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Theme:

Innovations in Education and Start-up Ecosystem and Sustainability in Industry 4.0 Era

Guest Editor

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Guest Editor's Note

The innovation and creativity in the current business context is an inevitable reality, especially given the context of Industry 4.0. The Industry 4.0 is typically characterized by the technological adoption and digital disruption, which are essential for the Higher Education and Start-up Ecosystem in ensuring the sustainability given the context of 17 Sustainable Development Goals (SDGs) of United Nations-2030. Therefore, the ongoing innovations has become the order of the day. The COVID-19 pandemic has not only impacted the economies, since Jan-March 2020 in Indian context but also expedited the continuous adoption and embracing the transformation more as necessity, rather than a luxury!

During the COVID-19 pandemic, the search for Education and Learning, as also the adoption to cope-up with the challenges has gone-up 3 times, since March 2020. The massive adoption of online and virtual learning systems in Higher Education has become a phenomenon, as also the pivoting of start-ups during last 12-15 months.

Although there have been variety of challenges posed by COVID-19, there have been also been birth of an equal array of opportunities. Given this context, this issue is focused upon the discussion, and with the research papers and case analysis, under the theme as *"Innovations in Education & Start-up Ecosystem and Sustainability in Industry 4.0 Era"*.

In the opening paper, Nandeesh V. Hiremath has analyzed the *significance of Education 4.0 and Industry 4.0* by illustrating how the Education sector has undergone changes, especially during 2020 and also with the New Education Policy-2020. This paper has also analyzed and present the future of Higher Education in India, with its 4 key dimensions (viz., student experiences, employability, research excellence and society/industry) and supplementary interventions to be adopted by Higher Educational Institutions (HEIs)/Universities in India.

Subsequently, *the EdTech Start-up and Educational Transformation Ecosystem in India* has been critically evaluated in their paper by Hemanth Kumar S., M.H. Sharieff and Vaibhav Goutham Suresh. They have used findings from KPMG report (May 2017) and analysed growth trends of EdTech Sector in India, with data from various sources. They opine that EdTech is on the upward and growing trend to evolve and transform towards an anticipated borderless and blended (online + classroom) learning in the forthcoming future of 3-5 years.

This is followed by *a Study on scope of Blended Learning in India* by Shreyas Naik and Vaishali Agarwal using the data on MOOCs, demographic and psychographic factors of blended learning, along with willingness to adopt blended e-learning, thereby indicating the opportunities for providing higher quality and lower prices (HQLP).

Further, Brij Lata has undertaken *an integrated analysis of the Development Models for Holistic Management as a New Age Management Approach* with 8 models, in greater detail and depth, especially from an Indian Management perspective vis-à-vis Global Management perspectives. In addition, the Transactional, Transformation and Transcendental approach (TTT) and Equations for Development are also illustrated.

Consequently, A.V. Ramana Charyulu in his paper illustrated the *Emerging Vistas for Start-ups into 21st Century, by proposing the 3 New Dimensions that Drive Sustainability* viz., Demographic Dividend, Mobility Needs and Resilient Supply Chains. This is closely followed by the *analysis of the impact of COVID-19 on the MSME Sector and the Way Forward* as proposed by Manjunath V.S. and Nandeesh V. Hiremath.

This is further followed by *the Analytical Study on Management of Franchisees in India* by Anil Rao Paila and Satish Puranam, who have excellently presented the six key success factors which are responsible for building the enabling culture for successful franchising, Franchisor-franchisee relationship and Indian franchisee management. And, thereafter S. Shyam Prasad and Shampa Nandi have presented the *case analysis of the Innovation in Fitness Industry with the 'Cure.Fit'* as a Start-up, in a detailed manner.

The COVID-19 has impacted industries and employees in multiple different ways, which is analysed by taking practical and *emerging/evolving trends in Talent Management & Employee Engagement Practices* implemented by 20 different Business Enterprises, across various industry sectors during the Pandemic by Krupa Rani M.C. and Krishna R.

An effort is made by Bijay Krishna Bhattacharya, Lakshmi Kanta Sinha Ray and Mridul Kumar Ghosh by careful analysis by taking data on the *Yes Bank Saga* and they have analysed the lessons and given some suggestions for the Indian Banking Sector, so that such debacles can be avoided in future. This is followed by *Analysis of Profitability of Infrastructure Sectors for Sustainability in India* by T. Manjuantha, Gautam M. and Vikas K.M. using the financial data of 354 infrastructure companies from 5 sectors viz., 132 companies in construction sector, 68 companies in steel sector, 38 companies in cement sector, 68 companies in power sector, 48 companies in telecommunication sector.

This journal concludes with an attempt to find new direction and dimensions in the ***"Indian Management"*** the latest Book published in 2020 by Subhash Sharma, who has undertaken an in-depth and impactful research during last three decades. Daniel Albuquerque has illustrated in his 'Book Review' as Sharma's *Mantra: 'Prabandh Sastra'*– Indian Management; whereas Isha Gamlath of University of Kelania, Sri Lanka has referred to Subhash Sharma's illustrious research on "Indian Management" by aptly referring to the noble contributions of Subhash Sharma as the veteran "*Management Guru and theorist on Indian Management thought-process*".

In short, this journal has attempted to present the multiple and analytical perspectives/insights, based on the research/analysis of the contributions by 23 Academicians, Industry Practitioners and Researchers, thereby making it as a useful reference for the readers and researchers alike.

Wishing you an enjoyable and enriching reading-learning journey…

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Contents

Articles

1. Higher Educational Institutions (HEIs) & Universities for the FUTURE: Evolving Models in the context of Education 4.0 Era
   Dr. Nandeesh V. Hiremath 07
2. EdTech Startup and Educational Transformation Ecosystem in India
   Dr. Hemanth Kumar S., Dr. M.H. Sharieff & Capt. Vaibhav Goutham Suresh 20
3. A Study on Scope of Blended Learning in India
   Shreyas Naik & Dr. Vaishali Agarwal 28
4. Development Models for Holistic Management: A New Age Management Approach
   Brij Lata 42
5. Emerging Vistas for Start-ups into 21st Century: Three New Dimensions that Drive Sustainability
   Dr. A.V. Ramana Charyulu 48
6. Impact of COVID-19 on the MSME Sector and the Way Forward
   Prof. Manjunath V.S. & Dr. Nandeesh V. Hiremath 55
7. Analytical Study on Management of Franchisees in India: A Perspective
   Dr. Anil Rao Paila & Satish Puranam 61
8. Innovation in Fitness Industry: A Case of Cure.Fit
   Dr. S. Shyam Prasad & Dr. Shampa Nandi 70
9. Evolving Trends in Talent Management & Employee Engagement Practices undertaken by the Business Enterprises during the Pandemic
   Krupa Rani M.C. & Dr. Krishna R. 78
10. Yes Bank Saga: Some Lessons and Suggestions for Indian Banking Sector
    Dr. Bijay Krishna Bhattacharya, Lakshmi Kanta Sinha Ray & Mridul Kumar Ghosh 82
11. Analysis of Profitability of Infrastructure Sectors for Sustainability in India
    Dr. T. Manjuantha, Gautam M. & Vikas K.M. 92

Book Review

1. **Sharma's *Mantra: 'Prabandh Sastra'*– Indian Management***:* *of the Book entitled* "Indian Management", New Age International Publishers, New Delhi, pp.176, (ISBN: 97-93-89802412), 2020
   Review by Daniel Albuquerque. 101
2. **"Indian Management",** New Age International Publishers, New Delhi, pp.176, (ISBN: 97-93-89802412), 2020
   Review by Prof. Isha Gamlath 103

DISCOURSE
DISCUSSION
DIALOGUE

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Higher Educational Institutions (HEIs) & Universities for the FUTURE: Evolving Models in the context of Education 4.0 Era

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> *"The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn": Alvin Toffler, in 'Rethinking the Future'.*

INTRODUCTION

It is well known fact that Albert Einstein (1879 - 1955) mentioned *"I never teach my pupils; I only attempt to provide the conditions in which they can learn"*. This has become a hard reality in 2020, what is popularly known as COVID era.

It has become imperative that many things have become essential like, a) Adaptation is the Key, b) Survival of the Quickest, not just the fittest, c) "Forced" Entrepreneurship by all kind of business enterprises and also HEIs and Universities, d) Need for being Close to the "Nature", e) So many dominant industries have been badly affected, while some other industries have seen unprecedented growth by changing business models.

The COVID-19 has become a wake-up call for all the human beings, who have the unique capability of adapting to new situations & unexpected circumstances. Now is the time for context-based leadership, rather than sticking to concepts and theories etc. Further, it is time for every individual, organization and business enterprise including HEIs/ University to recalibrate to stay relevant. It is a proven fact that whenever man is confronted with a crisis, new innovations, discoveries, adaptation and co-creation have become normal and are becoming new-normal in the

COVID era, because without the to innovate and co-create, there is no chance for survival, growth and prosperity.

Simply stated, the Covid-crisis has compelled the humanity to embrace the Digital Transformation, which is driving and shaping the FUTURE; and the Education sector has not been an exception. The pandemic, which has pushed Education 4.0 to the fore-front and posed a major question to everyone: *"Whether higher education sector can exist in the current form and shape of its functioning, or will it/ is it evolving a newer model to stay?".*

Given the above context, this paper envisages to uncover the current status of Higher Education sector, in the context of Industry 4.0 and also the pandemic, in the first part and also evaluate the major strategies that the HEIs/Universities are required to examine and get equipped to build the Virtual Learning Environment (VLE) in a holistic/integrated manner, in the subsequent section.

EDUCATION 4.0 in the context of INDUSTRY 4.0

"It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable one to change" said Charles Darwin and it has become stark reality in Covid regime.

The **Figure 1** indicates the growth of Education 1.0, 2.0 and 3.0 with their focus areas, while Figure 2 has illustrated the adjustments done during COVID in 2020 in the Education Sector.

