

vidwat

The Indian Journal of Management in an Annual Publication



**రంజాన్..
మేరీ జాన్..**

ద్రువ కాలేజ్ ఆఫ్ మేనేజ్మెంట్ ఫౌండర్ చైర్మన్ ఎస్. ప్రతాప్ రెడ్డి స్వీయ అనుభవం

మానవతా దృక్పథంతో సాయం చేసిన కరాచీ మహిళ సిద్ధ-

“అది... మే 29.2016.

నేను నా భార్య పుష్ప, ఇద్దరు మనవలు ఆరిన్, ఆనవ్ తో కలిసి హ్యూస్టన్ అంతర్జాతీయ విమానాశ్రయం నుంచి నాష్ విల్లేకు వెళ్లేందుకు సిద్ధమయ్యాము. భద్రతా సిబ్బంది లోనికీ అనుమతించకపోవడంతో నా కుమారుడు మమ్మల్ని హ్యూస్టన్ ఎయిర్పోర్టు బయట వదలి వెళ్లారు. మేము బయలుదేరాల్సిన విమానం వద్దకు వెళ్లేందుకు బి-79 ఏ గేటు నుంచి కాకుండా బి-88 గేటు నుంచి ప్రవేశించాల్సివచ్చింది. అనుకోకుండా గేటు మారడం మాకు చాలా ఇబ్బంది కలిగింది. ఎందుకంటే అప్పుడు నా ఎడమ కాలు నొప్పి కారణంగా చక్రాల కుట్టిలో ఉన్నాను. ఇ సమయంలో విమానాశ్రయం సికింద్రాబాద్ రైల్వేస్టేషన్ మాదిరిగా అత్యంత రద్దీగా ఉంది. ఈ సమయంలోనే మేము వెళ్లాల్సిన గేటు వద్దకు చాలా దూరం వెళ్లాల్సిన పరిస్థితి. నా వెంట నా భార్య, చిన్న పిల్లలు, రెండు లగేజీబ్యాగులు ఉన్నాయి. సాయం చేసే వారెవరూ దలదాపుల్లో కనిపించలేదు. భారంగా ఆ గేటు వైపునకు



పయనం సాగించాము. మా పరిస్థితిని గమనించి ఓ మహిళ మా వద్దకు చేరుకున్నారు. మేము క్షేమంగా ఆ గేటు వద్దకు చేరుకున్నామో లేదో విచారించారు. ఆమె పేరు సిద్ధ. ముస్లిం మహిళ. ఆమె ఊరు పాకిస్థాన్ లోని కరాచి. మతం కంటే మానవత్వం మిన్న అని ఆమె నిరూపించడం నన్ను విశేషంగా ఆకట్టుకుంది. వివత్కర పరిస్థితుల్లో ఉన్న మా వద్దకు

వచ్చి మా యోగక్షేమాలను కనుక్కోవడం, మేము క్షేమంగా ఆ గేటు వద్దకు వెళ్లేందుకు సహకరించడం, అడక్కుండానే సాయం చేస్తానని ముందుకు రావడం నన్ను సంభ్రమాస్త్ర్యాలకు గురిచేసింది. ఈ సందర్భంగా ఆమెతో మాట్లాడిన కొన్ని మాటలు రంజాన్ సందర్భంగా నాకు స్ఫురణకు వస్తున్నాయి... మీది ఏ ఊరు అని ఆమెను అడిగాను. పాకిస్థాన్ లోని కరాచి అని చెప్పింది. హైదరాబాద్ లోని కరాచీ బేకరీ వంటకాలు అంటే తనకిష్టమని చెప్పింది. వెంటనే నేను స్టంబించాను. కరాచీలోని బాంబే బేకరీ పుడ్డను కరాచీలో నివసించే స్థానికులు ఎంతగానో ఇష్టపడతారని చెప్పాను. ఎల్లలు లేని సాధాత్యత్యాసికి ఇది నిదర్శనమని చెప్పాను. మతం పేరుతో మారణ హోమం సృష్టిస్తున్నారని ఒక వర్గం వారిపై ముద్ర వేయడం సరికాదన్నది నా నిశ్చితాభిప్రాయం. సిద్ధా విషయంలో ఇది నిజమైంది. మానవత్వానికి మతం, కులం, ప్రాంతం అడ్డు కాదని ఆమె నిరూపించింది. నాకు ఎదురైన అనుభవం ఇదే విషయాన్ని చాటి చెబుతుండడం విశేషం”.

We at DHRUVA help students "think beyond - the consequences of work for who or what you're doing it for". It takes "focus" away from what you get out of the work "PHALA " and frees you to wholly indulge in doing the JOB better.... "कर्मण्ये वाधि कारस्ते मां फलेषु कदाचन । मां कर्मफलहेतुर्भूः मांते संकगोस्त्वकर्मणि".

Karna was the man who would never refuse the request for any gift or donation, howsoever costly that might be and irrespective of the consequences of giving to his own well being. We've showcased few Indians who lived up to Karna's standard measured in Kalyug Terms.

Dr. S. Pratap Reddy
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<https://www.youtube.com/user/narendraraok>

May I beckon the inquisitive reader to crack the case "HINDUSTAN PREMIER SCHOOL- A Centurion monolith" to win Rs.10,000.



**Padma Shri
BVR Mohan Reddy**
Executive Chairman
Advisor-Dhruva Governing Board

Reddy is founder and Executive Chairman of Cyient Limited and Former Chairman NASSCOM. Cyient today, ranks among top 15 Indian IT services companies. He is a recognized thought leader in IT enabled engineering services industry globally (ITES), served this industry for more than four decades and hence rightly is among the Founding fathers of ITES industry in India. Mohan Reddy has served as Chairman of NASSCOM during 2015-16 and has been engaged into various industry and government initiatives like: Make in India, Digital India, Swatch Bharat.

On being awarded with the Padma Shri Award 2017, BVR Mohan Reddy said “I am honoured that the Government of India has recognized me for my contribution in creating Engineering R&D industry in the country. The award is also a recognition for a first generation entrepreneur for building a sustainable Global Technology Company. It acknowledges the effort put towards building a Digitally Empowered Society. I would like to thank Government of India for conferring me with this coveted honour.”

Recently, Mohan Reddy has been appointed as Honorary Consul of Federal Republic of Germany for states of Telangana and Andhra Pradesh.

Mohan Reddy has passion towards promoting education in India. Towards this, he also serves as Chairman, Board of Governors, IIT, Hyderabad since 2012. He has also been appointed as a Director on the Board of National Skill Development Corporation (NSDC). He is member on the Board of NIIT University, Neemrana; member of Centre for Innovation and Entrepreneurship at IIIT Hyderabad. Mohan Reddy believes in creating positive impact to the society through use of technology. Through Cyient Foundation, Mohan has set up 54 CDCs (computer center, digital library, and NDLM centers) across Serilingampally Mandal, Telangana. These CDCs are envisioned as the digital gateway for more than 20,000 underprivileged children and will foster IT literacy in over 50,000 members of local BPL community.



C. Parthasarathy
Chairman
Hon'ble Member-
Dhruva Governing Board

Karvy Computershare has been chosen as the first private sector company to receive licence from the Pension Fund Regulatory and Development Authority (PFRDA) to commence operations as a Central Record-keeping Agency (CRA). Karvy has rolled out services for subscribers of NPS from April 1, 2017. NPS subscribers will have an option to choose between Karvy Computershare and NSDL e-Governance infrastructures.

“With over three decades of experience in registrar and transfer agency services, Karvy Computershare has proven its expertise and delivery capabilities and has emerged as the market leader. Karvy Computershare will continue to deliver excellence through innovative technology and localised services in the CRA business as well” Partha says.

Top Indian Philanthropists



TEAM EDITORIAL SPEAK

We are extremely happy to bring out the XI Volume/xix edition of our home grown "VIDWAT-The Indian Journal of Management". VIDWAT strives to cultivate the virtue of creating awareness in the minds of the learners and the learned with uncanny belief that the practicalities of real world shall go by the diktat of the changing times.

This issue contains topics that would enlighten people and propel changes in the thinking pattern of the society.

Frontis piece depicts interalia, DHRUVA chairman, Dr Pratap Reddy's blog which Sakshi-a leading Telugu news paper show cased in its Eid al-Fitr issue prominently. Of course, he being a-kind-of-Bhishmpitamah-of-management academia pours forth his penchant for Indian culture and ethos by narrating his co-incidental meeting with a Pakistani girl who he fondly refers to as his daughter. If this isn't VASUDHAIVA KUTUMBAKAM, what else could be? Dr Reddy's another blog (page 2) "ICHCHA MRITYU" is like eulogy for his revered friend Sastry ji who left his body by will !

This time, YRK Reddy-a global icon of HR has contributed a thought provoking article to our 'guest column' (page 3) calling for a nudge unit to nudge towards ethical nudging.

Axis Hyderabad Indian Management Systems Academy (AHIMSA) adorns an article (page 5) by NV Raghuram-a world renowned Vedantic scholar who vivisects involuntary and escapist freedoms, latter denoting slavish disposition.

Prof Arya Patnaik in her article (page 9) "Social Exchange Theory" delineates Relational and Transactional contracts.

Prof Gokula Krishnan (page 13) discusses a case of merger between ING Vysya bank and Kotak Mahindra bank.

Prof Sadab Alam (page 16) in his article "Black Swans, Extremistan & Unpredictability" dares to question the measures of uncertainty based on Bell Curve.

Prof Narendra (page 24) emphasises the role of emotions in FMCG branding Vs nuances they create in purchasing decisions.

Prof Prakash (page 29) brings out the subtle ingredients of EQ and IQ in marketing domain.

Prof Ullas Ramakrishnan with his research guide Prof Tandon (page 31) cautions about the threats that are looming large in IoT and Prof Ganguly (page 36) tried to putting together Essential Skills in "Art of Public Speaking" he nurtured over a quarter century in grooming himself as a veteran in the art".

Asefa Abahuma, a parliamentarian and an academician from Ethiopia draws a contrast between Government and Private schools in his country (page 38).

As is DHRUVA's wont, the vacant spaces through out the journal are laced with fillers that are relevant for all times.

We are confident that you will find this issue, in more ways than one, different compared to other B-School journals that flood our libraries.

Wishing you-the enlightened readers, researchers, contributors, recruiters, corporate fraternity, students and the DHRUVA alumni "The Best of 2018".

Prof Ganguly U.K,
Prof Ullas Ramakrishnan,
Agasthya Kommuri ... PGDM class of 2018
Editorial Team-VIDWAT

ICHCHA MRITYU इच्छा मृत्यु

Shastriji and Raghuramji (Shastri ji's brother-in-law & my spiritual friend) are exemplary speakers who can passionately bring home to an audience "the scientific and analytic import" of rich Indian lore. There is a kind of enigma about this "Krishna Arjuna duo from Bengaluru that makes Vedanta so easy to listen to, to internalize/imbibe and to practice". Thanks to Shastriji and Raghuramji, I learned rudiments of this ancient spiritual wisdom. Shastri ji & Sou Shakuntala stayed with us during a national yoga camp organized in Hyderabad in 2000 summer. The story of my association with Shastri ji would've ended here, but for his comment (let me try to capture his imposing persona and enchanting diction in his own words) "Pratap Reddy, day before yesterday-when we were ushered into your house-I felt like I was unwelcome here ! I thought I was going to have to put up with an impervious and haughty host. But by the time Sun went down, I began to feel I was not a persona-non-grata. At the dawn of the next day, I realised that I found a friend!"

I grew so enamored of his incisive discourses that I requested him along with Raghuramji to visit Dhruva College of Management to organize a week's satsang every year. They agreed.

Shastriji proclaimed in his gracious tone that he shares many of my idiosyncrasies-wholly dependent on wife, disturbing her for all & sundry even night time so much so that he's so possessive that he can't live alone.

How gratifying that an ordinary mortal like me share something in common with a universal persona like his!

Shastriji said that the world suffered because of the absence of '*Vistaratha*' (*vipassana expansiveness*) and '*naidanyta*' (*samatha slowing down*). Man is always obsessed with "I, me and mine!" On the contrary, Indian ethos have always preached "vasudhaiva kutumbakam". The essence of vistaratha could be summarized as, "As I move from 'rights' to 'responsibility', I move from 'you and me' to 'we and us". The essence of naidanyta can best be captured in the words of Ken Blanchard who propounds in his

famous book "One Minute Manager"- "by going slow, one can move faster !". The idea is so astounding that by practicing it one can move towards "sthita pragyata" (or equanimity, a distant synonym in English). Shastriji was steadfast in his conviction, always deeply in sync with Indian Philosophy and ever ready to thwart any attempt of western digestion of Indianism. He was against any dogma, and ready to disagree with his own standpoint if it contradicted rationale.

Shastriji was a true crusader in his life as well as in death. We heard that Bhishma had "ICHCHA MRITYU" and now it is Shastriji! As destiny would have it, with his sudden and untimely passing he could not keep his promise of organizing "satsang" at Dhruva once a year.

हम जीते हैं जिंदा दिल को पहचान देने के लिए
आप चल बसे मौत को लोरी सुनाने के लिए
ये कैसा इन्साफ है मेरे दोस्त श्रीमान शास्त्रीजी,
वादा निभाए बिना आप हमें छोड़ चले हार के बाज़ी

In life, sometimes, the inner fire stagnates-it bursts back into flame by a chance encounter with another human being-that, Shastriji rekindled it in me. How fortunate I'm to have lived on this planet as Shastriji's compatriot.

I am indebted to him forever, for letting me realise **TATVAMASI तत त्वमअसी!!!**



LATERAL POINT...

A Quick Look at the Fly in the Urinal and a Nobel Award

Dr. Y.R.K. Reddy

I had no doubt that Richard Thaler would be the winner from the final list for this year's Nobel Prize in Economics. His idea of Nudge was at the right time and at the right place in public policy and in economic thought. Public policy has been dealing in recent years with evidence-based designs and more importantly, implementation issues amidst growing challenges of sustainable development. Economics, which for long looked-down upon other social sciences, has started gaining new ground by integrating behavioural sciences (not without criticism) and focussing more on empiricism.

Nudge sparked off creation of Nudge units and their variants, beginning in 2009 in the US and the UK, in most countries. It has now become trendy in public policy to have such a unit in the Centres of Government, important ministries and regulatory bodies - new structures of centralisation and decentralisation are also being debated amidst their proliferation. The work done by these units has been impressive overall, with excellent examples in energy conservation, vaccinations, rail-safety, toilet usage etc.

But then, many in the corporate world would chuckle knowing that nudging consumers has been the soul of marketing for decades – for they continue to research on and exploit the vulnerabilities in consumer behaviours and decision-making processes. The newness in Thaler's nudge is in a political context (of "libertarian paternalism" as he calls it) and in public policy context (at the implementation / ground level). The dramatic examples he cited, apart from the pioneering work related to mental accounting and endowment effect, have added compulsive attention. Amongst them the urinal (in Schipol airport) and the default option (relating to organ donation and pension plan) stand-out.

The fly picture in the urinal at Schipol has attained

symbolic stature for nudging people to better behaviour. The presumption is that men would like to pee on things they don't like (there is a reason why a fly was chosen and not a lizard or a cockroach); will be nudged to focus than waver (the placement and size of the fly picture is important); that it reduces the costs of cleaning significantly (the idea was reportedly from maintenance man Jos Van Bedoff who changed red spots in army barracks to flies). Though flies are turning up in many airports now, evidence has been rather muted that it actually makes a significant impact. Recent evidence shows that the fly is not such a novel idea but was tried as far back as 1880s and later in the 1970s too with little evidence of its effectiveness. (as reported by Christopher Ingraham, Oct 9, The Washington Post Wonkblog)

The default option while sounding good for organ donations and similar choices has also been used by predatory corporations, banks and scamsters making unsuspecting customers liable for purchases and commitments. While good nudges are welcome in public policy contexts, the scare is that there are no effective mechanisms to prevent nudges that benefit private sectional interests or political agenda. Or let's say, that there are "good nudges" and "bad nudges" and no mechanisms to distinguish the two and prevent Mr. Villain.

Despite about half-a-dozen Nobels so far to this field, behavioral economics is indeed at early stages of understanding the range, nature and dynamics of heuristics, biases and their impact on decisions and the society. The typologies and frameworks vary- and many academicians seem to be hunting for examples that could fit their chosen descriptions.

In the corporate world, people have just about begun to try and sanitise decisions from biases while not

refraining from using the knowledge of human fallibility and guided preferences for their own benefit. In the public policy sphere, the knowledge can be used not merely for managing spillage in the urinals, making people donate organs or use toilets but also to wrest some rights from gullible public for political advantage. Not surprisingly, the OECD,

while compiling over 100 case studies from the work of Nudge units in recent months, has indeed recognised the possibility of abuse or unethical use by public bodies and calls for guiding standards.

So, is it time for a nudge unit to nudge towards ethical nudging??

