video technologies along with face recognition can help minimize and even eliminate mis-selling instances. Cognitive capabilities are helping insurers streamline the issuance processes. Application programming interface are bringing ecosystem players closer, thereby allowing convenience for customers.[1]

– Sachin Goel, Chief Technology Officer, Tata AIA Life Insurance, in June 2019.

Today's knowledgeable and connected customer expects service providers to be in step with their evolving needs. Our endeavour has always been to anticipate those needs and offer best-in-class service solutions. We will continue to explore innovative ways of servicing customers.[2]

– Yusuf Pachmariwala, Executive Vice President & Head – Operations, Tata AIA Life Insurance, in October 2017.

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1 Nirmala Konjengbam, "InsurTech: A New Wave of Disruption," https://www.outlookindia.com/, June 16, 2019.

2 Sam Heggie-Collins, "Tata AIA Life's Eazy Connect chatbot extends customer service to social media platforms", https://directorsclub.news, October 9, 2017.

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Case Study

Unibic India: From Fastest Growing Niche Cookie Brand to a Challenger?

Mohandas J Menon and Namratha V Prasad***

The case describes the various strategies undertaken by UNIBIC Foods India Pvt. Ltd. (Unibic) to create and consolidate its position in the highly competitive Indian biscuit industry. The case takes an in-depth look into the early history of the company and the differentiation strategy it used to make a market impact in the niche cookie segment. Later, it discusses in detail Unibic's marketing mix and media mix strategy. Information about Unibic's product development strategy, retail strategy, and advertising strategy is provided. The efforts of the company to grow beyond its niche segment and enter other sub-segments in the Indian biscuit industry are described. The case also provides an insight into the challenges plaguing the company. Can Unibic grow from a niche brand to a challenger brand?

In 2012, we were a sub ₹[1]50 cr (500 million) brand and now we have grown ten times. The company has been profitable for many years now. We are extremely cash efficient in our approach. We do know that we are competing with big brands. The biggest thing for a consumer company is that we have to convince customers that we have a great product.[2]

– Srini Vudayagiri, the CEO of Unibic Foods India Pvt. Ltd., in August 2020.

Introduction

In August 2020, UNIBIC Foods India Pvt. Ltd. (Unibic), India's fastest growing company in the cookie[3] segment, said it had experienced a huge demand for healthy cookies during the intermittent lockdowns enforced due to the outbreak of the Covid-19[4]

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1 As of October, 2020 US$1 = ₹73.34.

2 Vishal Krishna, "How Unibic India's Management Clocked ₹500 cr Revenue and Reached 3 lakh Retailers," https://yourstory.com, August 6, 2020.

3 A cookie is a small, flat baked food, also known as shortbread with dense ingredient-based batter and is filled with nuts, chocolate chips, raisins, or all of them. The baking time for cookies is more than biscuits due to the presence of denser ingredients. While cookies are moist and chewy, biscuits are crusty. Cookies are also more expensive than biscuits.

4 Covid-19 (Coronavirus disease 2019) is an infectious disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). It was first identified in December 2019 in Wuhan, Hubei, China, and later declared as a global pandemic.

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Case Study

Unlocking in the Lockdown: Amul's Surge During Testing Times

JSK Chakravarthi and Benudhar Sahu***

The case study is about the success of the Indian dairy cooperative society Amul during the Covid-19 pandemic in 2020. While several businesses including small vendors, ice-cream manufacturers, hotels, and restaurants stopped procuring milk from farmers during the lockdown, Amul collected an additional 3.5 million liters of milk daily from the farmers and paid them well. The company ensured an uninterrupted supply of milk and milk products across the country during the lockdown. It decided to double its marketing spend on advertising and branding. Amul revisited its marketing strategy, focusing on both the traditional and digital advertising space. It said the lockdown had not affected it and it went ahead with reinventing its distribution network and launching a range of immunity boosting products such as turmeric, tulsi (basil), and ginger milk. The dairy giant said its brand reputation, resilience, prompt action during the crisis, and ability to adapt to the situation would enable it to overcome any future challenges too.

On March 24, 2020, late in the evening, Narendra Damodardas Modi, Prime Minister of India, announced a stringent 21-day nationwide lockdown to contain the spread of the Covid-19[1] pandemic in the country. The lockdown limited movement of the entire 1.3 billion population of India. With the imposition of a self-proclaimed curfew[2] (though essential services were exempted from the lockdown), people rushed to nearby grocery stores to stockpile essential commodities. Like many, Rupinder Singh Sodhi (Sodhi), MD of the milk cooperative body Gujarat Co-operative Milk Marketing Federation Limited (GCMMF, popularly known as Amul), also rushed to the nearby milk booth to stock up on milk products for household consumption. But,

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[1] Covids-19 is an infectious disease caused by the coronavirus. The outbreak of the virus began in Wuhan, China, in December 2019. It later spread to the rest of the world, with the result that it was declared as a pandemic by the WHO on March 11, 2020.

[2] Self-proclaimed curfew is a voluntarily public curfew in an effort to contain the spread of the novel coronavirus.

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