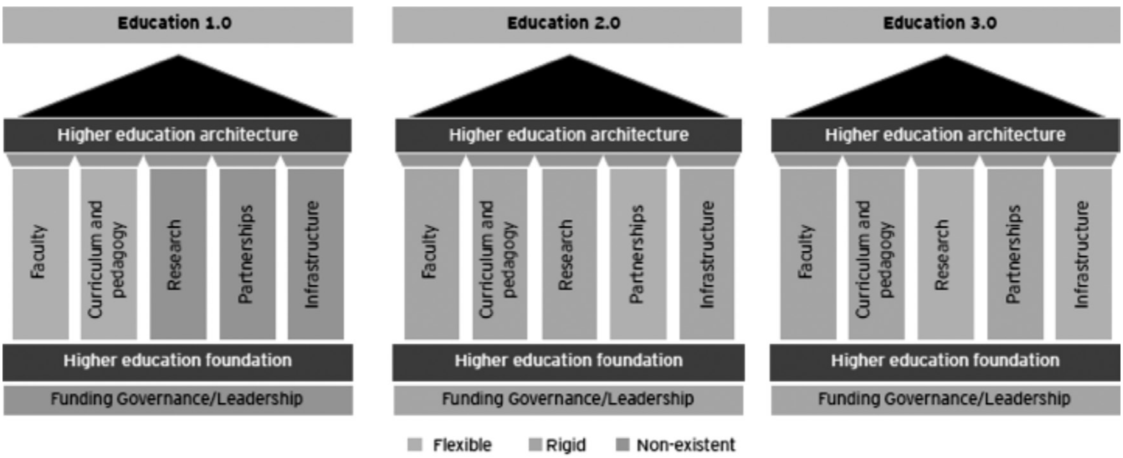

Figure 1: Transformation of Education sector, across Education 1.0, 2.0 and 3.0

Adjustment to Education 4.0	
Curricula and pedagogy	► Lack of peer and social connect impacts learning. ► New ways of learning and assessments are not easy for students and faculty to cope with. ► Online learning is still not personalized and does not match the learning pace of every student.
Faculty	► Training programs to develop the skill of teaching online remotely with limited in person interactions is needed. ► Expectation from faculty to keep evolving and developing new methods of online teaching is challenging. ► With limited connect with students and no opportunity to observe their body languages, faculty are unable to understand student expectations or feedback.
Research	► Researchers have limited access to labs, field sites. ► They are unable to collaborate with research partners.
	► There are limited opportunity for in person partnerships and meetings. ► Exchanges, cultural trips, research projects, industry work experience were cancelled.
Partnership	► Limited usage of physical infrastructure with the shift to online teaching. ► Investments are needed to develop technology infrastructure and IT support teams.
Funding	► HEIs are facing closures / mergers / scaling back of operations.
Governance / Leadership	► New roles to handle upcoming areas of focus, especially related to technology and digital functions are needed.

● Difficult ● Easy

Figure 2: Transformation of Education sector, which occurred during Pandemic as Education 4.0 and its adoptive strategies *(Source: E&Y and FICCI Report, 2021)*

Rasmus Hougaard *et al* (2020) in their paper entitled *'Build Your Resilience in the Face of a Crisis'* in Harvard Business Review have suggested three simple but effective methods to overcome any kind crisis, including that of COVID, which can be summarised as below:

a) **Keeping calm and clear mind:** This enables to pay attention to what's on hand and notice with clarity on the thoughts, actions and results. The clear minds brings focus, which is crucially significant in challenging times; thereby stopping the mind from wandering, being shaky & indecisive and stressful, thus affecting the productivity and performance. Further, the mind with clarity & focus brings resilience, thus overcoming the crisis with comfort an ease.

b) **Looking out of the window:** The overreactions arise out of fear and despair, thus creating negative emotions like frustration, disappointment, declined performance, etc. But, surprisingly, when one shifts the focus on something else and looks at things / people / situations from different perspective, by reflection and response (not the instant reaction), it enables everyone to find clearer and easier answers to the challenges & problems being encountered. Thus, it enhances productivity and better results, as one moves forward with different perspectives by looking out of the window.

c) **Connecting with others through compassionate approach:** Owing to the COVID crisis and related health challenges for spread, and government imposed restrictions, there has been significant increase of Work From Home (WFH) / Learn From Home (LFH), hence the sense of isolation & separation among people / employees / social groups have reached their peaks, by increased fears & anxiety. This clearly requires shift in the mind-set, lifestyle changes and behavioural response mechanisms, which will become possible & feasible only with 'compassionate approach to 'self, others & professions'. This can enable everyone to easily forget the vulnerability and emotional challenges. The compassion is the key intention of a person to be of use/benefit to others, which starts deep in the mind at first. This can be achieved by connecting with other people, either virtually and in person (when feasible), with others to make value addition in a better way. This simple act of kind gesture of being compassionate can create amazing outcomes & magical changes, by opening-up the possibilities and plethora of opportunities.

Keeping the above perspectives in mind, the HEIs in India quickly adopted to newer interventions amidst COVID and they can be seen in **Figure 3.**

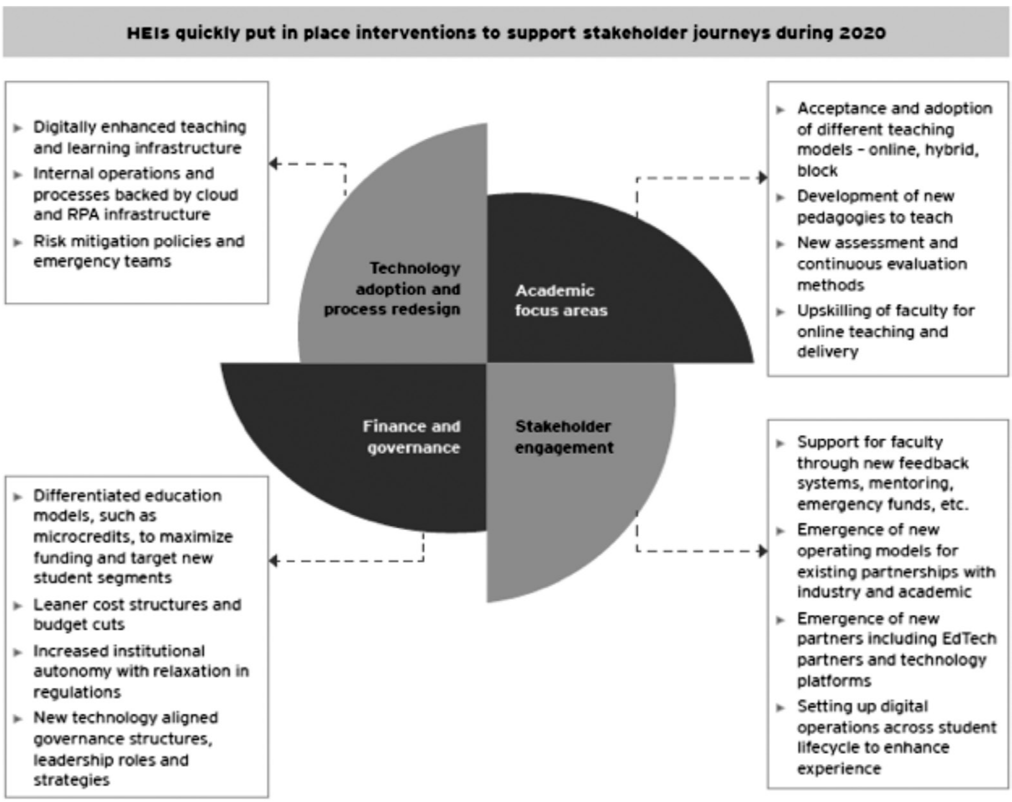

Figure 3: The ways in which Education sector initiated and implemented the adaptive strategies during Pandemic with interventions to support stakeholder journeys during 2020

NEW VISTAS OF GROWTH THROUGH NEW EDUCATION POLICY, 2020 in INDIA

India has taken new strides in Education with New Education Policy-2020 (NEP-2020) as can be seen in **Figure 4.**

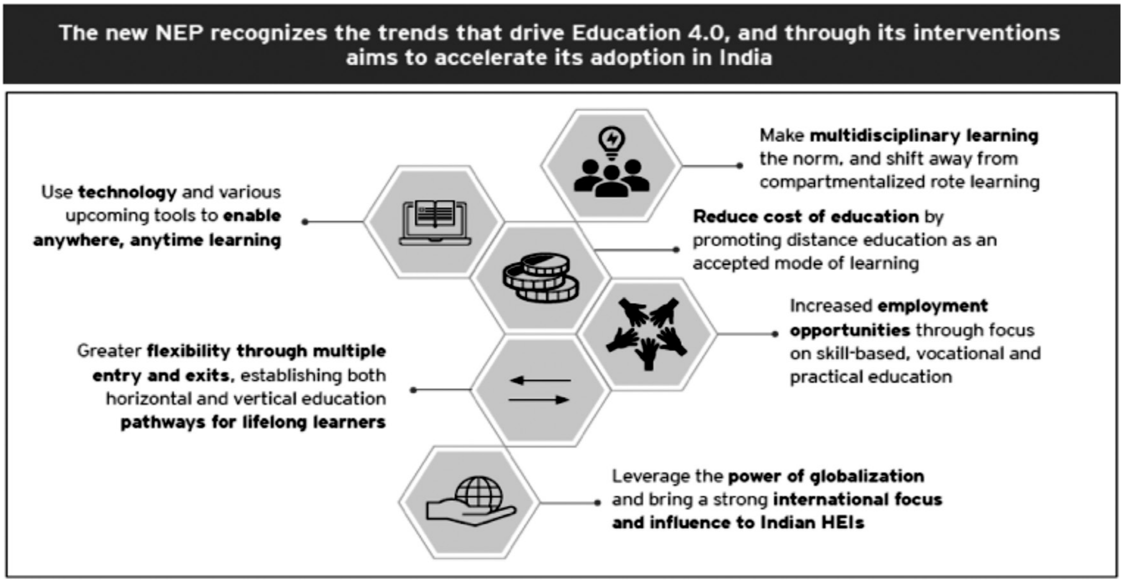

Figure 4: Emerging Trends in Education sector with New Education Policy-2020 (NEP, 2020) in India and truly embracing Education 4.0 through accelerated interventions
(Source: E&Y and FICCI Report, 2021)

FUTURE OF EDUCATION and ways in which NEP-2020 can facilitate Enablement (www.ficci-hes.com)

When the NEP-2020 is effectively implemented by all the stakeholders, it is expected to provide the following tangible and long-term benefits, which include:

a) The variety of Education models and learning pathways will evolve, with & through NEP, in both UG & PG programs

b) The distance, online and blended/hybrid learning programs will gain increased acceptance; with newer education & engagement models coming far more at faster pace, than before & thereby boosting the reach of education.

c) There will be better and improved innovations w.r.t. curriculum/syllabus, pedagogy & assessment/evaluation systems, etc through institutional autonomy provided by NEP.

d) The greater choices and flexibility for learners will become regular phenomenon, through multi-disciplinary education embodied in NEP

e) There will also be newer models of creative teaching systems & innovations in learner engagement w.r.t. pedagogy & institutional autonomy contained in NEP

f) The increased autonomy given to faculty will enhance the creativity & innovation in pedagogical approaches / formats / designs, etc, suiting to emerging times & trends in future.

g) More importantly, the NEP lays significant focus on holistic development & immersive education experience among learners through discussion, communication, research, debate, and opportunities for cross-disciplinary and inter-disciplinary thinking for enhanced student's experience at HEIs/Universities; while rote learning will get significantly reduced with time.