Y.R.K. Reddy, an international advisor and speaker, founded Yaga Consulting Pvt. Ltd. established the Academy of Corporate Governance, India and initiated The SOE Forum, France.

His professional work spans 40 countries particularly in corporate governance policy and capacity building. His writings include about 200 featured Columns, about 80 article. Dr Reddy authored, written and edited, published research.

He has been a resource person, among others, to IFC – Washington/ The World Bank Group, International Corporate Governance Network - London, OECD - Paris, African Development Bank, the Commonwealth Secretariat – London; Asian Development Bank, ILO, Southern African Development Community, Joint Africa Initiative, Eastern Caribbean Forum, EU Funding Agencies and a host of government agencies, SOEs, regulators and Corporations.

He was a non-executive Director for SAIL; Info Tech Enterprises Ltd (Cyient LTD.); Dynam Venture East and Lumley Technology apart from the Indian Institute of Economics. He is on the Advisory Board of Arguden Governance Academy, Istanbul, India Public Policy Centre, New Delhi; Transecure Solutions and an Associate of The Boardroom Practice Ltd, Auckland.

He was earlier ONGC-Chair Professor of Strategic Management and Chairman of HR Area at Administrative Staff College of India which .He has been a Member of the OECD's Asian and South African Networks for SOEs, Commonwealth Advisory Group on Corporate Governance in Finance Sector; Member of Advisory Group to the Eastern Caribbean Forum for Corporate Governance, Commonwaelth Expert Review, contributor to ICGN-London's yearbook Chartered Secretaries International Association's Conferences. He has assisted GOI; Govt of AP, Kerala, Planning Commission, Central Vigilance Commission, and the Reserve Bank of India.

He has Masters degrees in Personnel Management & Ph.D from A. U, Leeds University, UK

He was a Research Fellow at Fredreich Ebert Stiftung-Bonn (1979) and Visiting Fellow at the London School of Economics (1989).

दुतकारा मस्जिद ने मुझको कहकर है पीनेवाला, ठकराया ठाकरदवारे ने देख हथेली पर प्याला,
कहाँ ठिकाना मिलता जग में भला अभागे काफिर को? शरणस्थल बनकर न मुझे यदि अपना लेती मधुशाला।।

पथिक बना मैं घम रहा हूँ, सभी जगह मिलती हाला, सभी जगह मिल जीता साकी, सभी जगह मिलता प्याला,
मुझे ठहरने का, हे मित्रों, कष्ट नहीं कुछ भी होता, मिले न मंदिर, मिले न मस्जिद, मिल जाती है मधुशाला।।

सर्जे न मस्जिद और नमाज़ी कहता है अल्लाताला, सजधजकर, पर, साकी आता, बन ठनकर, पीनेवाला,
शेख, कहाँ तलना हो सकती मस्जिद की मदिरालय से चिर विधवा है मस्जिद तेरी, सदा सुहागिन मधुशाला।।

— हरिवंश राय बच्चन

Jan 26 & Aug 15 - FREEDOM AND RESPONSIBILITY

N.V. Raghu Ram

In our country, Independence Day is celebrated on August 15th each year since 1947. Similarly, Republic Day is celebrated on January 26th each year since 1950. These two are the major national festivals of Bharat, which is India till now, as per the Constitution.

The two days are very close in relation with each other. I will give you some ideas about the significance of the two days and how we are to celebrate these national festivals. Our concept of freedom should not stop with shouting slogans like *Jhanda ooncha rahe hamara* or *einqualab jindabad*.

Independence is with respect to geographical boundaries, governance and expression of our thought and deed. But when you look at the “freedom” it is much more which also includes inner freedom.

Every child grows into this freedom and every growth is the expression given to this freedom step by step. From the early step of turning on tummy to sitting and watching the development of the skill to walk, all are the expressions of this freedom. That is what the excitement you can find in the child and it is this freedom we are celebrating. According to the Upanishads knowledge is freedom.

Freedom has several aspects. We can think of economic freedom, geographical freedom, intellectual freedom, personal freedom and environmental freedom.

What comes from the heart can only be celebrated and what is thrust upon us is not a celebration. Anything for that matter cannot be a celebration if it is forced upon us.

We need to experience in every cell and every idea nothing but freedom. That *Swatantra* is the nature of our consciousness or self. This is what America recognized as Liberty. Earlier we were ruled by the whites, now we are being ruled by people of our own skin color. Earlier at least we could ask them to go back to their country but it is not possible now, which only

shows that the slavery did not go away from our mind and heart. Unless that happens real freedom has not happened.

When we say freedom, slavery should go away from the heart and mind. One whose heart is free from slavery lives a whole life with the fragrance of freedom. The economically forward people develop the courage to ask the weaker class people to do something against their will. Power, position and uniform you wear all can add to your strength which ultimately is used to enslaving others. Look at the way an ordinary police man stand in front of a police officer; similarly, he also stands the same way in front of his higher rank officer. All these are at least in their own specific areas but if one has political power he is like God omnipotent.

Another interesting thing is that people wantonly like to be slaves because freedom also indicates that we take our own responsibility--you should take charge of your life. You should be able to take decision and own the decision. People want to escape from it. You are a decision maker because you are now an independent person. People do not want to be free. Being a slave is like being in a comfort zone, and they don't want to abdicate it. They don't have to think and they don't have to take any risk. But they don't realize that without taking risk you don't expect growth to take place in your psyche. Not ready to sacrifice makes one live with a slave mentality. This was the communistic model where you are only taking orders and delivering and have no original thinking.

In yogic sense it is not freedom but “arrogance of freedom” which is much more dangerous than slavery itself.

This leads us into the second important part, which is responsibility.

According to Indian wisdom, freedom is always associated with responsibility in the creation. Mother

bird realizes the little one can't fly and goes around to feed the little one and feels as its responsibility. Nature works on responsibility and scriptures say that a human being has the highest degree of freedom compared to the other species. It is the human beings' responsibility to take care of the weak. Nature is designed with responsibility.

We human beings also have to work on our responsibility. Our freedom comes with rights and responsibilities. This has given rise to our constitution. Our constitutional masters were extraordinarily wise to give us a constitution which spells out rules and laws but together also gives responsibilities. We don't have to know the constitution but it may be from a very simple idea such as driving on the side of the road to enable the opposite vehicles to pass smoothly, to paying taxes, and protecting state properties etc. are all our responsibilities. Everyone tries to fight for rights but not much is realized about our responsibilities which is unfortunate. We don't have to blame the institutions or media for their going in the wrong direction.

The entire constitution may be vast for an individual to know but we have to know what we should follow in a simple way. I see early morning people cross the roads to go to parks for morning walk. Traffic lights turn red but they don't stop. I see educated people too doing so. Such people celebrating Republic Day is only an apology. Our own political leaders give sermons on the Republic Day function from platforms. But they are, very often, found to be cheating the government. It is the vision of constitutional pundits that every citizen will take the responsibility as a citizen and take the country towards progress. Unfortunately, our leaders focus only on rights and not responsibilities, and take the maximum advantage of what they can get from the country than thinking of how they should contribute. Enough time elapsed from the time we received Independence. Let us open our eyes to see there are people around who can be our role models.

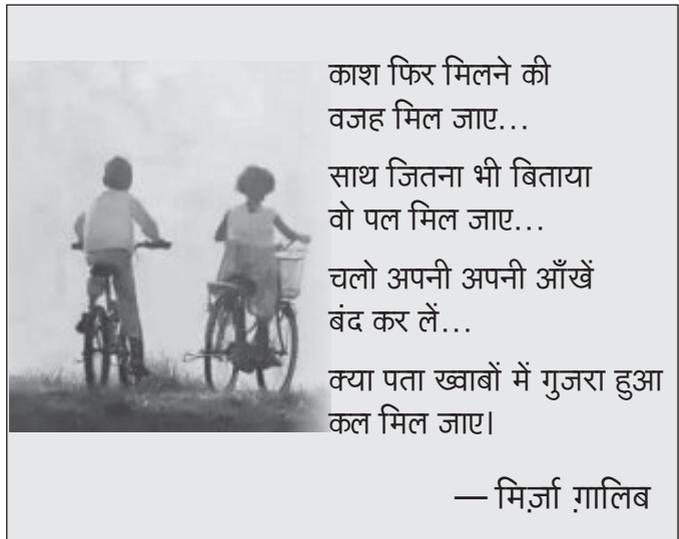
Therefore, while August 15th is a day of celebration, we should not forget that Republic Day is observed on 26th January--a day of recognizing our responsibility and not just fighting for rights.

Therefore, it is necessary that first we should feel the freedom from within so that we don't make others slaves by our money power or positional power etc. and secondly we should also recognize our responsibilities towards our society and the country.

N.V. Raghuram, after completing Bachelor of Civil Engineering from Regional Engineering College Bhopal Now Maulana Azad National Institute of Technology, in 1970 N.V. Raghuram worked as engineer in various departments until 1998 when he resigned his job to devote more time in the service of yoga and Indian philosophy.

In 1978 he took training in Kanyakumari and started his association with Vivekananda Kendra and since 1980, he is associated with Vivekananda Kendra Yoga Anusandhana Samsthan, (Yoga Research Foundation VKYOGAS). Raghuram is the International coordinator and senior yoga teacher of (VKYOGAS) presently known as sVYASA (Swami Vivekananda Yoga Anusandhana University). He is the Chairman of Yoga Bharati Movement since 2003.

N.V. Raghuram conducted research projects in Middlesbrough general hospital UK and Northern Colorado Allergy and Asthma Center, Fort Collins. Research papers have been published in international medical journals on these research projects. He was a member of the Indian delegation to the Third International Conference of Ministers and Senior Officials responsible for Physical Education and Sport organised by UNESCO in 1999.



काश फिर मिलने की
वजह मिल जाए...

साथ जितना भी बिताया
वो पल मिल जाए...

चलो अपनी अपनी आँखें
बंद कर लें...

क्या पता ख्वाबों में गुजरा हुआ
कल मिल जाए।

— मिर्जा ग़ालिब

"HINDUSTAN PREMIER SCHOOL-A Centurion Monolith" ... case of optimising Human Resource

Case set by Prof. K. Ratna Geetika

Readers are open to critique, analyse the CASE and suggest plausible solution... wait! The best solution will be awarded Rs 10,000.

In 1918, Director General of the Court of Wards mooted a proposal to the Seventh Nizam, H.E.H. Mir Osman Ali Khan to establish a fully residential school on the lines of Eton College, London for the sons of nobles for an enriching learning experience that would enable them to better administer their Estates.

The land for the school was donated by elites of Hyderabad. The Government constructed the school buildings, developed infrastructure and run it to educate the sons of upper echelons of the society. In 1923, the HPS opened its portals to five students and six teachers. The first batch appeared for Senior Cambridge 'O' levels in 1929 and by 1930, the school's strength rose to 150. The Board of Governors which consists of members of The Hindustan Premier Schools Society, the representatives of the Government of Andhra Pradesh, co-opted members comprising an old student and an eminent personality, the President of the Parents & Teachers Association and chaired by the Principal Secretary, Department of School Education, the Government of Andhra Pradesh administers and manages the school in accordance with the rules of the Society. A duly constituted Board of Governors administers the school run by The Hindustan Premier School Society. The school is set in a lush green campus and its surroundings have the typical Deccani terrain of gigantic rocks, old heritage buildings rubbing shoulders with colonial style structures. How it became an icon—After India became independent, its portals were thrown open to all irrespective of caste, creed and social status. A very important milestone in the history of the school was in 1952 the School Society was established with former President of India, as its first President.

The 2013 Study

The study suggested that there was overlapping of responsibilities of House Masters Academic & Administration. Hence, there is no need for a separate

Academic House Master and that there should be a Head House master for the overall supervision of the students' Boarding House. The study also proposed that keeping in view the surplus staff, there should not be any drastic reduction of the sub staff as it may affect the prestige of the school, hence a review may be conducted after a couple of years and then further downsizing may be attempted. One of the reasons which were stated was that the permanent sub staff has not-so-reasonable attitude, hence the work culture among the staff may be modified.

The report also suggested that the work load among the sub staff may be shared from one dept/block to the other, more so in case of attenders who do not turn up on time. The study suggested motivating with flexibility of work rather than confining in their own comfort zone. It also mentioned that to the extent possible, this should be prudently handled by the school administration. For those sub staff who are physically handicapped or under sick leave, they may be put through some medical examination and ask them to retire with some additional benefits which would be more beneficial to the School in the long run.

An HR/OD Consultant Tried in Vain to Set Things Right Based on the above Study

The School tried to provide incentives, in the positive side (Theory Y) and also levied disincentives like loss of pay (Theory X), but the situation is not improved !

Why the Current 2018 study—the current study has precisely cropped up due to demand for more sub staff by the Registrar despite having 81 permanent staff.

Objective of the study - to optimize the strength of permanent support staff in the school.

Manpower planning is a two-pronged process because it not only analyses the current human resources but also makes manpower forecasts and thereby draws employment programs vis-a-vis employee cost, employee morale, employee productivity, employee welfare, organization sustenance and its prestige. But the present case poses a dilemma of perceived shortages

vs. real surpluses. A typical contradiction here is that the registrar of HPS is asking for more staff because the 81 strong permanent sub-staff at present are lethargic and causing strain–psychological & fiscal strain on HPS. The Board of Governors does not really want to recruit more staff as the school is already over burdened–yet, can neither make the staff work or lay them off with a kind of "Golden Hand Shake" paving the way for new recruits.

PERMANENT SUB - STAFF LIST AS ON 20.12.2017

S.No.	DEPARTMENT	SUB - STAFF IN SHIFTS					ADHOC	OUT SOURCED	TOTAL
		SHIFT A	SHIFT B	SHIFT C	SHIFT G	TOTAL			
1	PRINCIPAL	1	1			2		2	
2	VICE PRINCIPAL	1			1	2		2	
3	BIO LAB				1	1		1	
4	CHEMISTRY LAB				1	1		1	
5	PHYSICS LAB				1	1		1	
6	LIBRARY SENIOR				1	1	1	2	
7	LIBRARY PRIMARY				1	1		1	
8	MUSIC BLOCK						1	1	
9	PRE PRIMARY						10	10	
10	PRIMARY SCHOOL				6	6	8	14	
11	MIDDLE SCHOOL				4	4		4	
12	SENIOR SCHOOL				4	4		4	
13	SECURITY	2	2	1		5		5	
14	PUMP OPERATOR	1	1		1	3		3	
15	HOSPITAL				1	1	1	2	
16	CARPENTRY				2	2	3	5	
17	WELDING				1	1	1	2	
18	PLUMBING	1	1			2		2	
19	ELECTRICAL				1	1	2	4	
20	MASON						1	2	
21	ADMIN BLOCK	1	1		5	7		7	
22	GAMES	4				4	1	10	
23	ESTATE				1	1	1	4	
24	WET SWEEPER						2	2	
25	HOSTEL				1	1		1	
26	DRIVERS				1	1	2	4	
27	SENIOR ART ROOM				1	1		1	
28	BOOK STORES				1	1		1	
29	SUPW				1	1		1	
30	ASSEMBLY HALL				1	1	1	2	
31	UNDER SUSPENSION				1	1		1	
32	COMPUTER LAB						1	1	
33	PAINTER (MAINT)						1	1	
34	HPS HOUSE							3	
35	REGISTRAR RESIDENCE							1	
36	ROADS CLEANING							1	
37	SUB TOTAL					57	16	109	
38	MESS & DH	20	4			24	7	65	
39	TOTAL STRENGTH					81	23	175	
38	HOUSE KEEPING (unskilled)							17	
39	GARDEN MAINTENANCE (unskilled)							11	
40	SECURITY (unskilled)							42	

Note: 1. Availing leave by permanent staff (either A shift or B shift) Estate need to find replacement by a person from out source or if we give extra shift to permanent staff we need to give him a c/off again. 2. A Permanent staff has the following leave entitlement as per the HPS B 2002 service rules. CL, VL, HPL, Weekly off, Other holidays and other unscheduled holidays declared by the school.

Permanent Staff	AVERAGE SALARY	
	Outsource Manpower	
	Semi-skilled	Unskilled
Rs.40,000	Rs.15,000	Rs.12,500



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SOCIAL EXCHANGE THEORY: REVISITING THE SCAFFOLDING OF PSYCHOLOGICAL CONTRACT

Prof. Arya Pattnaik

Abstract:

With the influx of psychology into the recurrent themes of human resource management, the concept of psychological contract is rekindling interest in the area of HRM research. The paper revisits the social exchange theory as scaffolding to the research on psychological contract, through a review of the literature review.

Key Words: *Psychological Contract, Social Exchange Theory, Human Resource.*

1.1. Introduction:

Organizations are maturing and mutating in their attempt to create competitive advantage and human capital is primordial in this process. There is a metamorphosis in this conception of human capital; 'who I am' is as important as 'what I know' and 'whom I know'. An inquisitive study by (Luthans et al, 2007) extends the model from an economic capital to human capital to social capital to positive psychological capital. The figure for the same is attached below.

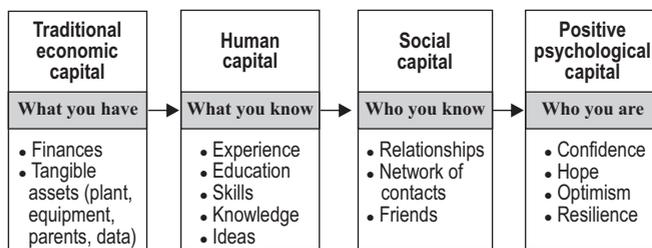


Figure-1: Expanding capital for competitive advantage;
Reproduced from Luthans et al (2007)

A positive psychological capital has impacted employee engagement as a remnant of the above research. The psychological contract is a natural corollary in building this positive psychology in organizations, therefore the study of the psychological contract becomes tantamount and imperative. The study is conducted on the middle-managerial level as

they are tactical conduits to translate organization's strategies (developed by leaders) into tangible objectives gets the subordinates to achieve them.

1.2. Psychological Contract:

Psychological Contract research dates back to 1960's when Argyris, (1960) used the term psychological work contract to describe mutual consensus amongst employees and employer.

Levinson, (1962) chalked out the psychological contract as "an unwritten (working) agreement and a resultant of mutual expectation from work". The traditional model of employment relationship underwent a sea-change and there have been in ways into understanding the psychological aspects of the employment relationship. The changing market situations better translated into a VUCA world (volatility, uncertainty, complexity and ambiguity) has disdained the older order of traditional job guarantee, security and lasting rewards in exchange for hard work and loyalty are irrelevant in most cases Sims, (2004). Moreover, an uncertain and erratic transition in business situations has decapacitated organizations to meet all their obligations McLean Parks & Kiddler, (1994). This translated into creating employee perceptions about non-fulfillment of psychological contract (McLean, Parks and Schendenman, 1994; Robinson, Kraatz and Roussaeu, 1994)

The seminal book by Denise Rousseau, (1995) "Psychological Contract in Organisations: Understanding Written and Unwritten Agreements" ignited fresh interest in the research of psychological contract. Her research only focussed on individual employee perception of the contract and discounted the employer's perception thereby narrowing down the huge periphery of research. The psychological contract is an individual belief in mutual obligations between that person and another party such as an employer Rousseau, (1995). Psychological Contract can be seen

as “individual’s beliefs, shaped by the organisation, regarding the terms of an exchange relationship between the individual employee and organisation Beardwell et al., (2004). Research clearly shows the non fulfillment of psychological contract as key to employee distrust, disgust, cantankerous behaviour and intention to leave Robinson and Morrison, (1997); Robinson and Rousseau, (1994); Coyle-Shapiro, (2002). In essence, the psychological contract constitutes an unwritten agreement between the organisation and employees based on mutually accepted promises and obligations. A typology characterized by employment arrangements along the dimensions of duration (short/long) and performance-reward contingencies (highly contingent, low or non-contingent) reflects observed variation in psychological contract across firms. Rousseau and Wade Benzoni, (1994); Rousseau, (1995). It’s further subdivided into conceptually homogeneous components as enumerated as listed below:

Relational: This is a long-term or open-ended employment arrangement based on mutual trust and loyalty. Rewards are only loosely conditioned on performance, derived from membership and participation in the organisation.

- a. *Stability:* Employee is obligated to remain with the firm and to do what is required to keep the job. The employer has committed to offering stable wages and long-term employment.
- b. *Loyalty:* Employee obligated to support the firm, manifest loyalty and commitment to the organisation’s needs and interests, being a good organisational citizen. The employer has committed to supporting the well-being and interests of employees and their families.

Balanced: It is a dynamic and open-ended employment arrangement conditioned on the economic success of the firm and worker opportunities to develop career advantages. Both worker and firm contribute highly to each other’s learning and development. Rewards to workers are based on performance and contributions to firm’s comparative advantages, particularly in face of changing demands due to market pressures.

- a. External employability–Career development on the external labour market. The employee is

obligated to develop marketable skills. The employer has committed to enhancing worker’s long-term employability outside the organisation as well as within it.

- b. Internal advancement–Career development within an internal labour market. The employee is obligated to develop skills valued by this current employer. The employer has committed to creating worker career development opportunities within the firm.
- c. Dynamic performance–Employee is obligated to successfully perform new and more demanding goals which can change again and again in the future, to help the firm become and remain competitive. The employer has committed to promote continuous learning and to help employees successfully execute escalating performance requirements.

Transactional: These are employment arrangements with a short-term or limited duration, primarily focused upon economic exchange; specific, narrow duties and limited worker involvement in an organisation.

- a. Narrow–Employee is obligated to perform only a fixed or limited set of duties, to do only what he or she is paid to do. The employer has committed to offering the worker only limited involvement in the organisation, little or no training or other employee development.
- b. Short-term–Employee has no obligation to remain with the firm; committed to work only for a limited time. Employer offers employment for only a specific or limited time is not obligated to future commitments.

Transitional: It is not a psychological contract form itself, but a cognitive statement reflecting the consequences of organisational change and transitions that are at odds with a previously established employment arrangement.

- a. Mistrust–Employee believes that the firm sends inconsistent and mixed signals regarding its intentions; employee mistrusts the firm. The employer has withheld important information from employees. Firm mistrusts its workers.
- b. Uncertainty–Employee is uncertain regarding the nature of his or her own obligations to the firm.

Employer's measure assesses the extent that the employee is uncertain regarding the employer's future commitments to him or her.

- c. Erosion—Employee expects to receive fewer future returns from his or her contributions to the firm compared to the past. The employer has instituted changes that reduce employee wages and benefits, eroding the quality of work life compared to previous years.

1.3. Social exchange theory:

It was a concomitant body of research which has tenets in the psychological contract research.

The seminal works of Homans (1958), Blau (1964), and Gouldner (1960) characterised the beginnings of social exchange theory. There has been a thin line of difference between economics and social exchange. Blau (1964) differentiated social from economic exchange along a number of dimensions: specificity of obligations, time frame, the norm of reciprocity.

In short, in an economic exchange the mechanisms of reciprocity are specified formal and have a limited time frame. Social exchange involves unspecified obligations where one party trusts the other and have no predefined time frame.

The social exchange theory primarily dwells upon feelings of personal obligations, gratitude, and trust (Blau, 1964).

Gouldner (1960) argued that the norm of reciprocity is of two types—hetero-morphic and homeomorphic reciprocity. While the former refers to an exchange where resources exchanged are different but equal in perceived value, the latter refers to circumstances of exchange which seem identical.

Gouldner (1960) argues that the strength of an obligation to repay is contingent upon the value of the benefit received.

The exchange of socio-economic resources and the norms of reciprocity play a crucial role in the gamut of social exchange and have been applied to the employment relationship.

1.4. Revisiting the social exchange theory as scaffolding to the psychological contract theory:

Denise Rousseau's (2001) reinvigorating research on psychological contract conceptualized "An individual's perception of mutual obligations that exist in the exchange with his/her employer and these are sustained through norms of reciprocity".

The research is grounded in an employee's schema of the employment relationship. This schema develops early in life and is highly influenced by values, ethics, the culture which an individual's personality amalgamates as a residue to social exchange over his lifetime. The role of socialization is important in terms of organizing influences in shaping an individual's contract (psychological), once a schema is formed. It is highly resistant to change.

Tekleab (2003) found higher levels of socialization reduced employee perceptions of employee's obligation in initial months of employment studies by Dulac, Coyle-Shapiro and Delobbe (2006) showed that newcomer proactivity statistics were important in influencing newcomer evaluation of their psychological contract. Additional organizational influences include human structural contract makers Rousseau, (1995). Human contract makers (Recruiters, Managers, and Mentors) play an important role in communicating reciprocal obligations to employees and in particular the line manager. Guest and Conway, (2000). Structural contract maker (Human resource management practices) has been positively linked to the number of promises made to employees as perceived by managers.

Coyle-Shapiro and Neuman (2004) found that exchange related dispositions influenced employee reciprocation, pre-employment experiences, individual disposition, and organizational influences play an important role in the formation stage of the psychological contract.

1.5. Conclusion:

A body of research analysis has gone into identifying four aspects of psychological contract:

- a) Relational
- b) Balanced
- c) Transactional
- d) Transitional.

The psychological contract has been identified to be more relational and less transactional given its subjective nature and information from empirical research. Rousseau (1990) found that relational employer obligations were associated with transactional employers' obligations. These findings were corroborative of Gouldners (1960) homeomorphic reciprocity in terms of similarity of

resources exchange. The literature corroborates the fact that psychological contract has strong undertones of and draws heavily on social exchange theory. Therefore, studying psychological contract with a perspective to Social Exchange theory would be imperative for futuristic research.

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**“दिल पर ना लो उनकी बातें,
जो दिल में रहते हैं !!”**

MERGER OF ING VYSYA BANK WITH KOTAK MAHINDRA BANK—A CASE STUDY

Prof. K.H. Gokula Krishnan

Commenting on the merger announcement, MD of Kotak Mahindra Bank, a beaming Uday Kotak said “This is a momentous occasion that brings together two banking institutions with significant complementary strengths. The opportunities and synergies that this merger will create will place Kotak and its incoming stakeholders from ING Vysya on a new trajectory of excellence and leadership. I firmly believe this merger will pave the way for a bigger and better financial services player with deep Indian roots and global standards of service. Kotak values the diversity of ING Vysya, welcomes them as its family and will work towards integrating them smoothly on this exciting journey that is ahead of us”.

Introduction

On November 20, 2014, The Board of Directors of Kotak Mahindra Bank Ltd (“Kotak”) and the Board of Directors of ING Vysya Bank Ltd (“ING Vysya”) at their respective meetings have approved an all-stock amalgamation of ING Vysya with Kotak.

New shares will be issued to all the existing shareholders of ING Vysya in the ratio of 725 shares of Kotak for every 1000 shares of ING Vysya. The deal, the biggest in the Indian banking sector, created the fourth largest private bank in India with a balance sheet size of Rs. 2 trillion and market capitalization of over Rs. 1 trillion. It is believed that this deal would help Kotak to expand its presence in India and to compete with other topnotch private sector players in the Indian banking industry.

The Indian banking sector desperately needed such huge mergers to create world-class banks to compete with foreign banks. There is a need to create banks with a sufficient capital base to fund huge infrastructure projects crucial to maintain the growth of Indian economy.

Key Words: Merger, DCF Method, Purchase Method, AS-14, Amalgamation.

Mergers & Acquisitions in the Indian Banking Sector

After the first stage of nationalization in 1969, only

34 mergers took place in the Indian banking sector. In 26 of these deals, PSBs acquired private sector banks that were on the brink of failure, mostly on a directive from the RBI. The remaining 8 deals happened between private sector banks.

The merger immediately prior to the Kotak and ING Vysya merger in the private sector banking space took place in 2010 when Bank of Rajasthan merged with ICICI Bank. In 2008, it was merger of Centurion Bank of Punjab with HDFC Bank.

There are umpteen reasons for limited number of M&As in Indian Banking sector. These included restrictive regulations, a major part of the banking industry being owned by the Indian government, and the rigid resistance by strong employees’ unions.

About Kotak Mahindra Group

Established in 1985, the Kotak Mahindra Group is one of India’s leading financial services conglomerates. In February 2003, Kotak Mahindra Finance Ltd. (KMFL), the Group’s flagship company, received a banking license from the Reserve Bank of India (RBI). With this, KMFL became the first non-banking finance company in India to become a bank—Kotak Mahindra Bank Limited.

The consolidated balance sheet of Kotak Mahindra Group is over Rs. 1.34 lakh crore and the consolidated net worth of the Group stands at Rs. 20,554 crore (approx US\$ 3.3 billion) as on September 30, 2014. The Group offers a wide range of financial services that encompass every sphere of life. From commercial banking, to stock broking, mutual funds, life insurance and investment banking. The Group caters to the diverse financial needs of individuals and the corporate sector. The Group has a wide distribution network through branches and franchisees across India, and international offices in London, New York, Dubai, Abu Dhabi, Mauritius and Singapore.

Kotak Mahindra Bank

Kotak Mahindra Bank (KMB) offers complete retail financial solutions for varied customer requirements. The Savings Bank Account goes beyond the traditional

role of savings, and provides a wide range of services through a comprehensive suite of investment services and other transactional conveniences. KMBL also offers an Investment Account where Mutual Fund investments are recorded and can be viewed in a consolidated fashion across fund houses & schemes. Further, the Bank offers loan products such as Home Loans, Personal Loans, and Commercial Vehicle Loans. Keeping in mind the diverse needs of the business community, KMBL offers comprehensive business solutions that include Current Account, Trade Services, Cash Management Services and Credit facilities.

About ING Vysya Bank

ING Vysya was incorporated as Vysya Bank Limited (Vysya Bank) in 1930 in Bangalore. In 2002, ING Vysya came into existence when the ING Group acquired a major stake in Vysya Bank. This was the first acquisition of an Indian bank by any foreign bank. ING Vysya offered various financial services under four business segments—Treasury, Corporate/Wholesale Banking, Retail Banking, and Other Banking Operations. At the end of FY14, ING Vysya had generated revenue of Rs. 60.72 billion with a net profit of Rs. 6.58 billion.

The Merger terms

On November 20, 2014, Kotak announced the merger with ING Vysya in an all-stock deal worth of Rs. 148.51 billion or US \$2.4 billion. On regulatory approval, all of ING Vysya's branches and businesses would merge with Kotak. ING Vysya's shareholders would get 725 shares of Kotak for every 1000 shares of ING Vysya they hold. This exchange ratio indicates an implied price of Rs. 790 for each ING Vysya share based on the average closing price of Kotak's shares during one month to November 19, 2014, which is a 16% premium to a like measure of ING Vysya market price. The stock price of Kotak and ING Vysya for one month—from October 20, 2014, to November 19, 2014 was Rs. 1089.50 and Rs. 682 respectively.

The merger would result in issuance of 13,92,05,159 new equity shares of Kotak, approximately 15.2% of the equity share capital of the merged Kotak.

Strategic Rationale and Benefits

Kotak, with 641 branches and relatively deeper presence in the West and North, has a differentiated proposition for various customer segments including HNIs, deep corporate relationships including emerging

corporates, a wide product portfolio, including agricultural finance and consumer loans, and a robust capital position.

ING Vysya has a strong customer franchise for over 8 decades, with a national branch network of 573 branches and deep presence in South India, particularly in Andhra Pradesh, Telangana and Karnataka. ING Vysya has a large customer base across all segments.

It is particularly noted for a best-in-class SME Business, as also for serving large international corporates in India by access to the international relationships of ING Group.

The combined Kotak will have 1,214 branches, with a wide-spread pan-India network, getting both breadth and depth given the strong geographic complementarity between Kotak and ING Vysya.

Substantial efficiencies will arise out of the proposed merger, which is likely to result in significant benefits for all stakeholders, be it shareholders, employees or customers, and ultimately the banking industry.

Customers and employees will benefit from the combined Kotak having a wider geographical spread, expertise across customer segments, such as SME, HNI, Corporates, and on products such as private banking, asset management, insurance, investment banking, NRI offerings etc.

Kotak's strong capital position potentially avoids capital raising and attendant dilution in the near to medium term for ING Vysya shareholders.

Additionally, with ING Vysya nearing the cap for foreign shareholding, the merger would yield more liquidity with significant foreign headroom in Kotak even after merger, with foreign shareholding close to 47%.

The merger increased the geographical presence and further deepened Kotak's network, thanks to the complementary network of ING Vysya. The merger increased Kotak's number of branches and its ATMs network by 47% and 35% to 1,214 and 1,794 respectively. Before the merger, 80% of the Kotak's branches were in the western and northern parts of the country and only 15% were in the southern part of India. On the other hand, ING Vysya had a greater presence in the southern part of the country with 64% of its branches located there and only 32% of its branches in the western and northern parts of the country. After the merger, Kotak had a balanced presence in different parts of the country.

Challenges of the Deal

The major challenge was related to human resource management. The salary structure of both banks was also quite different. About 3000 employees of the total 10,000 employees of ING Vysya were in the unionized category and their pay structure came under the Indian Banks Association. The employees of ING Vysya were worried whether their pay structure would continue or not.

Other challenges relate to technology integration. Kotak uses Finacle whereas ING Vysya uses Fidelity Profile System (FIS). Integration of two different core banking software is a big challenge.

QUESTIONS

1. When there are so many private banks available in the market, why did Kotak Bank choose ING Vysya Bank to merge? What are the plausible reasons?
2. What are the synergies of merger between Kotak Bank and ING Vysya Bank?
3. How does this merger help the Indian banking sector?
4. How was the share exchange ratio determined? What are the various methods followed in valuing a company?
5. Discuss the provisions of the relevant Accounting Standard AS-14. What are the conditions for amalgamation in the nature of merger?