Simply stated the Higher Education system should comprise of the core fundamentals as represented in **Figure 5.**

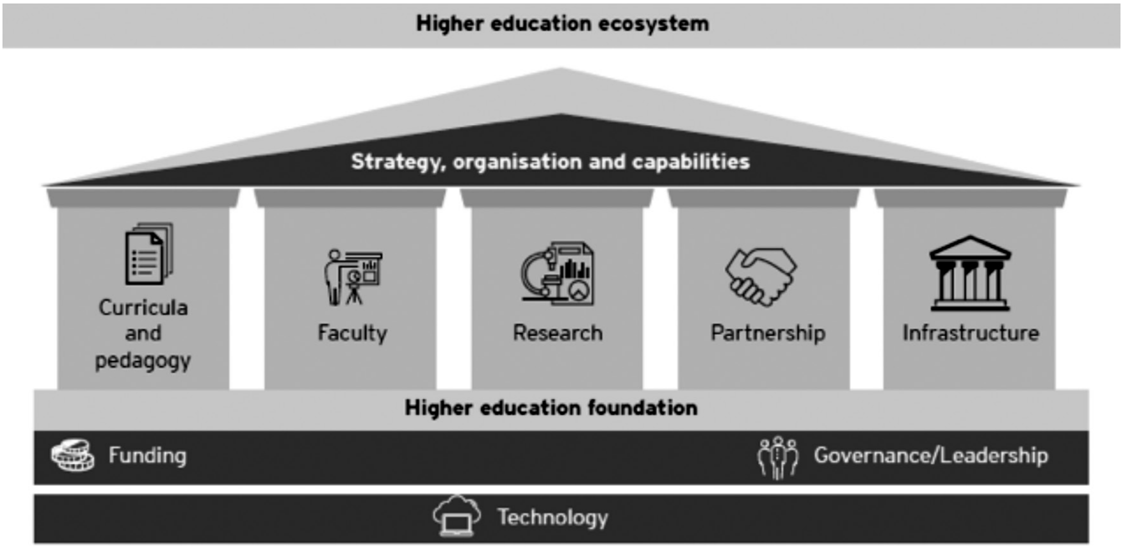

Figure 5: Higher Education in India: Vision 2040 *(Source: E&Y and FICCI Report, 2021)*

A study by **Asia Society (2020)** has defined at the **Competency-Based Learning (CBL)** Summit, held in Colorado, USA, which is typically characterized by five key features/ principles, viz.,

1) The learners/students get advanced to next level, based upon achieving mastery & competency.
2) The competencies consist of measurable, explicit and transferable learning objectives that empower the learners/students.
3) The assessments/evaluation systems are comprehensive, meaningful and provide a positive learning experience for the students.
4) The learners/students get access to the timely & customised/differentiated support services, based on their individualised learning requirements/ needs.
5) The Learning Outcomes (LOs) lay special emphasis on the competencies & mastery that include application-orientation and creation of additional-knowledge, along with the enlargement of critically essential skills and personalities.

Figure 6: Education 4.0 has the priority and focus on learner-centric model which consist of the potential to overcome the limitations of traditional education *(Source: E&Y and FICCI Report, 2021)*

Shifting to a student-led model ...

Parameters	Education 3.0	Education 4.0
Faculty	Full-time teachers	In addition to full time, industry participants act as part-time faculty for classroom and online courses
Curriculum & pedagogy	Minor flexibility in pedagogy; massive learning	Subject matter decided by the learner; personalized learning
Research	Transition towards collaborative research using technology	Ease of data sharing has removed the geographical barriers to collaboration
Funding	Fee-based funding systems at degree level	Fee-based funding systems in both online and classroom program
Infrastructure	Majority of investment in physical infrastructure	Investment in technological infrastructure to support blended learning

Figure 6: Education 4.0 has the priority and focus on learner-centric model which consist of the potential to overcome the limitations of traditional education
(Source: E&Y and FICCI Report, 2021)

FUTURE OF HIGHER EDUCATION SYSTEM IN INDIA AND THEIR FOUR KEY DIMENSIONS

For the HEIs/ Universities in Indian context, there has been an extensive study by E&Y and FICCI (2018 and 2021), which have given deeper insights, on what is suitable & relevant. This consists of 4 main domains, viz., Employability, student experiences, research excellence and society (**Figure 7**) and further illustrated in **Figure 8**.

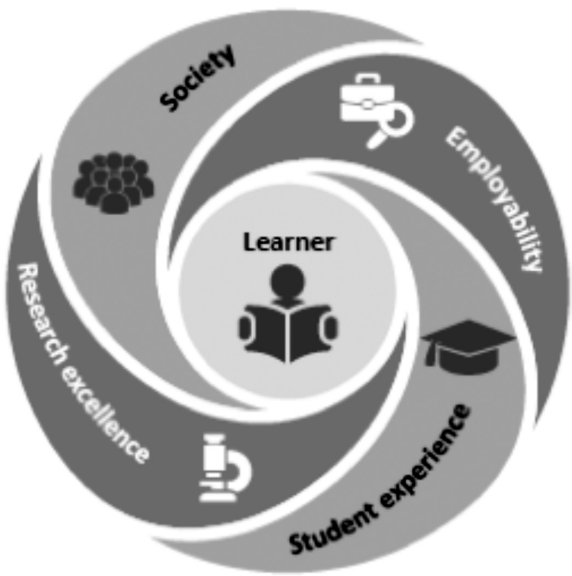

Figure 7: FUTURE of Higher Education in India: The Roadmap for 2025/2040, with its four key elements *(Source: E&Y and FICCI Report, 2021)*

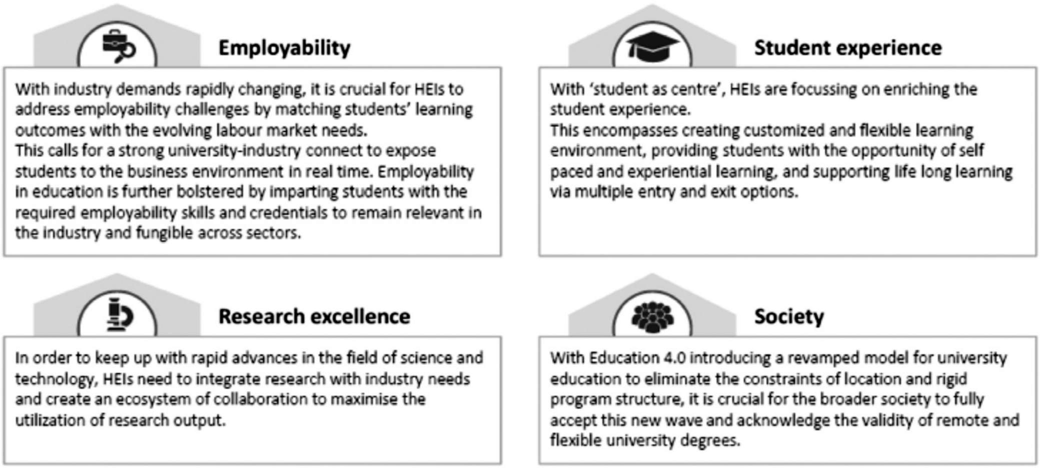

Figure 8: FUTURE of Higher Education in India: The Roadmap for 2025/2040, with its four key elements – viz., Employability, Student Experience, Research Excellence & Society
(Source: E&Y and FICCI Report, 2021)

The Figure 9 indicated that Indian households are capable of affording Education to their children/wards **(Figure 9),** which is an encouraging trend. In addition, the **Figure 10** reflects the role of non-traditional students in HEI system in India, which has to be duly considered.

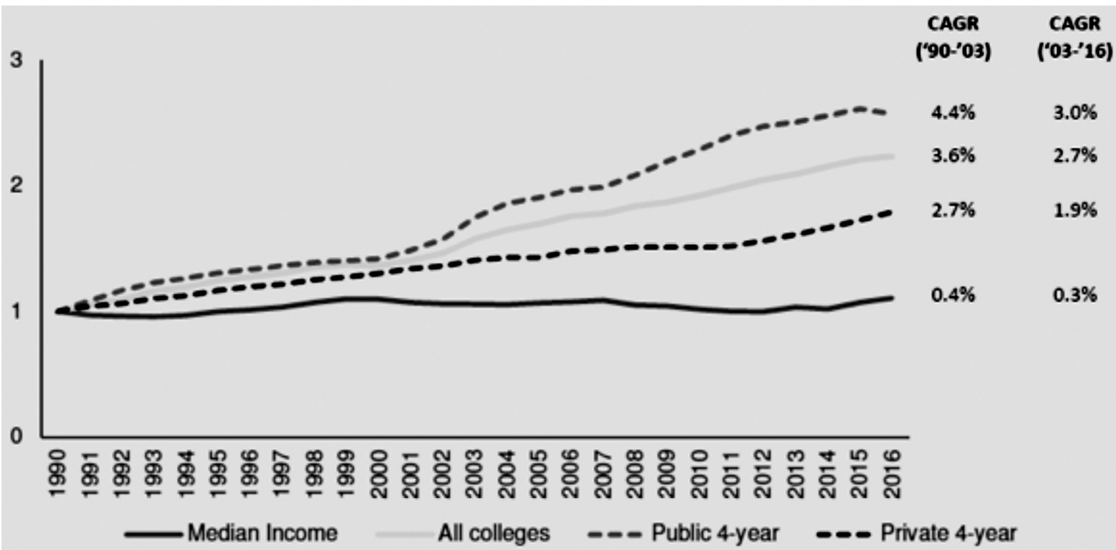

Figure 9: Comparison of tuition fees for HEIs Vs. median Household Income
(Source: E&Y and FICCI Report, 2018)

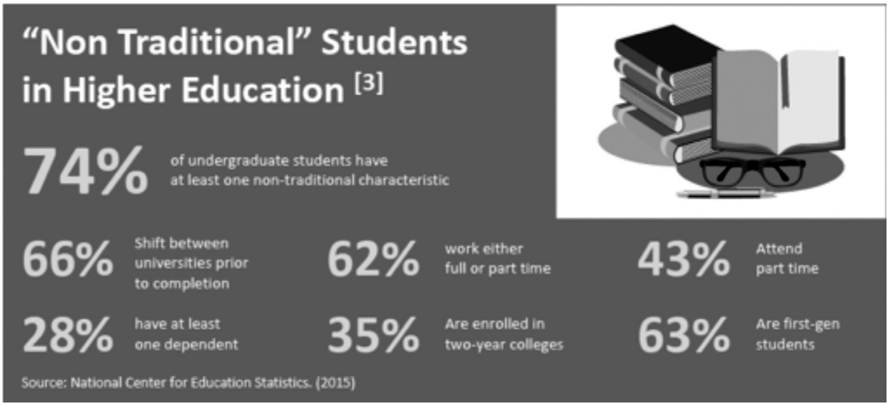

Figure 10: "Non Traditional" Students in Higher Education [3]
(Source: NCES Census (2016): National Center for Education Statistics, USA, 2016)

1. Employability

The employability is ultimate metric for the success of any Education Program (UG/PG), as it provides a source of income & livelihood, and professional growth in due course to the educated person.