TEACHING NOTES

Overview

This case serves as a good example of how understanding of corporate restructuring methods is the key to success of a merger transaction. This case also discusses the benefits of merger to various stakeholders, i.e. employees, customers, shareholders.

Objectives of the case

The case is structured to achieve the following teaching objectives:

Understand the significance of mergers and acquisitions in the context of the Indian banking industry.

Discuss the synergies of merger between Kotak Bank and ING Vysya Bank.

Understand the challenges faced by Kotak Bank in the integration of ING Vysya Bank.

Discuss the strategies in which Kotak Bank can overcome these challenges.

Discuss how the merger deal would help the Indian banking sector.

Application

This case is appropriate for students at post graduate level—MBA, PGDM, as a part of Corporate Restructuring course. The pre-requisites on the part of students, before they attempt this case are:

- A good understanding of the Indian banking sector will help the student to understand the strategic rationale of the merger.
- The students must have completed their syllabus on Corporate Restructuring.
- They must have practiced numericals on valuation of a company using DCF method, Accounting methods for amalgamation, using Pooling of interests method, Purchase method relevant to AS-14.

Teaching suggestions

The class must be given a good understanding of the background of the Indian banking sector. The case must be studied in the class as a single group. After reading the case, the students must reflect upon their understanding of share exchange ratio, valuation of a company, organic and inorganic ways of expansion of business, strategic rationale and benefits of a merger and accounting aspects of amalgamation of two companies.

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BLACK SWANS, EXTREMISTAN & UNPREDICTABILITY

Prof. Sadab Alam

Measures of uncertainty that are based on the bell curve simply disregard the possibility, and the impact, of sharp jumps. Using them is like focusing on the grass and missing out on the gigantic trees. Although unpredictable large deviations are rare, they cannot be dismissed as outliers because, cumulatively, their impact is so dramatic... Nicholas Taleb.

Abstract

A “Black Swan” is produced when the gap between what we know and what we think we know becomes dangerously wide (Taleb, 2007). This concept is closely related to uncertainty. A Black Swan event is unpredictable and the observer is taken by surprise. As a Black Swan event is subjective to the observer, what may be a Black Swan surprise to a chicken is not a Black Swan surprise to its butcher. The goal is to “avoid being the chicken” by exploring and identifying areas of vulnerability in order to avoid surprises. This paper explains the concepts of Extremistan and Black Swans in the financial markets with the objective that the reader may be able to make more informed financial decisions after understanding these concepts.

Key Words: *Black Swan, Extremistan, Normal Distribution, Probability, Sigma, Standard Deviation, Taleb.*

Introduction

Decimus Iūnius Iuvenālis, known in English as Juvenal, was a Roman poet in the late first and early second century AD. His phrase "rara avis in terris nigroque simillima cygno" ("a rare bird in the lands and very much like a Black Swan") is the oldest known usage of the term "Black Swan". In his times, a Black Swan was presumed not to exist. For a large part of known history, Europeans believed that a Black Swan does not exist for all Swans in Europe were white. For as far and wide they saw, Europeans saw only White

Swans. And hence they concluded “All Swans are white”. A set of conclusions, even if based on a large number of observations, can be potentially undone once any of its fundamental postulates is disproved. As Karl Popper explained in his “Theory of Falsification”, for any theory to be proven wrong, and hence falsified, all one needs is one observation out of billions and billions of observations that would prove the theory wrong.

Consider for example the statement “Men don’t cry”. Also assume that the person who made this statement did so based on observation of a million of his fellow citizens. None of the men in his country cried. And the conclusion logically followed that “Men don’t cry”. Suppose you are a researcher who is trying to validate this statement. You have at your disposal the power to summon and assemble all male inhabitants of not just this country but the entire Earth. There are roughly 3.5 billion men on this Earth. What are the chances that the statement “Men don’t cry” is wrong? How much evidence do you need to prove this to be wrong? You need just one evidence of a crying man to falsify this statement. Out of 3.5 billion or so men on Earth, only one crying man will falsify the statement “Men don’t cry”. Yes that’s true. One crying man can save the mankind!

Similarly, deriving from the presumption that all Swans must be white because all historical records of Swans reported that they had white feathers, a Black Swan was impossible or at least nonexistent. However, in 1697, Dutch explorers led by Willem de Vlamingh reached Western Australia and became the first Europeans to see Black Swans. Initially, everyone refused to accept that these new found beautiful birds were Swans because as per their knowledge and understanding Swans needed to be white. It took years before these birds were accepted to be of the same species as Swans. The term subsequently metamorphosed to represent the idea that a perceived impossibility might later be disproven. In

the 19th century, John Stuart Mill used the Black Swan logical fallacy as a new term to identify falsification, which was later expanded by Karl Popper in the 20th century.

The idea of Black Swan was further expanded in the context of Financial Markets by Wall Street trader and subsequent philosopher, professor and author, Nassim Nicholas Taleb, in his 2001 book *Fooled by Randomness*, which concerned financial events. It was further elaborated in his 2007 book *The Black Swan*. Taleb coined what came to be known as “Theory of Black Swan Events” in the context of financial events.

The theory of Black Swan events is a metaphor that describes an event that comes as a surprise, has a major effect, and is often inappropriately rationalized after the fact with the benefit of hindsight. The theory was developed by Taleb to explain (Taleb, 2007):

1. The disproportionate role of high-profile, hard-to-predict, and rare events that are beyond the realm of normal expectations in history, science, finance, and technology.
2. The non-computability of the probability of the consequential rare events using scientific methods.
3. The psychological biases which blind people, both individually and collectively, to uncertainty and to a rare event's massive role in historical affairs (post event rationalization with the benefit of hindsight).

Thus, according to Taleb, there are three criteria that need to be met for an event to be regarded as a Black Swan; *unpredictability, extreme impact, and ex post explanation*. Taleb regards almost all major scientific discoveries, historical events, and artistic accomplishments as “Black Swans”. He sees the rise of the Internet, the personal computer, World War I, dissolution of the Soviet Union, and the September 2001 attacks as some examples of Black Swan events. Throughout his book, Taleb (2007) considers all life changing moments in our lives as outcomes of randomness and uncertainty, our inability to predict these events, even by so-called “experts”, and our invariable reaction to these events (surprise). “The central idea of the Black Swan concerns the all-too-common logical confusion of absence of evidence with evidence of absence” (Taleb, 2007). Taleb concludes

that we cannot predict Black Swans and should instead adjust for and profit from them.

Black Swans are “unknown unknowns” which despite all the plans and precautions that might have been made still take the planner by surprise and lead to catastrophic consequences (Green, 2011). In econometrics and statistics an event such as a Black Swan would be considered to be an outlier, a value or number which deviates from the rest of the data (Newbold, 2013). According to Taleb, a Black Swan is not only the occurrence of an unexpected event; it is also the absence of an expected event. The event itself and its consequences can be either positive or negative.

Consider an investor that put \$1000 in the Dow Jones Industrial Average (DJIA) on the fateful day of December 31, 1986. Through October 16, 1987, when the Dow closed at 2246.7, this investor obtained an 18.5% return, turning his initial \$1000 into \$1118.5. Then, in a single day, on October 19, 1987, the market tumbled 22.6%, and the \$1118.5 was reduced to \$865.7. The return of 201 trading days was not just wiped out in a single day but the investor also lost a part of his invested capital. Black Monday, as October 19, 1987 came to be known, was not just another day. It was the single worst day (in percentage-loss terms) in the DJIA’s history. What is surprising is that just a few large daily swings can more than overturn the return of a portfolio obtained over a long period of time or make someone super rich. Under the assumption of normality, this should not happen or happen very infrequently. Yet the evidence shows that these events happen far more often. It took the DJIA another 320 trading days to go above the level of October 16, 1987. On January 24, 1989 it closed at 2256.4.

Since its inception on May 26, 1896 and till October 16, 1987, only twice in its history has the DJIA fallen by more than 10% in a single day. This happened on back-to-back days during the crash of 1929. On October 28 and 29, DJIA fell 12.8% and 11.7%, respectively. There was more than 90 years of past trading data, or more than 22500 data points. And nothing in this data pointed to the possibility of a fall of the magnitude observed on October 19, 1987. Black Monday was an extremely rare event. It did have a very significant impact on investors’ portfolios; and, as discussed by Haugen [1999] and others, many and varied stories were advanced to explain it ex-post. In short, Black Monday was a Black Swan.

Etremistan & Mediocristan

Nassim Taleb developed the ideas of Mediocristan and Extremistan to help explain his Black Swan Theory. Assume Mediocristan and Extremistan to be two geographical places. You can think these as countries, or cities, or villages, or continents, or as anything you desire. Mediocristan is where normal things happen, things that are expected, whose probabilities of occurring are easy to compute, and whose impact is not terribly huge. The bell curve and the normal distribution are emblems of Mediocristan. Nature is full of things that follow a normal distribution. For example, People's heights follow a normal distribution. Mediocristan therefore constitutes the normal, the easy to predict, the expected, the small impact, and the mundane.

Extremistan is altogether a different beast. In Extremistan, nothing can be predicted accurately and events that seemed unlikely or impossible occur frequently and have a huge impact. For example, think of income distributions. Most people make close to an average salary, some people make less, but a few people make a huge amount. If you tried to calculate an average salary, the highest incomes (the million dollar salaries) would have a disproportionate effect on the average. To illustrate, imagine a room full of 30 random people. If you asked everyone their salary and calculated the average, the odds are the average would seem pretty reasonable. However, if you added Bill Gates to the room and then calculated the average salary, your average would jump up by a huge margin. One observation had a disproportionate effect on the average. This is Extremistan. Black Swan events occur in Extremistan. According to Taleb **"In Extremistan, inequalities are such that one single observation can disproportionately impact the aggregate, or the total"**. Things like book sales, whether a movie becomes a hit, or a viral video on the internet all have similar characteristics, and therefore reside in Extremistan. Almost all social matters are from Extremistan.

A key implication of this distinction is that in Mediocristan, the overall impact of an "outlier" is not that significant relative to the total, but in Extremistan, that impact is enormous. Consequently, if we are in the domain of Extremistan, and we use

analytical tools from Mediocristan for prediction, risk management, etc., we can face enormous surprises. Some of these surprises may be positive and some may be negative, but their impact will likely exceed what we are prepared for.

Mediocristan	Extremistan
Events are easy to predict.	Exceptions can be everything.
Exceptions occur, but don't carry large consequences.	Example: distribution of wealth in capitalist economies. Add Bill Gates to your sample of 30 random people and mean wealth will jump by a factor of 100 000.
Example : distribution of population's weights follow a Gaussian distribution. Add the heaviest person on the planet to a sample of 1000 people, and the total weight will barely change,	Winner takes all effects (sales of novels, albums).
"thin tails"	Future is hard to predict from past information.
	"fat tails"

Literature Review

David Hume (1748), John Mill (1843) and Karl Popper (1968) all described the problem of drawing general conclusions from limited observations. Bachelier (1900) observed that most asset returns tend to follow a random walk or Brownian motion. Mandelbrot (1963) suggested that stock returns were in fact leptokurtic. Cootner (1964) concluded that the random nature of stock returns makes the use of standard deviation a relatively poor proxy for risk assessment. Kon (1984), Berglund and Liljebloom (1990), Campbell and Hentschel (1992), Chan and Lakonishok (1992), and Frennberg (1993), after examining foreign markets covering different time periods, all concluded that stock returns tend to be leptokurtically distributed, and not Gaussian in nature.

Mandelbrot (1963) argued that cotton price changes can be better explained by a stable Paretian distribution with a characteristic exponent less than 2, thus exhibiting fat tails and infinite variance. He tested the infinite-variance hypothesis by computing the variance of a large number of samples of cotton price changes and found that the variances did not converge to any limiting value. Fama (1965) subsequently tested Mandelbrot's (1963) infinite-variance hypothesis on the 30 stocks of the DJIA and found that a stable

Paretian distribution with a characteristic exponent less than 2 describes their returns better than the normal distribution.

Mauboussin (2006) showed that though during the period from January 3, 1978 to October 31, 2005, the S&P 500 delivered a mean annual return of 9.6%, excluding the best 50 days lowers the mean return to 2.2%, and excluding the worst 50 days increases the mean return to 18.4%. Browne (2007) discussed a study by Sanford Bernstein showing that, during the 1926–93 period, the returns of the U.S. stock market in the best 60 months (7% of the time) averaged 11%, whereas the returns of the rest of the months averaged 0.01%. He concludes that finding the way to reliably predict the 7% of the time that stocks do well is a “daunting task,” and that the real danger is not to be in the market when big moves occur. He also discussed a study by American Century Investments showing that \$10,000 invested in the U.S. stock market in 1990 turned into \$51,354 by 2005, but missing the best 10, 30, and 50 days would have reduced the terminal wealth to \$31,994, \$15,730, and \$9,030.

Estrada (2009) examined the impact Black Swans had on the return generated from the DJIA between 1900 and 2006, as well as from 1990 to 2006. He found that extreme trading days are more frequent than what is expected under the normality assumption. He concluded that daily return data deviates from the normality assumption, and that Black Swans do have an extreme impact on return. Estrada (2009) did the same examination in emerging markets and international markets and arrived at the same conclusion. Estrada (2009) also stresses the virtually non-existent possibility of predicting the outcome of these days.

Vance Harwood (2016) of Sixfigureinvesting studied S&P 500 daily return since 1950 and found that the actual returns have a higher central peak and the “shoulders” are a bit narrower than what was predicted as per normal distribution. He further found that in the last 67 years, the S&P has had two days with returns between +5.5% and +5.6%. The normal distribution estimates the probability of one event of that magnitude as 0.0001 in 67 years, in other words, we should expect a move near +5.5% once in 67,000 years on average.

And in reality, we’ve had two of them in 67 years! He finds this analogous to “building your house above the 67,000-year flood line and being flooded out twice in the last 67 years”.

Jeff Desjardins (2016), writing for Business Insider, identified 9 global Black Swan events in the last 20 years. His list includes:

- 1) Asian Financial Crisis (July 1997)
- 2) Dot Com Crash (March 2000)
- 3) WTC Attacks (Sep 2001)
- 4) Global Sub-prime Financial Crisis (Sep 2008)
- 5) European Sovereign Debt Crisis (Dec 2009)
- 6) Fukushima Nuclear Disaster (March 2011)
- 7) Crude Oil Crisis (June 2014)
- 8) Black Monday in China Stock Exchange (Aug 2015)
- 9) Brexit (June 2016)

In a normal world

Standard deviation, denoted as sigma, is used to indicate the relative magnitude of a market move. For example, if the SENSEX drops 6.46% in a day we can determine the sigma level of this event as 4 by dividing the percentage drop (6.46%) by the SENSEX’s historic standard deviation (1.616%).

Many financial models are built and rely up on the premise that changes in stock returns are normally distributed around the mean. In other words, stock returns are symmetrical and follow the Gaussian bell curve. The problem with stock market returns is that the overall returns can be dominated by extreme events, which are skewed to the downside. Many of these models have time and again being found to fail in capturing these ‘fat tails’, i.e. infrequent but very large price changes. These fat-tail distributions pose several fundamental problems, which are not answered adequately under the normality assumption, such as:

- The presence of extreme adverse events
- Some random unobserved events
- Hard-to-compute expectations

Assumptions of normal distributions of stock returns are the pillars on which various models in finance have been built, including modern portfolio theory (mean-variance criterion), the capital asset pricing model

(CAPM), Value-at-Risk (VaR), and the Black-Scholes models. The 1987 stock market crash and many such fat tail occurrences are so improbable that they have put the very basis of neo-classical finance models into question. This has led many to conclude that there are some recurring events, perhaps one or two per decade, that overwhelms the statistical assumptions embedded in the standard finance models employed for trading, investment management and derivative pricing (Estrada 2008). To complicate the matter further, these statistical anomalies appear to affect many financial markets at once, including ones that were normally not thought to be correlated. Moreover, these severe market events seldom had a discernible economic cause or warning. These rare events were later named "Black Swans" by Taleb (2007). By definition, Black Swan events lack the historical perspective needed to perform ex-ante mathematical risk analysis.

To understand this further, let us assume that stock returns/losses are normally distributed. What is the probability of a loss that is, let's say, 2 standard deviations or more away from the mean, i.e., what is the probability of a 2-sigma loss event? The probability associated with a 2-sigma event is equal to the mass of the right-hand tail of the distribution at the point where the number of standard deviations from the mean is equal to 2, and this is equal to 2.275%. We might, therefore, expect to see a 2-sigma loss event on one trading day out of $1/2.275\% = 43.956$ days, i.e., on approximately 1 day out of 44 days. A 2-sigma event is unlikely to occur on any given day, but we would expect to see a few of them in any given year (approximately 6 trading days in a year assuming 250 trading days in a year).

Using the same approach to estimate the probabilities of losses that are 3-sigma away from the mean, 4-sigma away from the mean, and so on, Kevin Dowd, et al (2008) found that:

- A 3-sigma event has a probability of 0.135% and is to be expected once every 741 days or about 1 trading day in every three years;
- A 4-sigma event has a probability of 0.00317% and is to be expected once about every 31,560 days or about 1 trading day in 126 years;
- A 5-sigma event has a probability of 0.000029%

and is to be expected once every 3,483,046 days or about 1 trading day every 13,932 years

- A 6-sigma event has a probability of 0.000000099% and is to be expected once every 1,009,976,678 days or about 1 trading day every 4,039,906 years;
- A 7-sigma event has a probability of 0.00000000129% and is to be expected once every 776,348,841,250 days or about 1 trading day in 3,105,395,365 years.

These results are breathtaking. To give these results some perspective, consider this: a 5-sigma event corresponds to an expected occurrence of less than just one day in the entire period since the end of the last Ice Age; a 6-sigma event corresponds to an expected occurrence of less than one day in the entire period since our species, Homo Sapiens, evolved from earlier primates; and a 7-sigma event corresponds to an expected occurrence of just once in a period five times the length of time that has elapsed since multicellular life first evolved on this planet (Kevin Dowd, et al 2008).

Conclusion

The assumption of normally distributed returns is pervasive in finance. It is widely used and abused, implicitly or explicitly, by both academics and practitioners. And yet the evidence of the last 38 years clearly disputes the plausibility of this assumption, particularly as far as daily returns are concerned. Many widely used measures of risk stem from the normality assumption and basically exclude the possibility of Black Swans. Unfortunately, the recent financial history has witnessed a number of extreme, and often severe, events that could not be predicted based on prior events. It would appear that modern finance techniques and tools may in fact, be making the tails of the distribution much fatter. Large daily swings that have a significant impact on long-term performance occur far more often than the normality assumption would lead investors to believe. Black Swans do exist. In fact, investors stumble upon them far more often than they expect, and the impact on their portfolios is far larger than they usually think.

Two recommendations seem to follow from this study. First, Taleb [2007] recommends adjusting to the existence of Black Swans rather than trying to predict

them. Second, Black Swans render timing the market a futile exercise. Attempting to predict the negligible proportion of days that determines an enormous creation or destruction of wealth seems to be a losing proposition.

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VIDWAT (विद्वत्) in Sanskrit means: know, understand, find out, learn, ascertain, discover and expound.

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“Vidwat – The Indian Journal of Management” is an annual publication. Its objective is to encourage and publish applied research in all the functional areas of management. It lays emphasis on juxtaposing ancient Indian wisdom to modern management that is relevant to academicians and practising managers grappling with Gen Y

Designed and Printed by Revathi Creative Communications, Flat No.301, Moghal Mansion, Khairatabad, Hyderabad, A. P.
Printed and Published by Prof Pushpalatha Sunkepally, Vice Chairperson, DHRUVA College of Management,
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ROLE OF EMOTIONS IN THE FMCG BRANDING AND THEIR PURCHASE INTENTIONS

Prof. Narendra Kagita

Abstract

A study was undertaken to understand the role of emotion in making a purchase intention. We used the plutchik's wheel of emotions for understanding the purchase intention of FMCG products sold by HUL and ITC in the retail scenario of a store. A sample of 30 respondents were studied using the advertisements for each ads using an experiment.

Introduction:

Humans are a body of emotions and feelings, the belief that emotions help people make decisions to make a purchase. The motivation helps to reflect the willingness to take action. People buy products with a name which we label them as brands across category of products. Emotions are probably the most individual and often idiosyncratic of human phenomena. They express what the world means to the individual and determine a subjective well-being (Frijda 2007). Emotions can be defined and characterized in a variety of mutually non-exclusive ways. One simple way to describe emotions is to consider them the bodily states elicited by rewards and punishments (Rolls 2005). Emotions tend to reinforce our evaluations and attitudes in such a way that affects—the instinctual reactions—make us respond in the future in a similar way to the same situational contexts which produced the emotions in the first place.

Key Words: *Emotions, Purchase Intentions, Ecstasy, Admiration, Terror, Amazement, Grief, Loathing, Rage, Vigilance, Branding.*

Explaining Emotions and feelings

Emotions are the domain of the limbic system which is crucial for their detection and processing. The hypothalamus is the source of many of the most elementary emotions: hunger, thirst, chills etc. In the process of registering the emotions the amygdale receives stimuli via the fast track which produces automatic and almost instantaneous reactions: laughter, flight, running, crying.

Expanding on the idea of Charles Darwin, Ekman (1992) proposed six basic emotions as derived from the facial expressions of people universally i.e. across the cultures display when experiencing corresponding sensations. These are anger, disgust, fear, surprise, sadness, disgust, anticipation, joy and acceptance. Certain emotions (eg. surprise) last short time measured in seconds, others linger for much longer (eg. Love).

While emotions direct attention towards the source of stimuli, the ensuing way to look at such actions is to use the approach–avoidance dichotomy. Events which do not prompt an individual to act are far less significant to the analysis of the emotional conditioning of human behavior.

The purpose of emotions and their connections to behavior and outcomes is a paramount issue when studying consumers. For the purpose of the study we use a model proposed by Plutchik (2001) called the Plutchik's wheel of emotions. This leads to a feeling state (emotion) and based upon it to the reaction (behavior) which produces a specific effect.

There are two underlying idea which support the framework. One is that cognitions work hand in hand. Second, building bloc is the important function of emotion in restoring balance after the event materializes. Plutchik (2001) mentioned prototypical behaviours common to humans and other species and for that reason proving of general validity. eg. Encountering a novel object stimulates a cognitive inquiry as to the nature of such an item and proves the feeling of surprise.

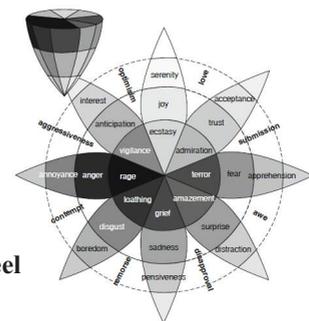


Fig 1 : Plutchik's wheel of Emotions

FMCG in Retail Scenario

Retail stores comprise a section of products in the consumer space as fast moving consumer goods (FMCG). FMCG food, FMCG non food, staples and Fruits and vegetables are some focus areas considered for the purpose of the study. The FMCG companies in the Indian landscape cover categories as food & drink, Homecare and personal care. For the purpose of study we used the category of personal care space of FMCG products taking the case of Hindustan Unilever Limited (HUL) and ITC. (Exhibit 1)

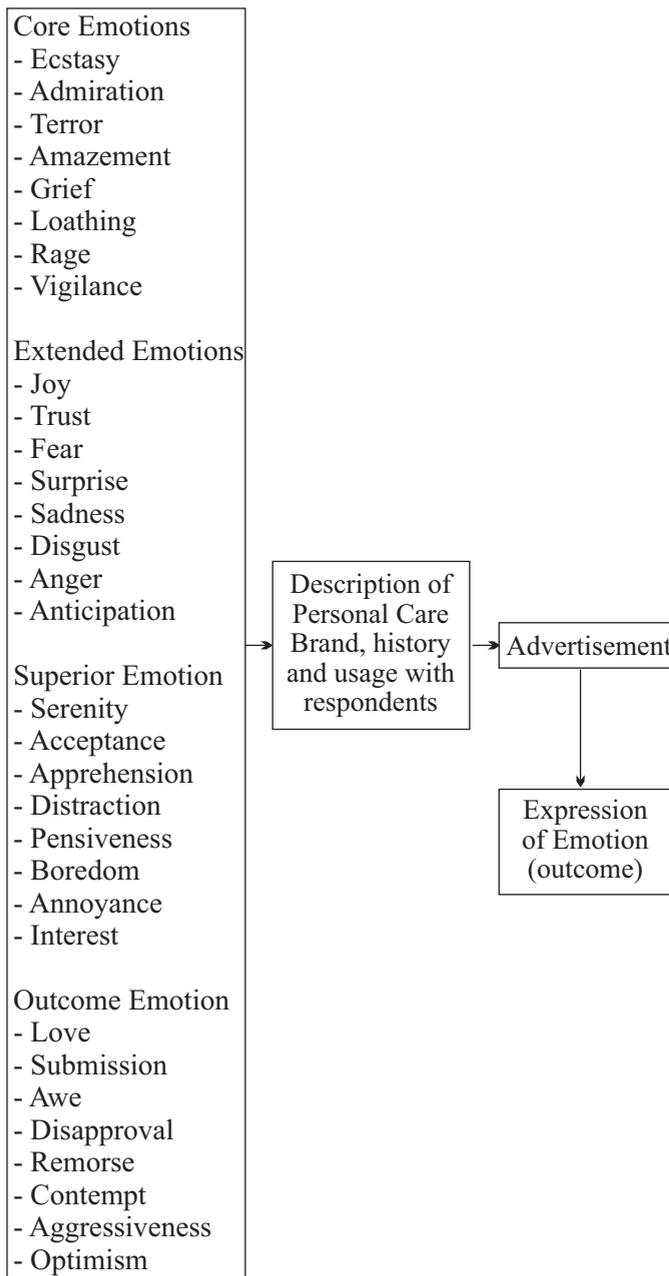


Fig.2 : Construct of the Experiment

Branding in FMCG

A brand works in opaque and mysterious ways. Instead of directly being controlled by its owners it exists in the consumer’s mind (Nigell Hollins, 2005) Brands are a means to connect with individuals using and they create a connect with the individuals through the name, logo, labels and color. A brand evokes associations in people. A brand creates memory (short term or longterm) in the minds of customers. A brand is linked to commercially saleable goods and services.

Research Questions:

- Do people use emotions to buy products and services?
- What emotion is used for creating a purchase intention for product/ brand type?
- Is there any relationship between emotion used in certain product categories and the brand?

Objective:

1. To explore whether humans use emotions in making a purchase decision.
2. To identify characteristic of the emotions used for a product category or brand with HUL & ITC brands.
3. To determine the relationship between the emotion generated towards category and brand.

Method

For the purpose of the study of the Plutchik’s wheel of emotions–32 emotions were used and categorized into core emotions, extended emotions, superior emotions and outcome emotion. A controlled group was selected for the study with 30 respondents. There was experiment conducted in the following form. The respondents were given an operational definitions for each of the emotions mentioned. Then a set of HUL and ITC brands were collated with the latest advertisement on the brands. After the respondents has developed adequate knowledge about the product and the usage pattern was identified, the respondents were asked to respond and identify an emotion the advertisement captured and how the product/brand related to the advertisement.

Operational definition of Elements:

An operational definition was proposed to the respondents which are as under. The core emotions were operationally defined as **Ecstasy**, a trance or trance-like state in which a person transcends normal consciousness. **Admiration**–respect and warm

approval, **Terror**—extreme fear, **Amazement**—a feeling of great surprise or wonder, **Grief**—intense sorrow, especially caused by someone's death, **Loathing**—a feeling of intense dislike or disgust; hatred, **Rage**—violent uncontrollable anger and **Vigilance**—the action or state of keeping careful watch for possible danger or difficulties.

The Extended Emotion have been operationally defined as follows:

Joy—a feeling of great pleasure and happiness, **Trust**—firm belief in the reliability, truth, or ability of someone or something, **Fear**—an unpleasant emotion caused by the threat of danger, pain, or harm, **Surprise**—an unexpected or astonishing event, fact, etc., **Sadness**—the condition or quality of being sad, **Disgust**—a feeling of revulsion or strong disapproval aroused by something unpleasant or offensive, **Anger**—a strong feeling of annoyance, displeasure, or hostility and **Anticipation**—the action of anticipating something; expectation or prediction.

The Superior Emotion have been operationally defined as follows:

Serenity—the state of being calm, peaceful, and untroubled, **Acceptance**—the action of consenting to receive or undertake something offered, **Apprehension**—anxiety or fear that something bad or unpleasant will happen, **Distraction**—a thing that prevents someone from concentrating on something else, **Pensiveness**—expressing or revealing thoughtfulness usually marked by some sadness, **Boredom**—the state of feeling bored, **Annoyance**—the feeling or state of being annoyed; irritation and **Interest**—the feeling of wanting to know or learn about something or someone.

The Outcome Emotion have been operationally defined as follows:

Love: a strong feeling of affection. **Submission**: the action of accepting or yielding to a superior force or to the will or authority of another person. **Awe**: a feeling of reverential respect mixed with fear or wonder. **Disapproval**: possession or expression of an unfavourable opinion. **Remorse**: deep regret or guilt for a wrong committed. **Contempt**: the feeling that a person or a thing is worthless or beneath consideration. **Aggressiveness**: making an all out effort to win or succeed and **Optimism**: hopefulness and confidence about the future or the success of something.

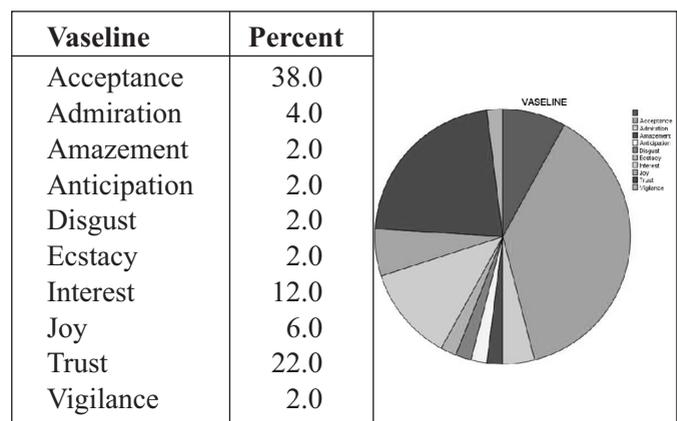
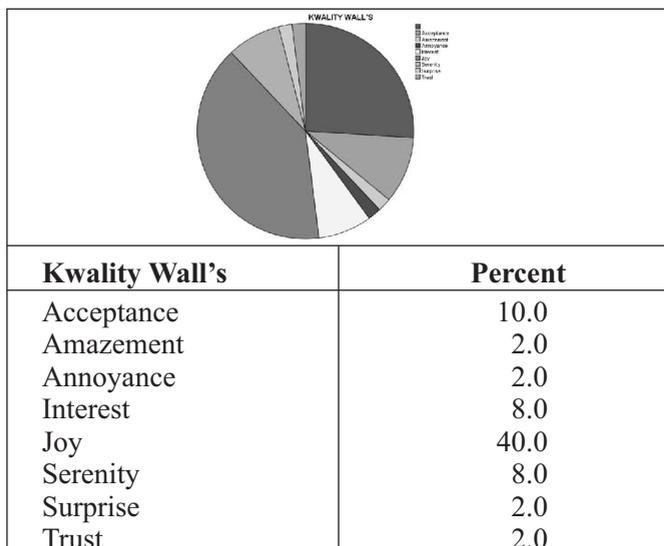
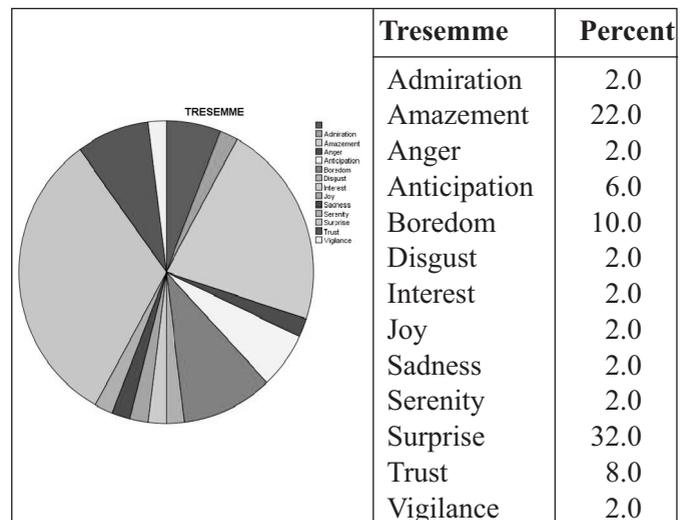
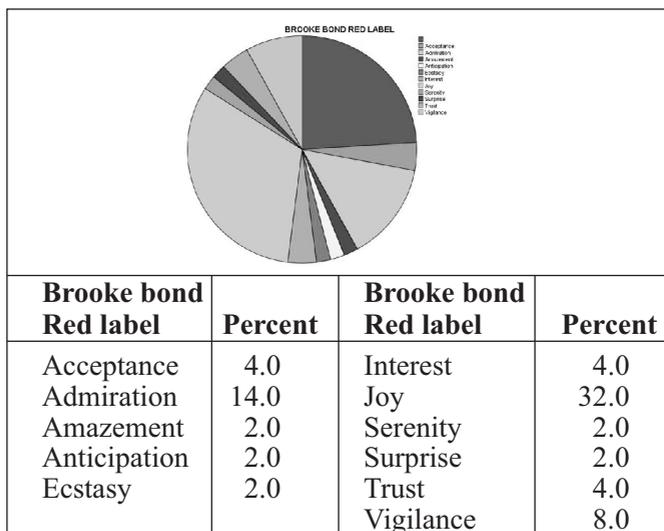
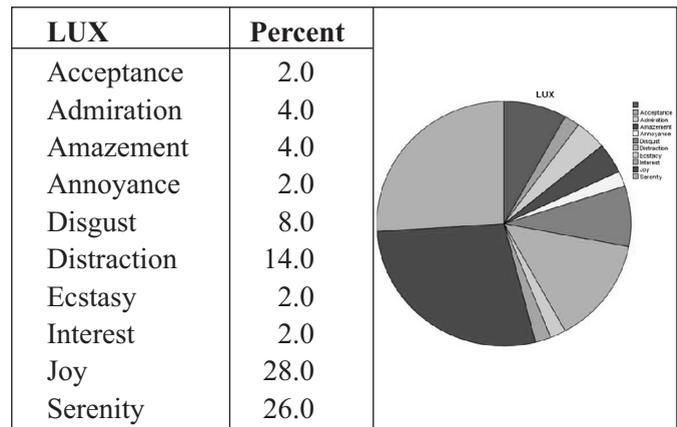
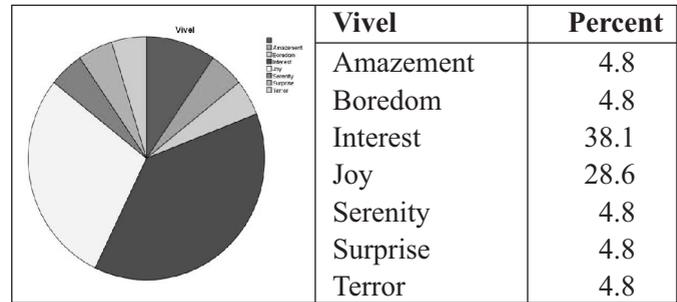
Analysis and Findings:

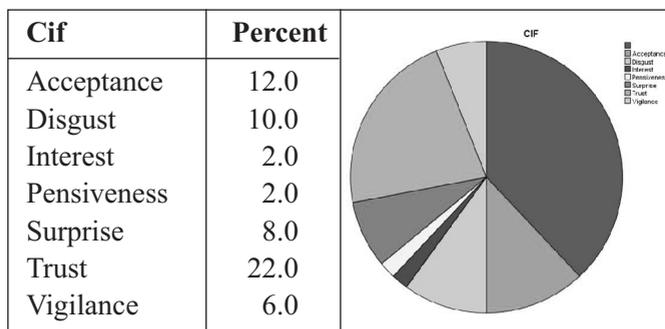
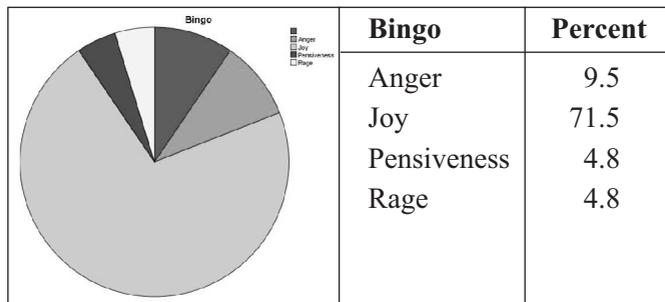
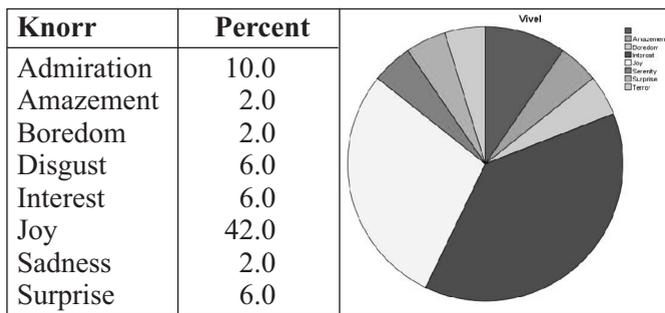
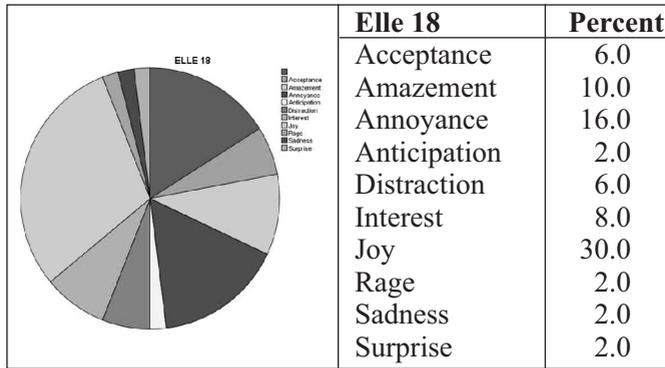
The brand Axe produced a result of the emotion “Ecstasy”. Dove captured the emotion “Trust”. Lifebuoy captured the emotion “Apprehension”. Lux

captured the emotion “Annoyance”. Pepsodent captured the emotion “Trust”. Ponds captured the emotion “Apprehension”. Sunsilk captured the emotion “Acceptance”. Sure Rexona captured the emotion “Interest”. Tresemme captured the emotion “Anger”. Vaseline captured the emotion “Trust” and others shown as captured in the table.

HUL	
Product	Emotions
AXE	Ecstasy
DOVE	Trust
LIFEBUOY	Apprehension
LUX	Annoyance
PEPSODENT	Trust
POND'S	Apprehension
SUNSILK	Acceptance
SURE	Interest
TRESEMME	Anger
VASELINE	Trust
AVIANCE	Interest
BREEZE	Joy
CLEAR	Trust
CLOSE UP	Acceptance
FAIR N LOVELY	Disgust
LAKME	Interest
PEARS	Trust
TIGI	Anticipation
TONI & GUY	Surprise
BRYLCREEM	Trust
CLINIC PLUS	Acceptance
ELLE 18	Surprise
HAMAM	Apprehension
INDULEKHA	Trust
LEVER AYUSH THERAPY	Apprehension
LIRIL	Ecstasy
REXONA	Ecstasy
CORNETTO	Joy
KNOR	Admiration
LIPTON	Acceptance
MAGNUM	Ecstasy
BRU	Ecstasy
ANNAPURNA	Apprehension
BROOKE BOND	Serenity
KISSAN	Joy
KWALITY WALLS	Joy
CIF	Surprise
COMFORT	Trust
DOMEX	Disgust
RIN	Acceptance
VIM	Boredom
SURF EXCEL	Trust
SUNLIGHT	Apprehension

ITC	
Product	Emotions
FIAMA	Distraction
VIVEL	Boredom
ENGAGE	Ecstasy
SUPERIA	Surprise
SAVLON	Admiration
SHOWER TO SHOWER	Boredom
AASHIRWAD	Trust
BINGO	Joy
KITCHENS OF INDIA	Surprise
YIPEE	Disgust
B-NATURAL	Surprise
MINT-O	Disgust
GUMMON	Annoyance
FABELLE	Apprehension
SUNFRESH	Disapproval
EDUCATION & STATIONERY	Awe
SAFETY MATCHES	Apprehension
AGARBATIS	Contempt





In Conclusion

Emotions play a key role in making a brand choice and it works in every other scenario of purchase intention. This study is only a preliminary review of connect of emotions to the FMCG products of HUL and ITC. A lot of future research can be done on understanding

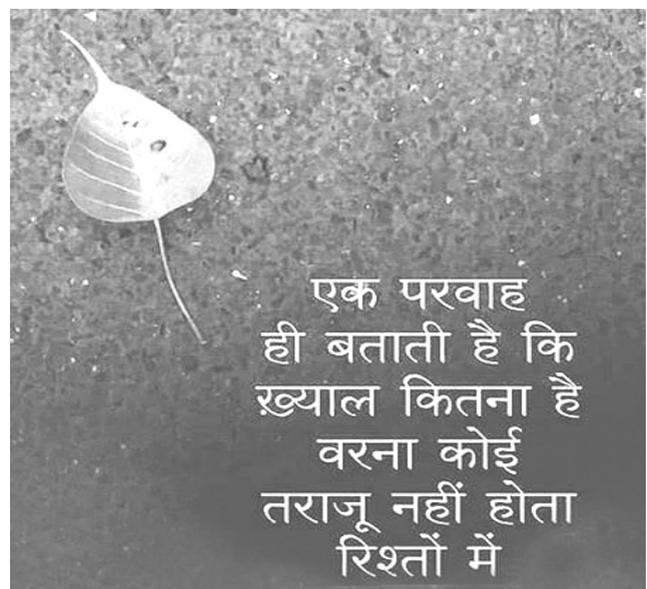
the emotions people use to making a purchase. Today the new generation of youth and elderly as well use technology, social media and changing environment of market-scape to making decision. Marketer’s have been focusing on understanding the neural networks of the brain to really make out what is going on in the mind and press the buy button in the brain so as to market and sell products to customers.

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IQ GETS YOU HIRED, EQ GETS YOU PROMOTED

Prof. Prakash Kumar

Introduction

Emotional quotient and Intelligence quotient have become one of the hot topics among business leaders and HR professionals lately. EI has been used by some as an umbrella term that comprises elements such as ‘soft skills’, ‘people skills’, and a general ability to cope with life’s demands. In other words ‘Emotional intelligence gives you a competitive edge’, whereas Intelligence quotient is a complex multifaceted measure of an individual’s function on a range of verbal and non-verbal measures. It has been argued around the world that’s having great intellectual abilities may make you a superb fiscal analyst or legal scholar, but a highly developed emotional intelligence will make you a candidate for CEO or a brilliant trial lawyer” Goleman, (1997, p. 76).

Key Words: *Emotional quotient, Intelligence quotient, multifaceted, competitive, empathy, resilience, stress management, cognitive, disrupt*

Not very long back, one morning, I was driving down to college, stopped at the traffic signal. Suddenly, I heard a knock on the window and saw a beggar begging for alms. I rolled down the car glass and heard his words which were very appealing and logical. He was very convincing with his words that had lot of emotion and intellect which made my heart melt. My mind triggered that an illiterate like him was using a strategy of EQ and IQ. I gave him whatever I could. Later, on my way to Dhruva College of Management, where I work, I realized that emotion and logic plays a vital role in the success of any organization. As it is very popularly said,

“Emotion sells, but logic solidifies the deal “



In today’s disrupt world, the terms EQ and IQ have been often talked a lot about especially when it comes to benefits within an organization. The ability to come up with a marketing strategy, define the target market or put into place a framework for a product or service tends to focus on the customer’s IQ. The use of the term EQ has been gaining momentum particularly in the world of leadership and motivation. EQ is useful in furthering leadership skills which promotes the growth among employees. A good example of the use of EQ helped me to guide my team in increasing sales, when I was working as a “Branch Manager “ in Woodland. My team was always motivated because I was able to use the EQ tool very efficiently and this resulted in increased team performance, reduced staff turnover, improved decision making, decreased occupational stress which resulted in the stupendous growth of the organization and enhanced the brand value.

EQ is a measure of one’s emotional intelligence, as defined by the ability to: “Recognize, understand and manage our own emotions. Recognize, understand and influence the emotion of others”. This includes skills such as empathy, intuition, creativity, flexibility, resilience, stress management and leadership.

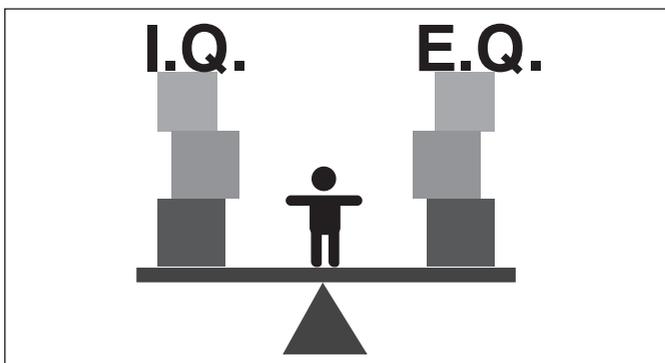
In contrast, IQ defines the level of intelligence a person possesses to understand, interpret, and implement one’s knowledge in varied situations leading to one’s growth. IQ is the assessment of one’s ability to think and reason out. All this is carried out using brain power and intelligence, as opposed to EQ that focuses on less quantifiable emotions and empathy.

Marketing is designed to assist organizations to come up with a framework, a process, a blueprint and to define the terms of their products or services within a target market. It extends to the production, pricing, distribution, and advertising of the products or services. So far, it is the element of social effectiveness that many theorists believe underpin the success of EQ. Prati, Douglas, Ferris, Ammeter, and Buckley (Prati et

al, 2003) in their article point out how social effectiveness is an important element of EQ. It focuses on the ability to understand someone else's viewpoint by considering the emotional state they are in and being able to communicate better.

Being emotionally intelligent gives the marketers an upper edge to look beyond the data gained from the IQ side of their research. Through the accumulation of intelligent data, a more effective, intuitive and strategic approach can be taken. For marketers, this helps to articulate information that crosses a broad target audience while being precise and concise enough to capture the attention of the key target market by being more socially effective. The use of EQ elements productively enhances the ambience of an organization, creates brand value, creates accountability among the employees and increases the credibility of the organization. It allows marketers to use emotive reasoning on products or services that further enhance their competitive advantage over the multitude of similar products or services available to consumers.

IQ focuses on the what, whereas EQ focuses on the how and why aspect? Another comparison that benefits marketers is the ability to use emotions in addition to the cognitive abilities that IQ has provided rather than only relying on EQ. This equates to being able to empathise to assist with greater influence over consumer behavior than IQ alone.



Possibly the greatest demonstration of effective use of EQ is Apple Inc. Apple has built a brand and a name that tugs at the emotions of the consumer. These days you will find people who are a Mac or a PC user. The “I’m a Mac, I’m a PC” campaign has taken a once struggling brand and elevated it to create a distinct emotional connection with its consumers. Some Apple users snub their noses at others trying to break into Apple’s space.

Apple has created unprecedented loyalty from their target markets that command consumers to spend on their latest releases no matter how minor or insignificant the changes are.

Apple separates itself from the competition in its extensive effort to personalize the device through the use of apps. Consider a doctor using an ipad to maintain medical files and his/her access information instantaneously and specific to purpose, without which may struggle to perform the simple functions. In contrast, the high school students may use their ipad as their primary source of contact with friends through applications that their friends have. Both users have the same device yet both experience a unique and individual deep emotional need and connection to it.

The use of EQ for marketers enabled their research to achieve a much clearer perspective when defining a target market. The level of emotional understanding coupled with the traditional methodologies of IQ research enables organizations to achieve a level of connection with customers based on emotional attachment. From the above example of Apple shows that not only does EQ improve upon customer perception of a company, but it also allows for an increase in competitive advantage. This shows that an emotional connection from the customer’s perspective leads to an increase in profit margin for the organization.

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THE EVOLVING LANDSCAPE OF CYBER THREATS

Prof. Ullas P. Ramakrishnan, Prof. J.K. Tandon

Abstract

Millions of customers are put at risk of identity theft after hackers are stealing their personal data that include the names, email and postal addresses, phone numbers and dates of birth from many ecommerce platforms. While extremely serious, such attacks are becoming increasingly common. Hackers and other individuals are using increasingly sophisticated methods to obtain personal information from unsuspecting users. Cybercriminals are targeting more connected devices, including computers in the manufacturing, farming and health care sectors. This trend is going to increase as more and more devices are becoming connected to each other with the wide spread adaptation of Internet of Things (IOT) devices. This article is aimed at giving a basic understanding on the different types of threats that is lurking around us in the cyberspace.

Key Words: *Cyber Security, Cyber Threats, Internet Threats, Cybercrime, Phishing, Spam.*

Introduction

According to Internet Security Threat Report (Symantec, 2017) published by Norton, India ranks fourth globally and second in Asia, Pacific and Japan as source of overall malicious activity. India also ranks second for threats of Spam and Bots, a significant increase from the 2016 at eighteenth and seventeenth rank respectively (Microsoft, 2017). India lost close to 30 billion USD due to cybercrime in the year 2016 (Symantec, 2016). As we are becoming more and more dependent on technology, the vulnerabilities are also rising. But most of us are overconfident to the extent that cyber threats are not going to impact us and end up underestimating the threats and become easy victims to it.

Literature Review

Eric. C. Clemons and Joshua S. Wilson (Clemons & Wilson, 2015) in their research highlighted the risky behavior of internet users that can be harmful or very embarrassing to them in the future when they transact online. Andrea J.S. Stanaland and May O. Lwin, (2013) say that the technological advancements have made the internet a penetrating force in today's consumer marketplace. This has inturn increased the ability of marketers to collect and disseminate information electronically. The authors point out, based on the study done by Roger 1998 and Taylor, 2004 that the consumer privacy is at considerable risk as the rapid advancement in technologies have led to considerable intrusions in online activities.