The Employability Framework with Higher Education is illustrated in **Figure 11.**

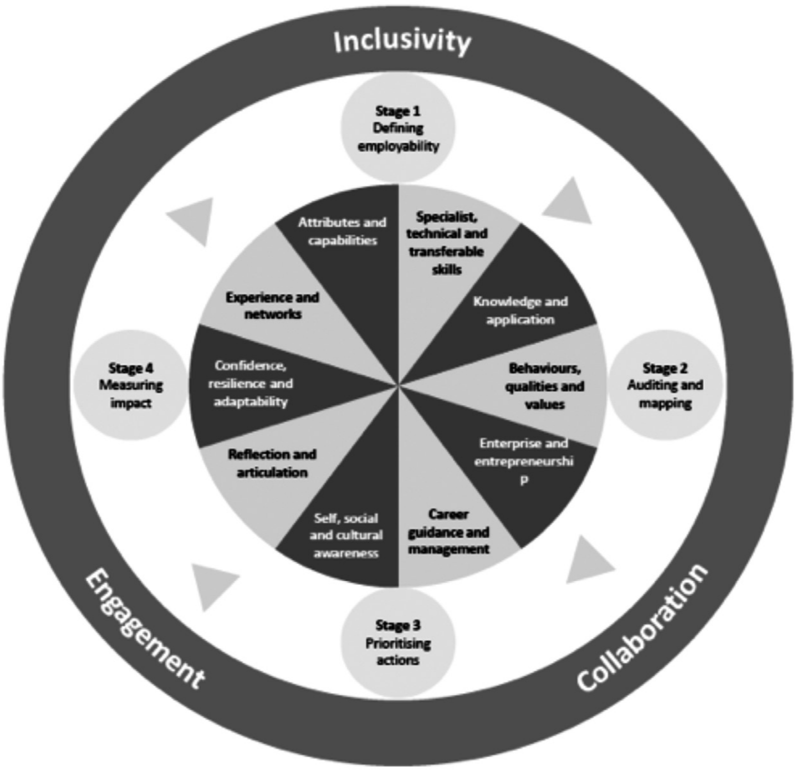

Figure 11: Employability Framework for Embedding in Higher Education in Education 4.0 Era
(Source: HEA Academy, 2016: https://www.heacademy.ac.uk/)

2. Learners / Students Experiences

The enhanced learner experience is better achieved through a combination of pedagogical approaches, which include:

a) **Blended/ hybrid Learning**: Blended learning (in-class and online) is gaining popularity, as research shows this is more effective than just a traditional class-room teaching alone.

b) **Flipped Classroom:** Has become more popular as a means to support the student-centric learning in HEIs, which requires that the students come prepared to sessions/ lectures (with watching videos, practices, pre-readings, studying cases, etc.), and actively get into engaging learning process with faculty/ teachers and peers.

c) **Mobile-learning (M-Learning):** With increased penetration of mobile/hand-held devices and extensive internet-usage, more learners are using their devices as a platform for learning. This enables the learners with multiple benefits like live streaming, on-demand recordings of classes, publishing their recordings and discussion on video content with faculty and peer-learners.

d) **Interactive and experiential learning:** With advent of online & computer-assisted education, various universities have adopted technologies like Virtual Reality or Extended Reality, to improve the learning experiences & engagement in learning process. The studies have indicated that learner-centric exploration and focused design have resulted in higher grades in courses and demonstrated enhanced mastery/competency of the content being learnt.

3. Academic Research & International Collaborations

The academic Research with International University partnerships (**Figure 12**) have facilitated & benefitted the student research in two ways, viz.,

a) The domestic students gain opportunity to travel globally through partnered/ exchange programs or on the mutual arrangements between paired universities/ HEIs; and

b) The learners & faculty get to access the digital contents, data/information, technologies etc., which are generally made available on sharing basis, especially when the HEIs/Universities don't have the adequate resources for physical exchange programs. This will lead to intellectual enrichment on mutual basis, strategically with innovations, both ways to partner HEIs.

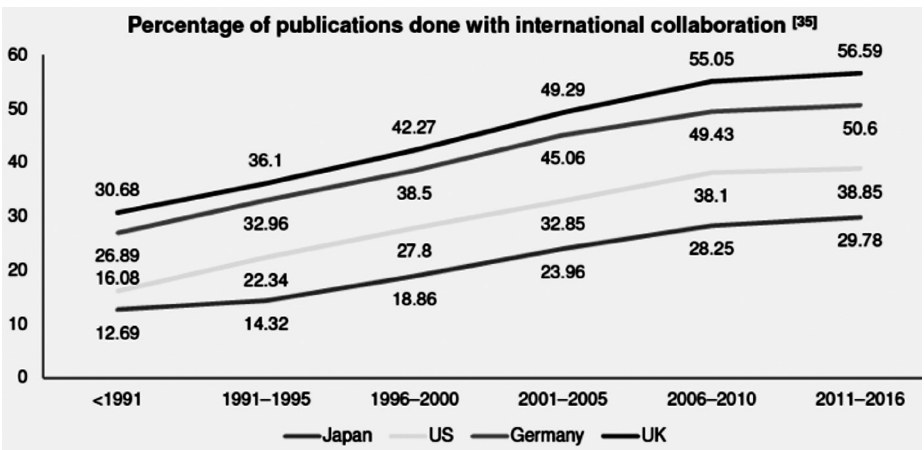

Figure 12: Academic Research in the Education 4.0 Era *(Source: E&Y and FICCI Report, 2018)*

Further, the Education 4.0 strengthens a closely integrated research-collaboration between HEIs and the industry, who are the major users of the research findings & outputs.

4. Industry Academia Collaborations

The **Figure 13** depicts the different forms of Industry Academia partnerships and this is continuously evolving, with changing times.

While **Figure 14** denoted the differential stages & adoption rate of embracing the Education 4.0 Era by HEIs/Universities.

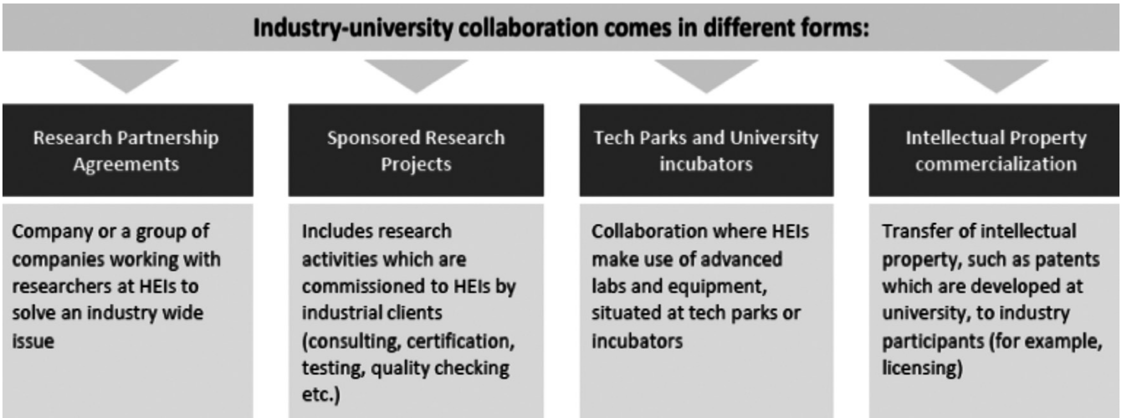

Figure 13: Industry-University Collaborations in the Education 4.0 Era
(Source: E&Y and FICCI Report, 2018)

In a vast and diverse country like India, there is a differentiated academic system, where the HEIs/universities are at varied stages of adopting different facets of Education 4.0

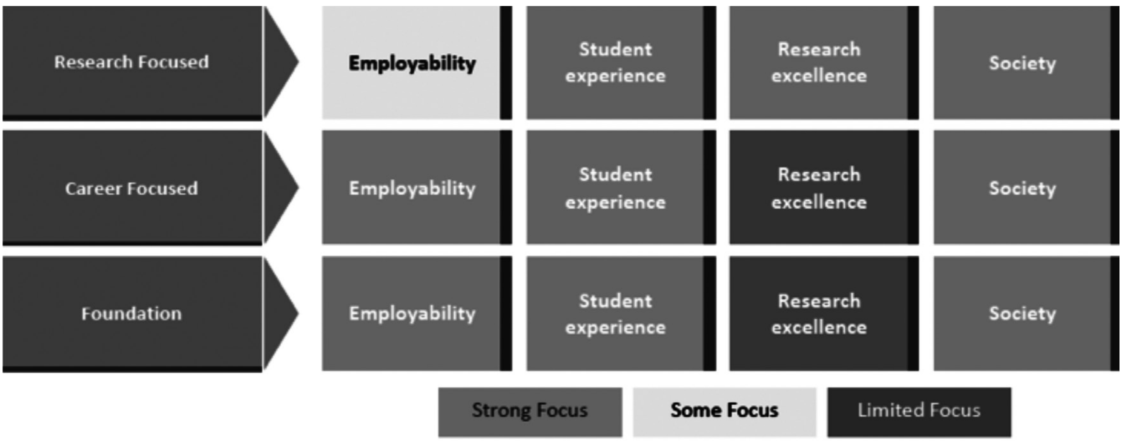

Figure 14: Differential Stages & adoption rate of embracing the Education 4.0 Era by HEIs/Universities

SUPPLEMENTARY STRATEGIES AND INTERVENTIONS TO BE ADOPTED BY HEIs/ UNIVERSITIES IN EDUCATION 4.0

In addition to proving knowledge-based and skill-oriented learning, the HEIs/Universities should also strive to provide expertise sharing from industry inputs, universities along with career mentoring/counselling, opportunities for industry immersion and online/hybrid courses for skill-set enhancement. This may include some or all of the following, depending upon HEIs/Universities:

1. Curriculum partnerships, and constant upgradation as per changing industry needs
2. Employability interventions & Career

mentoring / counselling / coaching for development, either internally or from / through third parties

3. Apprenticeship & in-curriculum industry interface
4. Providing focussed training on 21st century/higher order skills
5. Platform approach to learning, using multiple/hybrid methods
6. Celebrate & promote out-of-box thinking
7. Application-oriented & Experiential learning for better application of learning interventions
8. Leveraging online teaching models
9. Offering Bouquet of multi-disciplinary programs
10. Learning objectives to focus upon the character-building & value-enrichment than just skill-building
11. Designing intuitive Learner User Interface (LUI) systems
12. Focusing upon the fundamental research
13. Shortening the time for application of basic research
14. Strengthening the multi-disciplinary research
15. Fostering hub-and-spoke model of research ecosystem
16. Policies to promote the extensive collaboration between public and private HEIs with Industry
17. Promoting a culture of preventing the Information leakage to safeguard the knowledge & intellectual assets of the stakeholders
18. Building & nurturing the capabilities for a knowledge/IP-driven economy & education ecosystem
19. The University of the Future should get evolved as an "Open system" in the near future
20. Co-creation of knowledge/skill-packs and a knowledge-economy incubators on collaborative basis between academia & industry
21. Nurturing the shared systems and "fit-for-use" infrastructure, for R&D/ innovation/ entrepreneurship, etc.
22. Facilitating the acceptance of the omni-channel and stackable credentials/micro-masters / certifications / diploma with multiple entry & multiple-exit option.
23. Suitable amendments/revisions to keep pace with intellectual, pedagogical and technical advancements

CONCLUSIONS AND ROADMAP AT THE FUTURE

From the above illustrious discussion, it is clearly evident that most of the HEIs/ Universities (at present) are operationally still in the evolving stages of embracing the Higher Education Ecosystem, as discussed earlier.

However, it is of paramount importance to ensure designing & effective implementation of Higher Education Growth as a strategy by having following essentially important elements:

a) The successful and sustainable Education Ecosystem depends upon the fact that the learners have to be provided with Education having Multiple-entry and multiple-exit as proposed in New Education Policy 2020 of Govt. of India and that should be mobile, flexible and scalable.

b) The learners prefer to access and consume the educational content with 3As (Anytime, Anywhere & Anyhow) either in on-campus or on the mobile devices, laptops, desktops, etc hence the content has to be compatible, engaging & joyful and purposeful as well.

c) The LMS-based learning systems are found to be effective in giving the better access through web-based & mobile-based applications so that contents usage become universal & effective for the learners.

d) The learner-engagement has to be seamless and span across the digital barriers/ geographical boundaries.

e) The emerging technologies like AI, Machine Learning, Micro-learning &

Digital/open access resources should be used as the powerful tech-tools to make larger impact in the in the online learning space & digital learning ecosystem; along with campus-based faculty-led teaching-learning systems.