By 2020, cybercrime damages will cost the world around \$6 trillion, according to experts. Internet Security Threat Report (2017), published by Symantec says that 76% of websites it scanned contained vulnerabilities. This means that an average user of internet faces considerable level of risk when using the cyberspace. Over 1.1 billion identities were stolen in 2016. Symantec, on an average had blocked more than 2.3 lakh web attacks on a daily basis on individual computers throughout 2016. Earlier in 2017, a serious vulnerability was discovered in the encryption technology used to protect many of the world's major websites, leaving them vulnerable to data theft. "The number and variety of devices in the Internet of Things (IOT) family is growing exponentially. In the consumer space, they are now seen in appliances, automobiles, home automation, and even light bulbs". This is increasing the level of threat substantially, according to a McAfee report.

Common Cyber Threats

Many a time, we get a false sense of security by installing 'antivirus software' in our computers, laptops

or mobiles. But this is a misconception and does not protect us from the ever innovating fraudsters and cyber criminals who are constantly devising new ways to target our device, capture our personal information or steal our money. Given below are some of the common threats faced by an internet user.

I. Virus

A virus is a piece of software that can replicate itself and infect a computer without the permission or knowledge of the user. A virus can only spread when it is transmitted by a user over a network or the Internet, or through removable media such as CDs or memory sticks. Viruses are sometimes confused with worms and Trojan horses, or used incorrectly to refer to malware. Some viruses delete files, reformat the hard disk or cause other damages. Others only replicate themselves and may present text, video, or audio messages. While they are not designed to do damage, even these viruses take up memory and may cause erratic behavior, system crashes and loss of data. The danger levels and prevalence of virus as a mode of attack is very high.

II. Spam / Spim / Spit

SPAM is electronic junk email. The amount of spam has now reached 90 billion messages a day. Email addresses are collected from chat rooms, websites, newsgroups and by Trojans which harvest users' address books. SPIM is spam sent via instant messaging systems such as Yahoo! Messenger, MSN Messenger and ICQ. SPIT is Spam over Internet Telephony. These are unwanted, automatically-dialed, pre-recorded phone calls using Voice over Internet Protocol (VoIP). Spam can clog a personal mailbox, overload mail servers and impact network performance. On the other hand, efforts to control spam such as by using spam filters run the risk of filtering out legitimate email messages. Perhaps the real danger of spam is not so much in being a recipient of it as inadvertently becoming a transmitter of it. Spammers frequently take control of computers and use them to distribute spam, perhaps by the use of a botnet. Once a user's computer is compromised, their personal information may also be illegally acquired.

III. Spoofing, Phishing & Pharming

Spoofing is an attack in which a person or program masquerades as another. A common tactic is to spoof a URL or website. Phishing (pronounced "fishing") is a common form of spoofing in which a phony web page is produced that looks just like a legitimate web page. The phony page is on a server under the control of the attacker. Criminals try to trick users into thinking that they are connected to a trusted site, and then harvest user names, passwords, credit card details and other sensitive information. eBay, PayPal and online banks are common targets. Phishing is typically carried out by email or instant messaging. The email message claims to be from a legitimate source but when the user clicks on the link provided, he or she lands on the fake web page. Pharming (pronounced "farming") is an attack in which a hacker attempts to redirect a website's traffic to another bogus website. Pharming can be conducted either by changing the hosts file on a victim's computer or by exploitation of a vulnerability in DNS server software. DNS servers are computers responsible for resolving Internet names into their real IP addresses—the servers are the "signposts" of the Internet. Once personal information is acquired, spoofers, phishers or pharmerms may use a person's details to make transactions or create fake accounts in a victim's name. They can ruin the victims' credit rating or even deny the victims access to their own accounts.

IV. Spyware

Spyware is software that is secretly installed on a computer without the user's consent. It monitors user activity or interferes with user control over a personal computer. Spyware programs can collect various types of personal information, such as websites visited, credit card details, user names or passwords, as well as install other malware, redirect web browsers to malicious websites, divert advertising revenue to a third party or change computer settings (often leading to degraded or unstable system performance, slow connection speeds or different home pages).

V. Keystroke Logging (Keylogging)

A keylogger is a software program that is installed on a computer, often by a Trojan horse or virus. Keyloggers capture and record user keystrokes. The data captured is then transmitted to a remote computer. While keyloggers will not damage your computer system per se, because they can capture passwords, credit card numbers and other sensitive data. They should be regarded as a serious threat.

Currently there is no easy way to prevent keylogging. For the time being, therefore, the best strategy is to use common sense and a combination of several methods:

- **Monitoring which programs are running:** A user should constantly be aware of which programs are installed on his or her machine.
- **Antispyware:** Antispyware applications are able to detect many keyloggers and remove them.
- **Firewall:** Enabling a firewall does not stop keyloggers per se, but it may prevent transmission of the logged material, if properly configured.
- **Network monitors:** Also known as reverse-firewalls, network monitors can be used to alert the user whenever an application attempts to make a network connection. The user may then be able to prevent the keylogger from transmitting the logged data.
- **Anti-keylogging software:** Keylogger detection software packages use “signatures” from a list of all known keyloggers to identify and remove them. Other detection software doesn’t use a signature list, but instead analyzes the working methods of modules in the PC, and blocks suspected keylogging software. A drawback of the latter approach is that legitimate, non-keylogging software may also be blocked.

VI. Adware

Adware is software which automatically plays, displays, or downloads advertisements to a computer. The adware runs either after a software program has been installed on a computer or while the application is being used. In some cases, adware is accepted by users in exchange for using software free of charge. Not all

adware is innocuous, however. Some types of adware are also spyware and, therefore a threat to privacy. Adware is relatively harmless unless it is a spyware. It can, however, cause degradation in system performance. As adware is also often spyware or malware, programs have been developed to detect, quarantine, and remove both spyware and adware. Ad-Aware and Spybot-Search & Destroy are two commonly used programs. These programs are specifically designed for spyware detection, and, therefore do not detect viruses, although some commercial antivirus software packages can also detect adware and spyware, or offer a separate spyware detection module.

VII. Botnet

A Botnet (also called a “zombie army”) is a collection of software robots, or bots, that run automated tasks over the Internet. The term “botnet” is generally used to refer to a distributed network of compromised computers (called “zombie computers”). These “zombies” typically run programs such as worms, Trojan horses, or backdoors. Botnets are frequently used to launch Distributed Denial-of-Service (DDoS) attacks against websites. Newer bots can automatically scan their environment and propagate themselves using vulnerabilities and weak passwords. Experts estimate that as many as one in four personal computers connected to the Internet has become part of a botnet. Several botnets have been found and removed from the Internet such as a 1.5-million node botnet recently discovered by the Dutch police. In the first place, botnets steal computing resources and the individual user’s system performance may degrade as a result. More serious consequences may be caused, however, by the programs that run on botnets.

VIII. Worm

A computer worm is a self-replicating, malicious software program. Unlike a virus, it does not need to attach itself to an existing program or require user intervention to spread. It uses a network to send copies of itself to other computers on the network.

Worms can cause two types of damage:

Worms can cause two types of damage:

1. **Damage to the network:** by their replicating behavior, worms consume bandwidth and can cause degraded network performance.
2. **Payload:** worms also deliver payloads such as backdoors that allow hackers to gain control of the infected computer and turn it into a “zombie”. That computer may then become part of a botnet used to send spam or launch Distributed Denial-of-Service (DDoS) attacks (often coupled with blackmail attempts).

Since worms spread by exploiting vulnerabilities in operating systems, computers should be kept current with the latest security updates or “patches” from operating system vendors. To prevent infection, users need to be wary of opening unexpected emails and should not run attached files or programs, or visit websites that are linked to such emails. Users should be constantly on guard against phishing. Antivirus and antispyware software, if kept up-to-date, are also helpful, as is the use of a firewall.

IX. Trojan Horse

A Trojan horse or Trojan is a piece of software which – like the Trojan Horse of Greek mythology- conceals a payload (often malicious) while appearing to perform a legitimate action. Trojan horses often install “backdoor programs” which allow hackers a secret way into a computer system. Trojans horses can deliver a variety of payloads, and, therefore have the potential to cause significant damage. Example payloads include:

- Erasing or overwriting data on a computer.
- Corrupting files
- Allowing remote access to the victim's computer.
- Installing other malicious programs such as viruses.
- Adding the victim’s computer to a network of zombie computers in order to launch Distributed Denial-of-Service (DDoS) attacks or send spam.
- Logging keystrokes to steal information such as passwords and credit card numbers
- Harvesting email addresses and using them for spam.
- Deactivating or interfering with antivirus and firewall programs.

Normally, antivirus software is able to detect and remove Trojan horses automatically. They may also be deleted by clearing the temporary Internet files on a computer, or by finding the offending file and deleting it manually.

X. Blended Threat

A **blended threat** is a threat that combines different malicious components, such as a worm, a Trojan horse and a virus. In this way, a blended threat uses multiple techniques to attack and propagate itself.

XI. Denial-of-service attack (DOS attack)

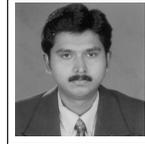
As its name implies, a **Denial-of-Service** or **DoS** attack is an attempt to make a computer resource such as a website or web service unavailable to users. One of the most common methods of attack involves saturating the target (victim) machine with external communications requests. The machine then cannot respond to legitimate traffic or responds so slowly as to be rendered effectively unavailable. Attacks are often launched by networks of zombie computers or botnets. These are known as Distributed Denial-of-Service or DDoS attacks. Although simple, DoS attacks can be highly effective. DoS attacks against websites of government ministries, the press and banks disrupted Internet communications for several days in 2007 throughout the Baltic nation of Estonia. DoS attacks typically target large businesses or government institutions rather than individuals or small businesses. Nonetheless, they can make a website or web service temporarily unavailable (for minutes, hours or days), with ramifications for sales or customer service. Moreover, DoS attacks on private companies are sometimes coupled with blackmail attempts.

Conclusion

Users of any device that is connected to internet should have basic awareness and understanding of the common threats. Also, we have to be continuously updated with latest developments in the arena of cyberspace vulnerabilities, as new threats are constantly appearing and existing threats are evolving. Most users of cyberspace are still failing to take an adequate level of protection even with such heightened level of threat.

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या कुन्देन्दु तुषारहार धवला या शुभ्रवस्त्रावृता।
या वीणा वरदण्ड मण्डित करा या खेतपद्मासना।।
या ब्रह्माच्युत शङ्कर प्रभृति भिःदेवैः सदावन्दिता।
सा मां पातु सरस्वती भगवती निःशेष जाडयापहा।।

Saraswati, You who bring sweetness to our being Radiant as the moon, pure as morning dew, Fragrant as jasmine. Clad in Garments of spotless white Enthroned upon a white lotus Epitome of purity, of detachment from the clamour of the world.

In your hands a beautiful Veena, Source of the harmony of life. beautiful goddess worshipped by divine Beings, Brahma, Vishnu and shiva. Dispel the darkness of ignorance: kindle in me the light of knowledge. Thus may I be protected from all worldly ills, from the triple sorrow of existence.

ART OF PUBLIC SPEAKING

Prof. U.K. Ganguly

Abstract

In modern English, Presentations tend to be much less formal than they were even twenty years ago. Most audience these days prefer a relatively informal approach. However, there is a certain structure to the opening of a Presentation that you should observe.

Key Words : *Research a topic, Focus, Organise, Incorporate Humor, Start Strong, Close Stronger, Connect with audience, Confidence.*

Introduction

Public Speaking encourages you to look inside your self and explore what really matter to you so that you can share these convictions and concerns. As you speak before a group, you will become aware of how people respond to you. A responsive audience can make your thoughts and feelings cum alive in ways you have never experienced before. The personal growth you experience in public speaking makes possible a number of practical benefits. The skills you build can help you in whatever career you under take.

Get people's attention

- If I could have everybody's attention...
- If we can start...
- Perhaps we should begin...
- Let's get started...

Welcome them

- Welcome to Microsoft.
- Thank you for coming today.
- Good morning, ladies and gentlemen.
- On behalf of intel, I'd like to welcome you.

Introduce yourself

- My name's Malavika. I'm responsible for travel arrangement.
- For those of you who don't know me, my name's Vaibhav.
- As you know, I'm in charge of public relations.
- I'm the new Marketing Manager.

State the purpose of your presentation

- This morning I'd like to present our new processor.
- Today I'd like to discuss our failures in the Japanese market and suggest a new approach.
- This afternoon, I'd like to report on my study into the German market.
- What I want to do this morning is to talk to you about our new mobile telephone system.
- What I want to do this morning is to tell you about our successes and failures in introducing new work patterns.
- What I want to do is to show you how we've made our first successful steps in the potentially huge Chinese market.

State how you want to deal with questions.

- If you have any questions, I'll be happy to answer them as we go along.
 - Feel free to ask any questions.
 - Perhaps we can leave any questions you have until the end?
 - There will be plenty of time for questions at the end for us to take care of.
- Even within this limited group of phrases, just choose a few you feel comfortable with and learn and use those.

25 Essential skills every public speaker should have.

How did I do?

Every public speaker should be able to:

1. Research a topic--Good speakers stick to what they know. Great speakers research what they need to convey their message.
2. Focus--Help your audience grasp your message by focusing on your message. Stories, humour, or other "sidebars" should connect to the core idea. Anything that doesn't need a mention to be edited out.
3. Organize ideas logically--A well organized

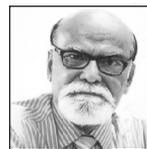
presentation can be absorbed with minimal mental strain. Bridging is key.

4. Employ quotations, facts, and statistics--Don't include these for the sake of including them, but do use them appropriately to complement your ideas.
5. Master metaphors--Metaphors enhance the understandability of the message in a way that direct language often can not.
6. Tell a story--Everyone loves a story. Points wrapped up in a story are more memorable, too!
7. Start strong and close stronger--The body of your presentation should be strong too, but your audience will remember your first and last words.
8. Incorporate humour--Knowing when to use humour is essential. So is developing the comedic timing to deliver it with greatest effect.
9. Vary vocal pace, tone, and volume--A monotone voice is like fingernails on chalkboard.
10. Punctuate words with gestures--Gestures should complement your words in harmony. Tell them how big the fish was, and show them with your arms.
11. Utilize 3-dimensional space--Chaining yourself to the lectern limits can hinder the energy and passion you can exhibit. Lose the notes, and lose the chain.
12. Complement words with visual aids-- visual aids should aid the message; they should not be the message.
13. Analyze the audience--Deliver the message they want (or need) to hear.
14. Connect with the audience--Eye contact is only the first step. Aim to have the audience conclude "This speaker is just like me!" the sooner, the better.
15. Interact with the audience--Ask questions (and care about the answers). Solicit volunteers. Make your presentation a dialogue.
16. Conduct a Q&A session--Not every speaking opportunity affords a Q&A session, but understand how to lead one productively. Use the Q&A to solidify the impression that you are an expert, or (just) a speaker.
17. Lead a discussion--Again, not every speaking opportunity affords time for a discussion, but know how to engage the audience productively.
18. Obey time constraints--Maybe you have 2 minutes. Maybe you have 45. Either way, customize your presentation to fit the time allowed, and respect your audience by not going over time.
19. Craft and introduction--Set the context and make sure the audience is ready to go, whether the introduction is for you or for someone else.
20. Exhibit confidence and poise--These qualities are sometimes difficult for a speaker to attain, but easy for an audience to sense.
21. Handle unexpected issues smoothly--Maybe the lights will go out. Maybe the projector is dead. Have a plan to handle every situation.
22. Be coherent when speaking off the cuff--Impromptu speaking (before, after, or during a presentation) leaves a lasting impression too. Doing it well tells the audience that you are personable, and that you are an expert who knows the stuff beyond the slides and prepared speech.
23. Seek and utilize feedback--Understand that no presentation or presenter (yes, even you!) is perfect. Aim for continuous improvement, and understand that the best way to improve is to solicit candid feedback from as many people as you can.
24. Listen critically and analyze other speakers--Study the strengths and weaknesses of other speakers.
25. Act and speak ethically--Since public speaking fears are so common, realize the tremendous power of influence that you hold. Use this power responsibly.

One needs to be confident and have good grasp over the language and also the subject on which the person needs to speak before the public. Building confidence is a difficult task but one needs to constantly practice on various platforms to build confidence and also learn the art of public speaking.

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Comparative Study of quality of education in government and private schools in case of Adama City, Ethiopia, East Africa

Prof. Asefa Abahumna Woldetsadik

Abstract

This study is intended to look at the managerial approaches as well as the suitability of learning resources and schools' physical infrastructures in Adama City Administration. It investigated how the directors, teachers, and students' parents perceived the academic performances of government and private primary schools. Mean, S.D, and t-test were used to determine the differences between the two establishments of the primary schools. A total of 155 papers were distributed to randomly selected Primary school directors, teachers, and students' parents involved in school management activities. 120 questionnaires were filled by those randomly selected respondents and returned. Of the total, 10 directors, 80 Teachers, and 30 students' parents filled the questionnaires. This study used two major categories of measures—Managerial aspects and physical facilities to compare private and government schools. Independent sample t-test was used to measure the extent of differences between the two measures. Further significant differences were revealed in the way parents, teachers and directors perceive the quality of education.