In summary, it can be mentioned that Higher Education System in India is fast-evolving towards a better FUTURE in Higher Education domain (**E&Y and FICCI Report (2021)**; and the COVID has only enhanced the speed of adoption & the pace of transformation.

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EdTech Startup and Educational Transformation Ecosystem in India

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Abstract

The Internet has deeply impacted the *'4L's of Learning':* Lecture, Library, Laboratory and Life, according to Prof. S. Sadagopan of IIIT-Bangalore (in *NetChakra: 15 years of Internet in India*). The Indian Higher Education (IHE) system consists of 700+ universities and 35,500+ colleges, where more than 85% of students are enrolled in bachelor degree programs and approximately 1/6th of all Indian students are enrolled in Engineering/Technical degree programs. The IHE contributes 59.7% of total market & school education (38.1%). According to *Ministry of HRD* (Source: IBEF), India requires 800+ more universities and 35,000+ colleges by 2020. And, reaching such a massive scale is NOT possible, without technology integration in IHE.

Edupreneurs, as they are often referred to, are leveraging technologies to transform education and corporate training. A range of startups in India are addressing educational transformation, e.g., via gamification, cloud solutions, interactive ebooks, test preparation, and integration of classroom material. Emerging frontiers include horizontal marketplaces and local language educational content.

During 2000-2014, Indian Education sector has attracted FDI equity to the tune of US$ 964 million! Almost ***US$33.62 billion*** is invested in ***Indian start-up ecosystem*** since 2014 (Yourstory India Startup Report, 2018), of which $13.7 billion with 820+ deals are in 2017 ($9.48billion being garnered by 10 companies), while it was $4.06billion with 1,034 deals (2016) and $8.4billion with 913 deals (2015). There are two EdTech startups among top five who were the top gainers in 2020 in terms of finding received - BYJU's ($1.02 billion at no. 1) and unacademy ($260 million at no. 5). EdTech received a total funding of $1.8 billion, well ahead of the second sector - Fintech and Financial services. About 84 companies received funding in 2020 in the Edtech sector only behind Fintech and Financial services (123) and Retail/E-Commerce (99). Unacademy achieved the status of Unicorn in 2020 (Yourstory, The state of Indian start-up funding amidst COVID-19 pandemic, Dec 2020).

This paper analysed the emerging trends in ***IHE & EdTech Startups***, including integrated ***e-learning suites*** (with technology, content and support services), ***Tech-platforms*** supporting multiple learning styles (live online groups, self-paced, classroom), ***outsourcing*** (of teaching, learner management), and ***innovation*** (content creation/repurposing, gamification, mobile-learning) & challenges of digital learning. ***Test prep and upskilling*** are the 2-most robust subsectors within Edtech, led by BYJU's, and other prominent startups in EdTech include Toppr, Unacademy, Upgrad, CultureAlley, Cue Learn, Learnix, EdCast, Pocket Science, MentMo, E-GMAT, and iNurture.

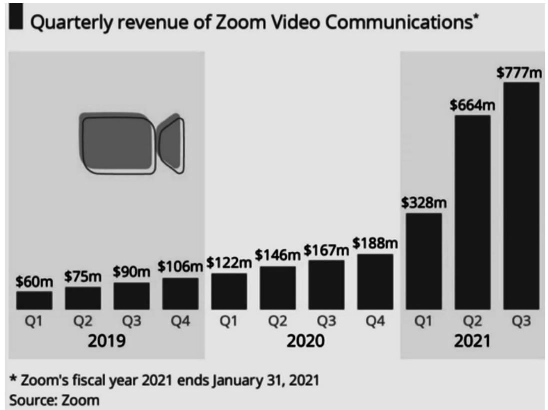
Keywords: Higher Education Institutions (HEIs)/Universities, EdTech Startups, Tech-platforms for Higher Education, digital learning models, Emerging trends in EdTech.

Introduction

The evolution of Industry – 4.0 has opened up umpteen number of opportunities across all the existing sectors with varied scope. It has also exposed the gaps that exist between the businesses and the consumers. Ever since its conceptualization, Industry 4.0 has been throwing light on various entrepreneurial opportunities existing across various sectors – existing as well as new. Education sector is one among them. When the business establishments were strategizing on coming up with academic institutions, universities to meet the never-ending demand to educate themselves, there were quite a few entrepreneurs who came up with innovative learning concepts. This gave rise to a new word – Edupreneur, an entrepreneur in the education sector. From the pre-school to the higher education, people can witness innovative and creative learning concepts. Surprisingly, most of them are successful enough to motivate others to end up as an Edupreneur. Education became the hub of new start-ups, not only in India but across the globe.

In his chapter "Fifteen years of Internet in India - Impact on educational institutions" (Netchakra, 2011), Prof. S. Sadagopan, Director, IIIT – Bangalore, emphasizes on how deeply the internet impacted the 4Ls of learning - Lecture, Library, Laboratory and Life. When decoded, one can understand how the internet has been changing the rules of the game. With COVID-19 pandemic showing its ugly face for the past little more than a year, the internet became the saviour for the world, be it education or anything else. Starting from the 4th L of the 4Ls, Life, survival was mostly possible because of the internet during the lockdown imposed because of widespread of the pandemic COVID-19. This was not only witnessed in India but in other developed, developing and under-developed countries as well. A lot of examples from around the globe can be quoted on this.

The first 3Ls are critical to this paper – Lecture, Library and Laboratory. As the economies started opening up, the regulatory bodies and the people were still sceptical about opening of establishments where there will be large gatherings like schools, colleges, malls, etc. Other than the academic institutions, all other establishments opened up for the public, though very carefully and with lot of precautions. Education, for people, is continuous till one gets a job or starts a business and begins a career. Somehow or the other it had to keep moving. That is when almost all the academic institutions began delivering the lectures online. Various known and unknown platforms, like Zoom, Google Meet and Microsoft Teams, became popular among the teaching and learning fraternity. The growth of Zoom video conferencing is the witness to this discussion. Look at some of the achievements of the Zoom platform in the past one year. It has garnered a growth of 594.44% till November 2020. The 2020 Businesses @ Work report from Okta notes, "Zoom was the #1 fastest growing video conferencing app in 2016, and it hasn't slowed down since. A Forbes report (2020, September) says "Over the past three years, Zoom has enjoyed an astounding 876% growth in number of customers in our network. For comparison, second-place Cisco Webex grew 91% over that same period." Zoom is now worth more than the world's seven biggest airlines (www.visualcapitalist.com, May 2020). Its market capitalization is $48.78 Bn where as the combined market capitalization of Southwest Airlines, Delta, United Airlines, International Airlines Group, Lufthansa, American Airlines, and Air France is $46.21 Bn.



Along with learning there came challenges in terms of laboratory learning and accessing the library. Many academic institutions were successful to a great extent in offering the digital content to their wards and teachers through digital library. They also offered access to many online/digital libraries across the globe. This came as an added advantage to both teachers and the learners. The EdTech organizations have developed Augmented Reality and Virtual Reality (AR/VR) based laboratories to empower the students to have a better laboratory experience and enhance their scientific skills.

Many institutions tied with IT/ITeS (Information Technology/IT Enabled Services) establishments to help them offer set-up virtual laboratories. Most of them were successful too, but to a certain extent. Somehow, the institutions managed offering lecture, laboratory and library to their students and teachers.

Incidentally, there were a lot of things that largely remained unanswered viz., the effectiveness of online lecturing, online laboratory and online learning. It is very challenging for the teachers to hold the attention of their ward for a longer time online. This necessitated the need for innovative and creative strategies and concepts in offering the lectures, library and laboratory over the internet/digital media.

There are many institutions who are moving towards online assessment/examination, giving the advantage to the institute as well as the students. The future may actually be a combination of both – a blended concept of assessment. According to the Mercer and Mettl report (State of-Online Examinations Report 2020), about 82% of the institutions have either shifted or are planning to shift to online modes of exams in the immediate future. The report also goes on to mention about the biggest challenges the institutions face during the online assessment – cheating and masquerading. Now, the EdTech organizations has already working towards developing a robust anti-cheating technology which will also double up as the technology to support diverse question types.

Changing landscape of the Indian education sector

The landscape of the education sector is changing for the past decade. The number of universities offering higher education in India have grown from 436 in 2009-2010 to 903 in 2017-2018 and the number of colleges from 26,000 colleges to more than 39,000 (GOI, Ministry of Higher Education, 2018). The student enrolment for the higher education in India stood at 36.6 million, which is next only to China and the United States of America (GOI, PIB, April 2019). Adding fuel to this growth is the infinite growth in the technology sector and its contribution to the education sector. Affordability of and accessibility to the technical infrastructure is another shot in the hand to boost the education sector in the country. "Technology can become the wings that will allow the educational world to fly higher and faster than ever before, if we allow it", says Jenny Arledge, Director of College and Career Readiness/CTE Director at Sulphur Springs ISD/Sulphur Springs High. How true it is. Even the learners in the remotest place will be able to get the formal education using technology. At present, there are 945 universities registered under the University Grant Commission (UGC) apart from the Central Universities.

Glimpse of Indian Education Sector

Indian education sector caters to around 29% of the country's population who are in the age group of 0 to 14 years. The sector is projected to reach USD 180 billion in the current financial year (2020). Country's higher education is anticipated to rise to USD 35.03 billion by 2025. In the 2019 English proficiency index, India was ranked 34 among 100 countries. The internet penetration in the country reached about 54.29% as of December 2019 and increasing the internet penetration is projected to help the delivery of formal education in India (www.ibef.org).

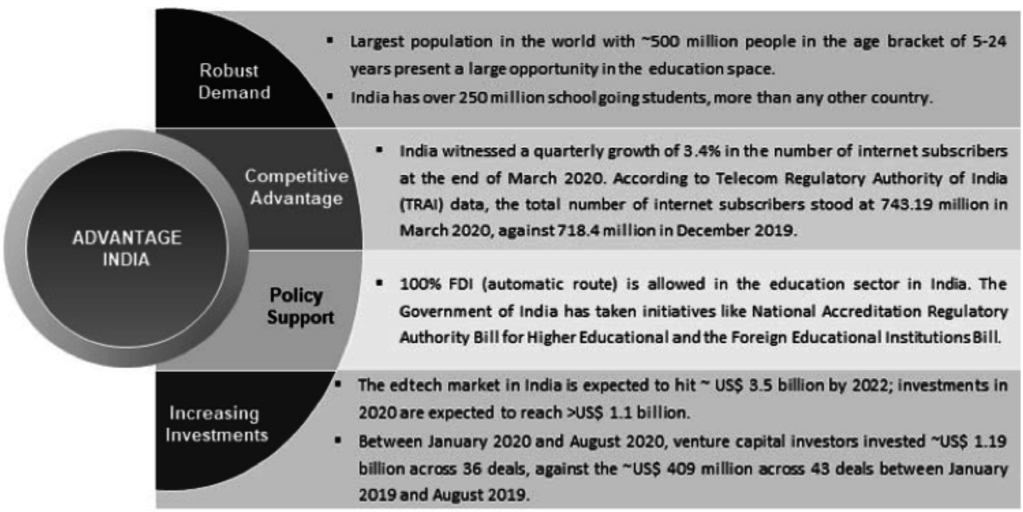


Figure 1: Landscape of Indian Education Sector
Source: https://www.ibef.org/industry/education-sector-india.aspx

Presently, the country has over 250 million school going students, which is more than any other country in the world. As of 2019, with 993 universities and 39931 colleges in the country, India has one of the largest networks of higher education. At the same time, the country had 37.4 million students who were enrolled into higher education. The GER (Gross Enrolment Ratio) in higher education reached 26.3% in the same period.

According to the department for promotion of industry and internal trade (DPIIT), the total FDI inflow in the country's education sector stood at USD 3.24 billion between April 2000 and March 2020. The Edtech market is expected to reach ~US$ 3.5 billion by 2022; received investments worth approximately USD 1.5 billion in the first nine months of 2020, against USD 409 million in entire 2019 (dipp.gov.in).

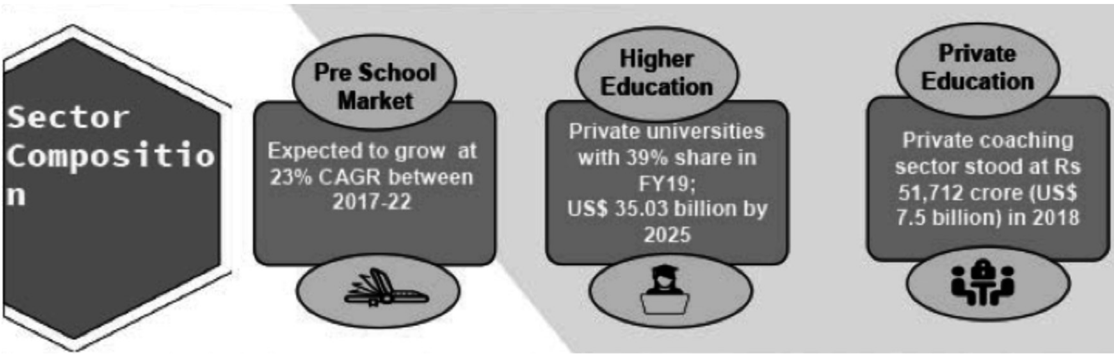


Figure 2: Indian Education Sector Composition
Source: https://www.ibef.org/industry/education-sector-india.aspx

The National Education Policy (NEP) 2020 was approved by the cabinet chaired by honourable Prime Minister Shri Narendra Modi on 29 July 2020 which carved a compact path for large-scale transformational reforms in both primary and higher education sectors. This policy is built on the foundational pillars of Access, Equity, Quality, Affordability and Accountability. The NEP 2020 is actually aligned with the 2030 Agenda for Sustainable Development. The NEP entices a subtle balance between the country's traditional models of learning and futuristic, modern formats. While talking about advancements such as big data, machine learning (ML) and artificial thinking (AI), the NEP also pays tribute to India's heritage, and aims to nurture and enhance it further (KPMG Report on NEP, September 2020).

The world book of records, London has recognized the effort of AICTE ATAL Academy for conducting 1000 online FDPs in the academic year 2020-21. Out of 1000, 450 programmes have already been completed as on November 2020 (https://www.aicte-india.org).

The Rise and Rise of EdTech (also read as EduTech)

The road for the EdTech start-ups was laid firmly by multiple agencies in India in the past decade. With this came numerous start-ups in the education industry bringing education and technology together. A new nomination came into existence - EdTech – an organization that stitches together the technology (hardware, software, procedures, people) to facilitate learning and enhance learning experience using the best of educational practices. They demonstrated to the world how technology, combined with the internet, can successfully be used to offer formal education to the needy and also help learners upskill themselves from the nook and corner of the world at an affordable price and at ease. Increased collaboration with the teachers/trainers, 24X7 access to learning, blended learning, personalized experiences are some of the advantages that the EdTech is bringing to the learners. On the other hand, the teachers are benefitted with automated grading, paperless classrooms, etc by the same EdTech establishments.

Vikas Mishra, Founder of GraduateGuru. in stated that "Education should be made available across a spectrum and regions and streams anywhere, anytime at the tip of the learners' fingertips. In the coming years, online education in India will be the main driver and beneficiary of the Government's initiatives for the development of our country. Online education platforms will be the one-stop-shop for both students and teachers by 2023."

According to upGrad co-founder and MD Mayank Kumar, the education sector is transforming at a very rapid pace. He said, "With industries directly connecting with e-learning institutions like ours, the content has never been so up-to-date. All this put together makes e-learning platforms complete, and students and working professionals future-ready, in a matter of months (www.dgmarkagency.medium.com)."

As per the KPMG report (May 2017) on Online Education India 2021, the Indian online education band will raise from 2 million users in 2019 to 10 million users by 2021. The report has come out with an online education ecosystem of the country as below (Figure 3):

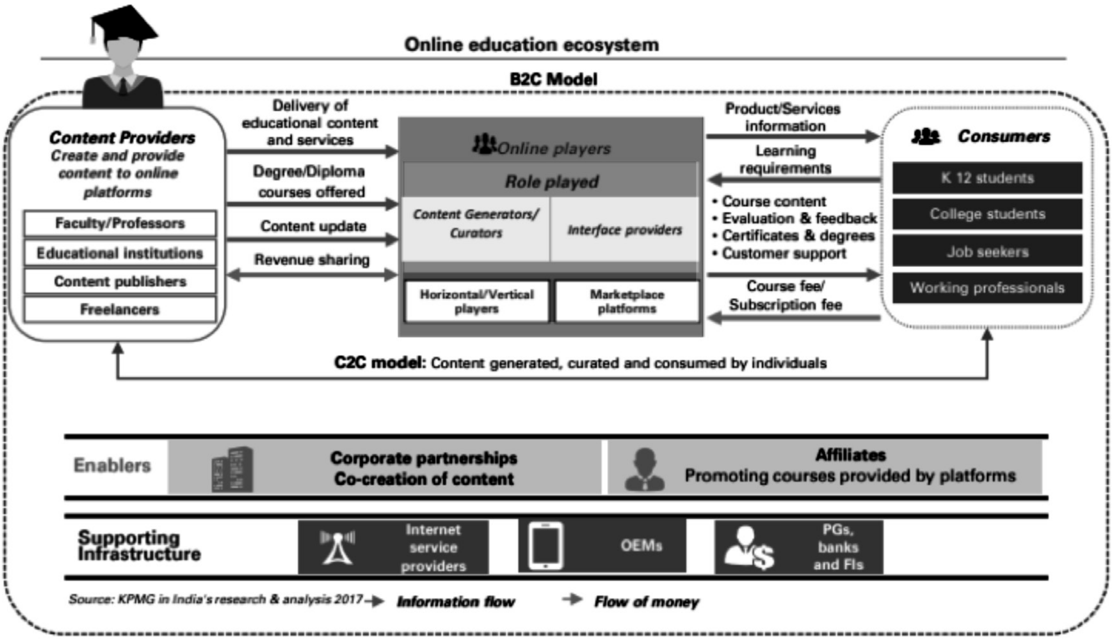


Figure 3: Online Education Ecosystem in India
Source: https://assets.kpmg/content/dam/kpmg/in/pdf/2017/05/Online-Education-in-India-2021.pdf

The KPMG report (May 2017) categorizes the online education into five categories – Primary & Secondary Supplemental Education, Higher Education, Test Preparation, Reskilling & Online Certifications, and Language & Casual Learning. These five categories cover almost all the gamut of the education sector in the country. It can be inferred that the EdTech has penetrated into all the available verticals of the educational sector in India. Day by day the opportunities that the sector is offering to the Edupreneurs is infinite.

Manoj Thandassery, Founder – Curiositi, shares his view on the EdTech establishments as: "Start-ups in EdTech today span sectors such as K-12, higher education, vocational training, and corporate training sectors. Various start-ups in the educational sector have been successful in offering personalized assessments, Video and VR content, engaging the parents, gamification of concepts, soft and hard skills development, digital libraries and laboratories, student networking, competitive test preparation, learning analytics and evaluation, language tools, internship opportunities and real-time scenario simulation (AIMA BIZLAB for example).

Growth Factors of EdTech in India

According to various reports, there are multiple drivers leading to the growth of EdTech in India. Though most of them revolve around the cost and accessibility, there are numerous other factors as listed below that contribute to the growth of EdTech in India:

- Cost of Online Learning
- Availability of Quality Education Alternatives
- Employability Quotient
- Various Future-Oriented Digital Initiatives by the Government of India
- Internet Penetration
- Increasing Smart-phone user base
- Increase in the Disposable Income
- Demographics (India is having the most youth in the world)

The Road Ahead

The EdTech sector, supported by the NEP 2020 and the latest developments caused due to the COVID-19 pandemic, is poised to grow rapidly. According to a 2019 survey report, the K-12 sector is expected to significantly grow to reach $1.7 Bn by 2022. More and more academic institutions are now considering the hybrid formats, taking advantage of the available technologies to promote digital learning.

The sectors beyond K-12 sector includes higher education, technical skilling, test preparation for government and other professions. The criticality of higher education for better job roles has grown enormously in the past decade or so. There is too much of concentration on technical and non-technical skilling and upskilling. Also, going with the legacy, there is a huge influx of aspirants who are preparing for government exams. The entire sector, beyond K-12, is projected to grow to touch USD 1.8 Bn by 2022.

There are more EdTech establishments which can be seen offering learning to specific and special sectors like Supply Chain Management, Business Analytics, Artificial Intelligence, Aviation, Shipping, to name a few. One of the main witnesses of this growth is the latest acquisition of Akash Institutes by Byju's for a whopping ₹7500 crores (The Economic Times, 13 January 2021) and WhiteHat Jr for ₹2223 crores.

In summary, the EdTech is on upward trend and it continues to grow, evolve & transform; and it is anticipated that borderless & blended (online + classroom) learning will become order of the day shortly, say in 3-5 years. Global HEIs/Univ will be expanding their horizon and reach, thereby quality will become the hallmark is EdTech domain.

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A Study on Scope of Blended Learning in India

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Abstract

Blended Learning is an emerging instructional pedagogy at the undergraduate level, science is mostly taught through the usage of a lecture and textbook format. In this pedagogical approach, college students are assigned a textbook to study at home earlier than type and hear to an instructor lecture on the assigned cloth at some point of class. Although this strategy to studying is positive for some students, it is suboptimal for many undergraduate college students and may also make a contribution to students leaving the sciences. (Handelsman, 2007).

Blended learning is a layout spreading in schooling worldwide. The thought of it appears appealing, it enables the maintenance of traditional types of education, shaped by way of centuries way pedagogical journey and playing a lot of human loyalty, no matter the temptation handing over many educational functions to new technologies. It additionally lets in the compromise of integrating these splendid technologies into a teaching/learning process, following the tendency of the usage of them in schooling as in any different region of humanrecreation in the 21st century of "informatization".