Key Words: *Government Schools, Private School, Managerial aspects, Facilities / Physical Infrastructures and Adama City Administration.*

I. Introduction

According to Muhammad Shabbir et.al (2014), education which is a key in human capital formation maintains sustainable economic development and skilled manpower. Primary education is perceived as one of the main vehicles for promoting economic growth and improving living standards in developing countries. It is made with new knowledge and the appropriate technical training at a primary level to improve the quality of education. Expanding access to primary schooling is a widely accepted priority in the fight against poverty (H. Alderman et al. (2001) cited in Muhammad Shabbir et.al)

Muhammad Shabbir et.al (2014), added that the world has become more and more competitive now. The whole education system of the world rotates around academic achievements of the students. Parents desire for a high level of achievements of their children in education.

These desires put a pressure on both public and private schools and make them competitive. The question is which sector is more effective and efficient in this competition, how and where?

II. Objective of the study

The aim of the study is to compare the overall performance of government versus private schools of Adama City Administration. The questionnaire has been designed to give an inside view of principals, teachers and students' parents involved in the school management. Generous cooperation was secured from the respondents because of the declared objectives of the study and reinforced by the personal approach. Data obtained have been analyzed. Finally, summary, conclusions and recommendations have been made on the basis of the findings of the study with this intention, the investigation is limited to the following hypothesis:

Hypothesis 1

Ho: There is no significant difference between government and private schools in managerial aspects in Adama City Administration.

Hi: There is a significant difference between government and private schools in managerial aspects in Adama City Administration.

Hypothesis 2

Ho: There is no significant difference between government and private schools in infrastructure/ physical facilities/ aspects in Adama City Administration.

Hi: There is a significant difference between government and private schools in infrastructure/ physical facilities/ aspects in Adama City Administration.

III. Literature Review

general consideration of school plan

Many features of current school designs are the result of curricular changes Heald, (1968, p.281). Furthermore, Wahlquist, (1952, p.422), states that “determination of the educational program is basic to all else is school buildings must be designed to do an educational job”. As it is indicated by other researchers, the existing problems of school plants are the inadequacies of spaces. Usually, such problem is more prominent in private schools than in government schools. In this regard, Zaudenh Yimtatu, (1971, p.20-21) states that “among all the things that detract from the usefulness and dignity of the private school is school plant. The physical condition of most private schools is very depressing. Shabby buildings, leaking roofs, dark classrooms lack of water supply and absence of toilet facilities are some of the basic things that characterize those schools”.

In most cases, private schools may not pay much attention to the importance of sites and sizes of the school plant than the profit that they are intending to generate. But the mere fact is that school sites and sizes are an integral part of the school plant and that can be made to serve educational purposes.

Besides the needs being served, any school plant should be placed to receive good light conditions and large schools in order to maintain higher academic achievements. In his remark, Chantavanich, (1990, p.90) states that students attending large schools have higher achievement than those attending smaller schools since larger schools are at an advantage in terms of having better teaching equipment, better facilities, and more highly qualified staff. Nevertheless, in most cases government elementary school plants and facilities are found better compared to that of private schools.

Government role over private school.

Currently, in the Ethiopian context, the government is responsible to monitor, inspect, supervise, give direction if found necessary for the over-all performance of the school. Prior to the current government, in Ethiopia, proclamation No.54/1975 has

made all private schools to become public schools. No central grant-in-aid in a lump sum is given to the private schools in a form of motivation or higher academic achievements.

In the United States of America, schools have always belonged ultimately to the American people, and it is the American people who have assigned to the public schools their most important tasks. School Boards and other agencies are ultimately made the decision makers about the directions in which the public schools will move. Cremin, (1956, p.2101).

On the other hand, in the United Kingdom, the 1986 Education act gave greater power to parents to control the schools and the right to appoint and dismiss staff. The delegation of power to the governing body is intended to enhance the involvement of parents and the wider community Davies, (1989, p.26).

Financing private schools

Private schools are used to facing many very pressing problems which grow out of the great variety of things created by financial difficulties. Some writers state that the larger part of private school budget comes from school fees. Hence, schools that have more number of pupils will get more money and can afford more staff, which in turn helps to increase the number of clients.

In most cases, every public school uses its own ways of collecting fees. In some private schools, for instance, the community determines the types of resources to be employed in order to maintain educational standards and the amount towards fees to be collected. In this relation, Davies, (1989, p.67) states that responsibility for school finances should be delegated to the school governing bodies, who must use these budgets to the maximum effect according to their own school's particular priorities and those identified by the communities they serve.

Generating Resources for private schools financing.

In order to safeguard the financial viability of their schools, the community will need to develop the essence of the new client. As Salter, (1985, p.92) points out, “It is believed that the schools could not stay in business unless they remained sensitive to

customer demands.” Any income that can be raised through the increased use of the premises will help to balance some of the school costs and in turn may benefit the educational work of the school. With regard to generating resources, Bray (1988, p.39) has identified three methods of generating resources, resources from within, and outside the community, and resources generated by the schools themselves.

In many schools, social events are part of the project by which they can raise a large amount of money. With this, profits would be made through the sale to parents and pupils of anything. With regard to “Resources from within the community”, Bray, (1988,p.43-53) has listed down some methods of generating resources which includes launching ceremonies, community taxation, through parent-teacher association collection, through alumni association, grants from co-operatives, through the provision of services and voluntary nature of contributions. He adds that “assistance from the government, overseas churches, donations from local businessmen, and aid from a foreign government”, would also enable the schools to generate income.

In most instances, however, many schools could raise their own income through different types of production units, such as, through farms, building material production, metal or carpentry work. Complementing on this, Bray, (1988,p.54) states that “... in Rwanda, on a small plot enabled eight-and nine-year-old pupils grow potato worth the equivalent of US\$120 and used the profit six times what the school received from the government”. He adds that in the Philippines,” production was made part of the broader curriculum and mechanism through which pupils could pay their fees”. Hence public schools should secure their income through attracting their client.

Acquisition of Quality Education

As evidenced by the many studies in the area of education, the school is one of the greatest social institutions ever conceived by mankind. Its very existence and everything is done can be justified only by the school through its principals and teachers. In other words, no one can be as close to the real problems of the school as are the members of the organization.

Hence, the educational efficiency of a school system is the sum total of the efficiency of each of its members. Therefore, in order to achieve the quality desired, educating and re-educating or retraining the member of the school should be considered seriously. According to Zaudneh Yimtatu, (1987, p.222) states “giving more education and training to organizational members of any level has resulted in better performing individuals. More educated organizational members tend to possess greater leadership qualities”.

Most often schools are expected to produce quantitative pieces of evidence in the quality of education provided. The success of attaining quality education in schools will largely depend on the outcome of efforts to improve the supply and quality of teachers available for the schools.

Salter, (1985, p.230) says that “in the schools the teacher force... is the major single determinate of the quality of education”. In this case, if it is to maintain and achieve public confidence, teachers education should be prepared to improve the quality of instruction in the school.

In this remark, Schott, (1989,p.49)says that “It is apparent that even if priorities are established, the task of helping teachers to improve their professional competencies must be continued on the job through an in-service program that welds theory, research, and practice continuously and incrementally, rather than episodically”.

Generally, in order to improve the quality of education, and make teachers competent enough, in terms of their instructional skills and classroom management techniques, teachers should be given an opportunity to acquire the necessary knowledge.

Chantavanich, (1990, p.117) states that “the most factor influencing the operation of a school is its headmaster”. Usually, the principal is expected to play a significant role in all staffing and organizational matters. Therefore, one of the significant characters of private school is to compete in a marketplace by which it is directed to development or directed to the closure of the school.

Davies, (1989, p.49) says, the headmasters will need to market their schools vigorously. If school succeeds in attracting an increasing number of children, then the curriculum should be quite well resourced. If a school fails to recruit enough pupils, then it will lose a large part of its budget, which is based on pupils' numbers. If this continues for a number of years, the school is likely to close".

The principal as chief executive of the school has an important role to play in improving the standard of the school. Hence, he should have the accesses to further training which in turn enables him to execute his task effectively.

Initiating community participation in private school

In most cases, the community is more concerned about the nature and quality of education offered to their children than any other. Hence, would play an active part in educating their children if they are given tasks to do which are meaningful and feasible for them.

Levin, (1970, p.45) states "it will add new hands and minds to the task, from the parents and community at large. The participants will come to know the educational enterprise from their own experience rather than simply accepting its established goals and procedures as virtues as pronounced by its professional managers". The strong relationship between the school and community may open the door to change of educational development.

Regarding community participation, Cremin, (1956, p.212) advises that "All of you, for your own as well as for the sake of your future children, have a great personal stake in the public schools.....you must begin, if you haven't already done so, to think of the public schools as your schools. Think of them as belonging to you and to your neighbours.

If they are good schools, it is your credit; if they are poor it is your fault. The credit or blame for the quality of your public schools can never be passed off on to the other fellow. To repeat, the public schools are your schools". To survive, it requires faith in its usefulness from its clients Goodlad, (1984, p.1). In any circumstance, community participation is regarded as essential to the learning-teaching process.

IV. The Purpose of the study.

The tendency of sending children to private primary school looks like greater than ever. Even the low-income family observed preferring to send their children to private schools. This study intends to investigate if managerial and a Facilities/Physical Infrastructure aspect is the factor for parents to prefer private schools or differences in overall performance of government and private primary schools.

The Main purpose of this study is to examine if there are significant differences the two schools (government and Private primary (5-8) schools in managerial aspects and learning facilities/physical infrastructures. Measures assumed could indicate satisfaction with managerial and school facilities or physical infrastructures were set to be a measure of performance. Since I haven't come across studies conducted (comparison of government and private primary schools) particularly in Adama City Administration, motivated me to conduct this study.

V. Research methods

Data collecting tools.

Data was collected using questionnaire. In order to substantiate data collected using questionnaire, a visit was made to all target primary schools and observation was also done to facilities and conditions of physical infrastructures of schools.

Sample Size

Of the total (155) questionnaires distributed, 120 were filled and returned as well as analyzed.60 respondents were randomly selected from government and 60 from private primary schools. Directors, teachers and students' parents involved in the sample size schools were taken as respondents of this study. This study does not consider differences that exist between the three (Directors, Teachers and Parents) respondents. The study is limited to government and private primary schools in Adama city Administration.

Method of data analysis

Data collected using a structured questionnaire was analyzed extensively. Descriptive analysis, as well as hypothesis testing, is done. An independent sample t-test is applied to investigate and identify significant differences between the two measures of managerial aspects and physical facilities/infrastructure.

VI. Data Interpretation and Analysis

Cronbach's Alpha	N of Items
.702	18

Source: own Computation

Cronbach's alpha is a measure used to assess the reliability or internal consistency of a set of scale or test items. A commonly accepted rule for describing internal consistency using Cronbach's alpha of 0.7 is considered acceptable. The calculated Cronbach's alpha is 0.702 which is just sufficient to justify reliability of scale.

Table 2: Comparison of managerial aspects between government and private schools

Managerial aspects	Government			Private			t	df	Sig. (2-tailed)
	N	Mean	S.D	N	Mean	S.D			
1 Satisfaction with the governing body in discharging of duty	60	2.82	1.097	60	2.47	1.171	1.690	117.50	.094
2 Satisfaction with reputation of the school	60	2.83	1.368	60	2.75	1.284	.344	117.53	.731
3 Satisfaction with the reputation of teaching profession	60	2.77	1.332	60	2.83	1.278	-.280	117.80	.780
4 Educational standard of school is satisfactory	60	3.22	1.404	60	3.32	1.420	-.388	117.99	.699
5 Satisfaction with school administration and management	60	2.87	1.171	60	2.97	1.377	-.428	115.02	.669
6 Teachers perform well	60	3.22	1.010	60	2.93	1.300	1.333	111.20	.185
7 Satisfaction with student result	60	3.02	1.097	60					



Asefa Abahumna Woldetsadik Professor, School of Social Science & Liberal Arts, Adama Science & Technology University & Member of Parliament, Ethiopia.

Mirza Ghalib's 220th birth year 2018-his Lovely & Witty Poetry...

वरना मेरी सलामती की दुआ कौन करेगा
 ورنہ میری سلامتی کی دُعا کون کریگا
 और रखना मेरे दुश्मनों को भी महफूज़
 اور رکھنا میرے دُشمنوں کو بھی مہفوذ
 !!!...वरना मेरी तेरे पास आने की दुआ कौन करेगा
 ورنہ میری تیرے پاس آنے کی دُعا कौन
 करेगा---!!!

खुदा की मोहब्बत को फना कौन करेगा?
 خُدا کی مہبت کو فنا کون کریگا?
 ?सभी बन्दे नेक हों तो गुनाह कौन करेगा
 سبھی بندے نیک ہوں تو گناہ کون کریگا?
 ऐ खुदा मेरे दोस्तों को सलामत रखना
 اے خُدا میرے دوستوں کو سلامت رکھنا

Guidelines for Authors

Vidwat – The Indian Journal of Management is a peer-reviewed journal published biannually, in January and July by Dhruva College of Management- Hyderabad. Vidwat publishes empirical, theoretical, and review articles dealing with management from both scholars and practitioners; with a bias for Indian philosophy of management. Vidwat encompasses areas such as business strategy, entrepreneurship, human resource management, organizational behaviour, marketing, consumer behaviour, finance, production, and corporate social responsibility, governance, and research methods. It also provides exclusive space for bibliographies, book reviews, case studies, opinions, commentaries, and letters to the editor. Vidwat invites celebrities from industry and academia to contribute a “thought paper” on any topical subject as Op-Ed.

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- Manuscript should be submitted in Microsoft Word format to vidwat@dhruvacollege.net
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 **ahimsa** Axis-Hyderabad Indian Management Systems Academy... a Dhruva initiative

“When everything is subject to money, then the scarcity of money makes everything scarce, including the basis of human life and happiness. Such is the life of the slave – one whose actions are compelled by threat to survival. Perhaps the deepest indication of our slavery is the monetization of time.” - Charles Eisenstein, Sacred Economics

In this culture of 'more, more and more money', even the idea of happiness has turned into an endless quest for more of it. Neglecting Indian culture and tradition “happiness or bliss is internal to one self” lead to the present skewed material riches and degeneration. In the face of increasing trans-cultural interactions and relations, springing out of globalization, the indigenous identity and spirit are gradually becoming oblivious.

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Uma and Krishna Prasad
Granules India
Hon'ble Member-Dhruva Governing Board

Krishna Prasad is managing director of Granules India Ltd, a pharmaceutical company. Uma is director of KRSMA Estates Pvt. Ltd, a boutique winery. Marathons are not supposed to be romantic. Gruelling, yes. Muscle cramps and burning lungs, yes. Together they run the craziest marathons in the world. In 2010, they became the only married couple in the world to run marathons Viz; Le Marathon du Médoc-France, Australian Outback Marathon, Porto Marathon in Portugal, Buenos Aires International Marathon-Argentina, International Gobi Marathon in Mongolia, Ice Marathon in Antarctica all seven continents in one calendar year

“In France, they were playing national anthems of all the participants, but they didn’t have the Indian national anthem-so Uma went up to the microphone and sang it” Krishna says!



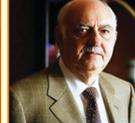
J. Nrupender Rao
Chairman-Pennar
Chairman - Dhruva Governing Board



Aditya N Rao
Vice-Chairman and MD- Pennar

Pennar Industries, the flagship company of the Hyderabad-based Pennar group, which has posted over 40 consecutive quarters of growth and profitability, is now aiming to triple its revenues. The company has scripted a medium-term plan as it diversifies into new product lines, expands value-added products and enters the US market with its engineering services through a subsidiary set up in Houston. Aditya Rao, Vice-Chairman and Managing Director, Pennar Industries, said: “The company turned around in 2004-2005 and thereafter, there is no looking back as we posted steady growth of twice the industry and looking to sustain this growth over the next few years. Conservatively, we expect a compounded annual growth rate of over 30 per cent.” “We had closed last fiscal with a total turnover of about ₹1,800 crore and our medium term plan is to grow the revenue more than three-fold to be a \$1-billion company. This would be possible as we grow not just value added products in steel, pre-engineered building systems, renewable energy infra solutions and engineering services and increase exports,” he said. “We have worked out a five-year strategic plan for each of the business, headed by a sector expert. We believe we will be able to achieve a turnover of over ₹6,000-6,500 crore over the next five years,” he said. The company has seven manufacturing units, five of them in Telangana, one in Chennai, Tarapur and one by way of lease in Baroda. Additional plant is being considered to address the growing demand for high-rise building structures.

Top Indian Philanthropists

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I'm lucky to have participated in **Muqabla 2016** for I was awarded Rs 2 Lacs scholarship

– Sadiya Nousheen



Muqabla was such a forum that made me showcase my prowess to win " All India Best U.G Student "

– Yashwanth Keshav

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