In current years online learning options, which includes large open online publications (MOOCs) have grown to in an increasing number

for students who can›t attend classes in person and have been proposed as choice learning paradigms (Reich, 2015). However, the low completion prices of online courses, such as MOOCs, and the importance of instructor-student and student-student interactions in lecture rooms have suggested that online learning on their own is unlikely to be the most proficient strategy for teaching and learning (Glazer, 2012; Reich, 2015).

Nonetheless,the online learning paradigm provides precious tools that may be a supplement or change of components for the regular lecture and textbook based strategy into educating and learning. (Glazer, 2012).

This has further developed to Blended E-learning, where technology plays an interface to bring an intangible experience to a tangible one. This involves learning videos, real time query solving, wide broadcasting of sessions. The research further can be analysed from customer point of view as well as teaching point of view.

Marketing segment is split into online and offline learning further divided based on applications into learning, training, others.

This research looks to study competitive exams aspiring segment and higher education (graduation, post-graduation) seeking segment, through online learning; analysing their behaviour and acceptance towards blended e-learning.

Key players in the industry: Udemy, IndonesiaX, Mathcloud.

Introduction:

The Indian education system is controlled by state, central and local bodies, for schools; followed by producing with around 8.15% of graduates every year, this has created a fall in the quality of the students over the years. Many of the college bodies still prefer the traditional method of teaching.

The blended learning has been bringing pedagogy and modern technology to a platform providing new user experience and making an intangible service to a tangible one; with education growing at a rate of 52% in India, it becomes crucial to further expedite the diffusion process of blended learning from 20 lakhs users to its potential of 2 crores.

It was found that, during the diffusion stages of blended learning in countries such as South Africa, USA, the teachers or members of faculty found it hard to accept the changes needed to bring in their way of teaching. (Mswazi Tshabalala, et.al; 2014).

Thus the purpose of the study is to find out the challenges in the diffusion of blended learning in India, also to establish a model for expediting the process of diffusion. The key research question identified for the purpose of this is, '***How can the challenges be tackled for blended learning, such that, the diffusion process in expedited?'***.

Research Methodology and Design:

Research Objectives:

1. To understand the demographic, psychographic challenges to the diffusion of blended learning.
2. To examine how blended learning expectations differs from primary education to graduation and post-graduation
3. To find a solution for faster diffusion of blended learning.

Type of study and data collection method:

The study is an empirical research. The research is based on survey with students from primary students as well as graduates and post-graduation candidates who are a user or a potential user of blended e-learning. Secondary data was collected from various national and international journals, research papers, magazines, industry reports, newspaper articles and search engines. To collect primary data structured questionnaire is used. The questionnaire was set up as self-directed and distributed electronically utilizing the internet it was conceivable to achieve more respondents.

Due to time and cost constraints built into the research, the chance to connect with a large sample was low; therefore, the chosen sample size was determined to be at 200 participants. This is assumed enough as a representative of the entire population.

Population: The size of the population for this study is 300000 (Wikipedia); which is the size of the number of primary, graduate and post-graduate students in Bangalore.

Sample and Sampling technique: The study is done by using convenience sampling method with 95% confidence and 5% margin of error. A sample of 200 students have been taken from the city of Bangalore.

Timeframe: The research data was collected during September-December 2020.

Review of Literature and Theoretical Frameworks

The table given below summarises the factors studied and identified by researchers to facilitate the diffusion of blended learning models.

Author(s)	Year	Key Factors and Findings
Lim and Wang	2016	The dimensions included within their framework: vision and philosophy; curriculum; professional development; learning support; infrastructure, facilities, resources and support; policy and institutional structure; partnerships; and research and evaluation.
Oakley	2016	This paper paid attention to institutional-level structures, strategies and supports that have been changed or initiated to enable and encourage transformation in teaching and learning and enhance the student experience at the University of Western Australia.
Wang, Shen, Novak, and Pan	2009	They studied the use of mobile phones for short text electronic communication and instant polls for better content reception.
Her-Wu and Tennyson	2010	Their findings indicate that computer self-efficacy, performance expectations, system functionality, content feature, interaction, and learning climate are the primary determinants of student learning satisfaction in blended e-learning system.
Ahmed	2010	This study explored hybrid e-learning acceptance by learners using three critical success factors: instructor characteristics, information technology infrastructure, and organizational and technical support.
Hung, Chang, and Hwang	2011	They proposed a modified expectation confirmation model (MCEM) and verified it in a web based learning system.
Cheng	2014	This study found that task-technology fit (TTF) has major impact on nurses towards use of e-learning system at medical establishments.

Considering different researches in the field, they explore consumer expectation and behaviour, also explore the different innovative approaches brought in by institutions to give their students a rich learning experience, but when looking at a country like India, which has vast diversity and challenges; demographics and psychographics could play a major factor along with factors such as technological self-efficacy, system functionality, content feature, interaction, learning climate these can be divided into performance related outcome expectations and personal-related outcome expectations or extrinsic and intrinsic motivation. A study needs to be done keeping all these factors into account.

Theoretical Framework:

The table given below highlights some of the well accepted technology acceptance theories and models.

Theoretical Framework	Purpose	Constructs
Expectation confirmation theory (ECT)	Explains post-adoption satisfaction of users.	It is mainly divided into four primary constructs expectations, perceived performance, disconfirmation of beliefs, and satisfaction.
Technology Acceptance Model (TAM)	This model highlights acceptance of technology by users and use of technology	The major constructs of this model are perceived usefulness (PU), perceived ease-of-use (PEOU) and external variables such as social influence
Roger's Diffusion Framework	He has divided customers in to different categories based on their characteristics	The five categories identified are: innovators, early adopters, early majority, late majority and laggards

Table 1.1

Proposed Theoretical Structure to be used for this study:

Modified TAM (MTAM): From the above-mentioned theories, a modified model of TAM can be proposed, that will incorporate expectation confirmation theory within its domain, ECT talks about the post purchase satisfaction of a consumer, a person will continue the usage of an innovation or technology if they are satisfied with it.

The new proposed theory looks as such:

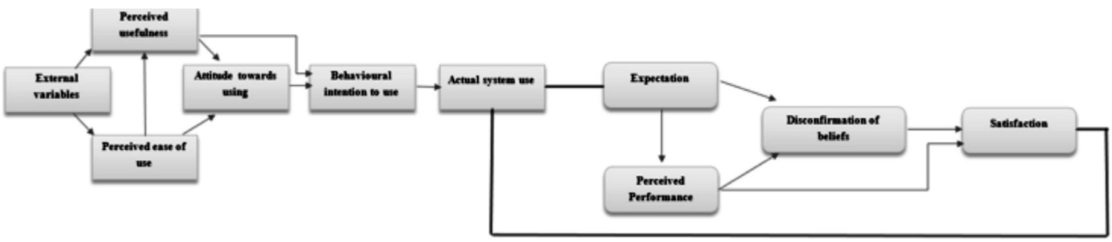

Fig 1.1

This theory will try to understand the consumer categories mentioned in Rogers' innovation adoption theory, through the modified TAM model, such that a solution for accelerating the diffusion of Blended e-learning can be sought.

Analysis and Interpretation:

To start with the analysis and interpretation, the responses received from the survey form is being cleaned and sorted in Microsoft Excel, by finding out the residuals from each of the questions for all the 111 responses received. This data was collected from different demographics as well as prominent geographics across India, major cities from Goa, Karnataka, Maharashtra, Kerala, Tamilnadu, Telangana, Andhra Pradesh, Pondicherry, Gujrat, Rajasthan, West Bengal and New Delhi were covered for this research; out of the total responses received, the parameters are analysed individually by using descriptive statistics and also the interdependency among them is checked through further filtering of the data. To meet the objective, a few dependent parameters are selected and the correlation with the independent parameters are checked to find the dependency with the help of ANOVA.

Descriptive Statistics of the data collected:

	Age	Gender	Education
Mean	2.21	1.64	4.35
Standard error	0.05	0.045	0.058
Median	2	2	4
Mode	2	2	4
Standard Deviation	0.59	0.47	0.61
Sample Variance	0.35	0.22	0.37
Kurtosis	4.85	-1.63	2.14
Skewness	2.54	-0.63	-0.85
Range	2	1	3
Minimum	2	1	2
Maximum	4	2	5
Confidence level (95.0%)	0.11	0.09	0.11

Table 1.2

A simple descriptive analysis of the demographic factors suggested that the 87.4% of respondents, were between the range of 21 to 30 years, 9% above 40 years and 1.8% between 10 to 20 and 31 to 40 years respectively.

The sample included 64.9% of males and 35.1% of female data. They included both graduates (55.9%), post graduates (40.5%), pre- university (1.8%) & secondary (1.8%) data, among which, 93.7% respondents lived as a micro family, with 2 to 5 members in the family.

Awareness:

The data suggested that 80% (88) of the total respondents were aware of the blended e-learning, yet only 39% (43) had used this means of education, whereas 41% (45) of respondents did not.

It was also found that, 20% (23) of the respondents were unaware of blended e-learning, it becomes a question for marketers to ponder upon that in the age of internet and increasing mobile data consumptions, people in major cities are still yet to learn about blended e-learning.

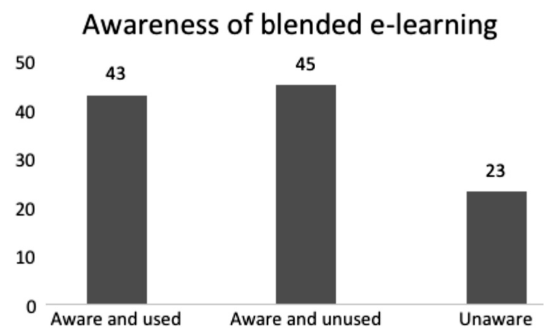

Fig 1.2

Willingness to adopt:

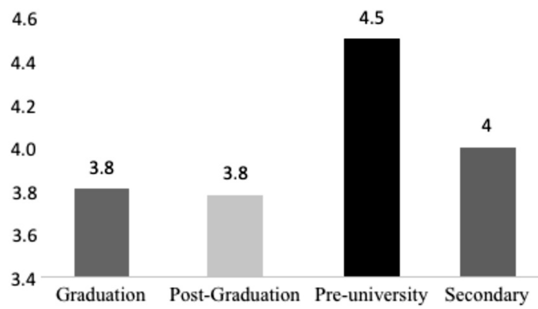

Fig 1.3

It suggests that all the respondents prefer online courses, when considering adaption of blended e-learning. This could mainly be due to the short duration of the course.

Relationship between demographics and adoption of blended e-learning.	• There is a relationship between demographics and the adoption of blended e-learning. • Indian consumer is heavily influenced by demographics. • It was found that the age group of 21-30 was the most effective group of consumers to be targeted. • It was found that both male and females are equally motivated to try blended e-learning. • Another important revelation was that on an average all the respondents preferred online courses. • 41% (Post graduates) among the respondents also preferred distance learning programs.

Hypothesis Analysis:

Hypotheses 1:

H0: There is no relation between demographics and adoption of blended e-learning.

Ha: There is a relationship between demographics and adoption of blended e-learning.

	Age	*Gender*	*Education*	*willingness to adopt*
Age	1			
Gender	0.109544	1		
Education	-0.11071	-0.19483	1	
Willingness to adopt	-0.03404	0.034104	0.099003435	1

Table 1.3

Analysis:

Demographic factors such as age, gender, education, members of family, marital status were considered to prove the hypothesis under consideration. A simple correlation analysis, showed in table 3 proved that, there was a weak correlation between the factors, this suggests to reject the null hypothesis (H0). Thus, accepting the alternative hypothesis (Ha) and stating that there is a relationship between demographics and the adoption of blended e-learning.

Interpretations:

The above analysis along with the descriptive statistics in fig 1, suggests that an Indian consumer is heavily influenced by demographics. It was found that the age group of 21-30 was the most effective group of consumers to be targeted. It was found that both male and females are equally motivated to try blended e-learning, this could be due to women empowerment and *"beti padho, beti badho"* movement.

Another important revelation was that on an average all the respondents preferred online courses, 41% (Post graduates) among the respondents also preferred distance learning programs.

Hypotheses 2:

H0: There is no relation between psychographics and diffusion of blended e- learning.

Ha: There is a relation between psychographics and diffusion of blended e-learning.

SUMMARY				
Groups	*Count*	*Sum*	*Average*	*Variance*
I am always prepared for new things.	111	432	3.891892	0.879115
I avoid taking on a lot of responsibility.	111	290	2.612613	1.166749
I spend a considerable amount of money on myself.	111	370	3.333333	1.169697
The channel of education is important.	111	447	4.027027	1.135627
I spend a lot of time exploring e-learning courses.	111	349	3.144144	0.997215
Blended e-learning courses do not give me the satisfaction of learning.	111	274	2.468468	1.033088
I usually need to be persuaded to try something new.	111	362	3.261261	1.158395
I am usually aware of new courses online and like to try them first.	111	340	3.063063	1.132351
I prefer pedagogical way of learning over blended e- learning	111	346	3.117117	0.940704
I usually rely on feedback and reviews before trying something new	111	429	3.864865	0.881572
Willingness to adopt	111	434	3.90991	0.682719

Table 1.4

ANOVA

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	314.8304668	10	31.48305	30.98384	1.26E-53	1.838512
Within Groups	1229.495495	1210	1.016112			
Total	**1544.325962**	**1220**				

Table 1.5

Analysis:

Table 4 shows that the variance for the factors do not highly vary; thus the data is highly significant. Also, it is observed that the F value is greater than the F critical value (30.98>1.83), which implies the rejection of the null hypothesis.

Thus, accepting and proving the alternative hypothesis, that There is a relation between psychographics and diffusion of blended e-learning.

Psychographic factors vs Willingness to adopt blended e-learning

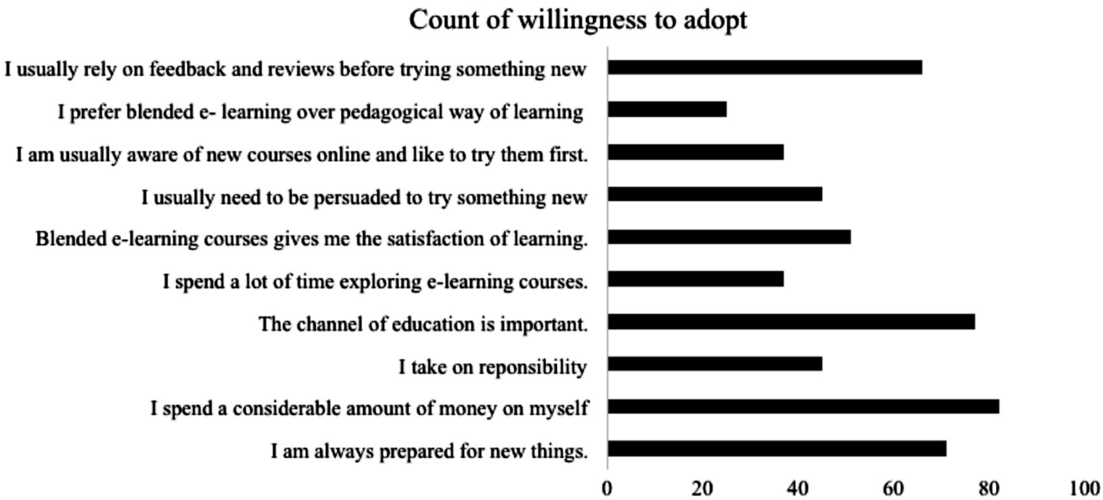

Fig 1.4

The values represent the percentage of respondents willing to adapt to blended e-learning.

Interpretations:

Relationship between psychographics and diffusion of blended e-learning.	• There is a relationship between psychographics and diffusion of blended e-learning. • Innovators as per Roger's theory of adoption of technology are the key segment for e learning. • It is also noted that consumers who feel they are responsible enough, were found to be willing to adopt blended e-learning. • Consumers are sensitive about the channel, through which education is received. • Consumers have successfully accepted blended e –learning as a means of an education portal. • E-learning platforms are not successfully able to target its key customer segments, for better generation of qualified leads. • Blended e-learning platforms must focus on making, genuine recommendations and feedbacks available to potential leads. It also needs to enhance the customer experience towards blende e-learning.

SUMMARY				
Groups	*Count*	*Sum*	*Average*	*Variance*
Self-efficacy	111	414	3.72973	0.871744
Low level of complexity	111	379	3.414414	0.972154
Higher functionality	111	398	3.585586	0.881245
Depth and value	111	411	3.702703	1.30172
Virtual interaction	111	420	3.783784	1.080098
Learning climate	111	386	3.477477	1.179034
Willingness to adopt	111	434	3.90991	0.682719

Table 1.6

ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	20.37838	6	3.396396	3.411644	0.002494	2.110337
Within Groups	766.5586	770	0.995531			
Total	**786.9369**	**776**				

Table 1.7

Analysis:

Table 4.7 shows that the variance for the factors do not highly vary; thus the data is significant. Also it is observed that the F value is greater than the F critical value (3.411 >2.11), which implies the rejection of the null hypothesis.

Thus, accepting and proving the alternative hypothesis, that perceived outcome expectation influences acceptance of blended e-learning.

Factors of perceived outcome vs willingness to adopt blended e-learning

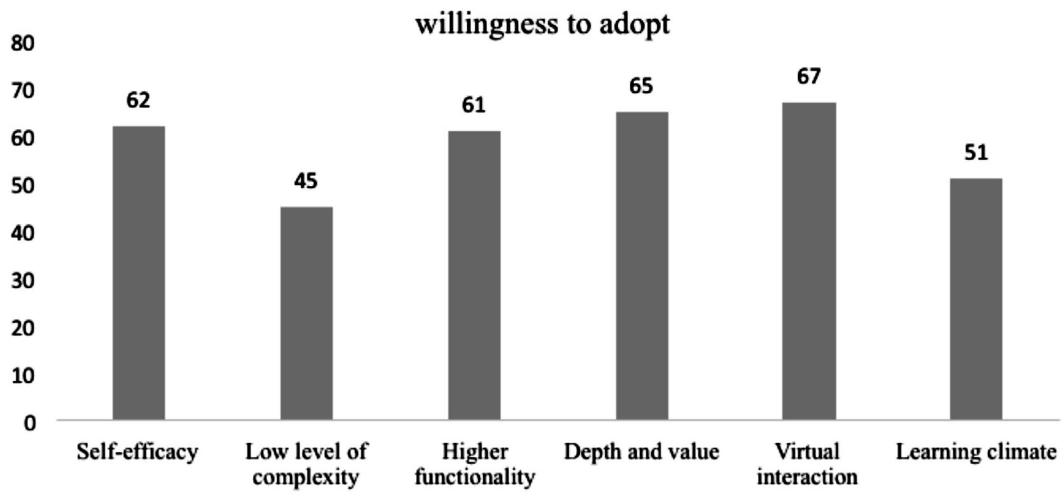

Fig 1.5

As perceived outcome could differ from one individual to another, another data point was collected to collect data as per the individual perceives.

A single factor ANOVA is applied to analyse the data, to understand and prove hypothesis 3 better.

SUMMARY				
Groups	*Count*	*Sum*	*Average*	*Variance*
willingness to adopt	111	434	3.90991	0.682719
Perceived outcome	111	399	3.594595	1.097789

Table 1.8

ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	5.518018	1	5.518018	6.198252	0.013528	3.884075
Within Groups	195.8559	220	0.890254			
Total	**201.3739**	**221**				

Table 1.9

Analysis:

It is observed that the F value is greater than the F critical value (6.198 >3.88), which implies the rejection of the null hypothesis.

Thus, accepting and proving the alternative hypothesis, that perceived outcome expectation influences acceptance of blended e-learning.

Interpretations:

Perceived outcome expectation and acceptance of blended e-learning.	• Perceived outcome expectations influence the acceptance of blended e-learning. • It was found that 62% of respondents considered self-efficacy as an important factor. • It was also observed that 45% of respondents wanted the blended e-learning courses to be less complex and 60% of respondents wanted high functionality of the course. • Consumer is looking for a simple course that can be managed as they work or complete their pedagogical education. • 64% of respondents said that they wanted the course to explore depths of the subject in hand, thus giving them better value. • Consumers need education to have both the factors of tangibility and intangibility, which gives them a better experience of learning. • Blended e-learning platforms need to give consumers an experience, with both the pros of online and pedagogical education.

Hypotheses 4:

H0: Personal related outcome expectations do not influence continuance of blended e- learning.

Ha: Personal related outcome expectations influence continuance of blended e- learning.

SUMMARY				
Groups	*Count*	*Sum*	*Average*	*Variance*
Personal growth	111	405	3.648649	1.211794
Willingness to Continue	111	434	3.90991	0.682719

Table 1.10

ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	3.788288	1	3.788288	3.999222	0.046751	3.884075
Within Groups	208.3964	220	0.947256			
Total	**212.1847**	**221**				

Table 1.11

Analysis:

It is observed that the F value is greater than the F critical value (3.99>3.88), which implies the rejection of the null hypothesis.

Thus, accepting and proving the alternative hypothesis, that personal related outcome expectation influences continuance of blended e-learning.

Personal Growth	Count of willingness to continue
1	6
2	9
3	30
4	39
5	27
Grand Total	**111**

Table 1.12

1-strongly disagree, 2-disagee, 3-neutral, 4- agree, 5-strongly agree

Interpretations:

Personal related outcome expectations and continuance of blended e- learning.	• 62% of the respondents believe that the course invested by them must give a return on investment in the form of personal growth. • Growth is seen in once career, promotion and seeking job. It can also be value addition to one's intellect and problem solving techniques. • There are a second group of people accounting to 38%, who are either indifferent or believe that personal growth does not lead to the continuation or willingness to adopt blended e-learning. • This could be a response due to bad previous experience with the platform.

Hypothesis 5:

H0: No difference between the primary, graduate and post-graduate student expectations.

Ha: Difference between the primary, graduate and post-graduate student expectations.

A simple analysis of the means of the perceived outcomes with respect to the education of the respondents, gives the means to analyse the hypothesis.

Education	Average of Perceived outcome
2	3.5
3	4.5
4	3.467741935
5	3.733333333
Grand Total	**3.594594595**

Table 1.13

2-secondary, 3-Pre university, 4-Graduation, 5- Post Graduation

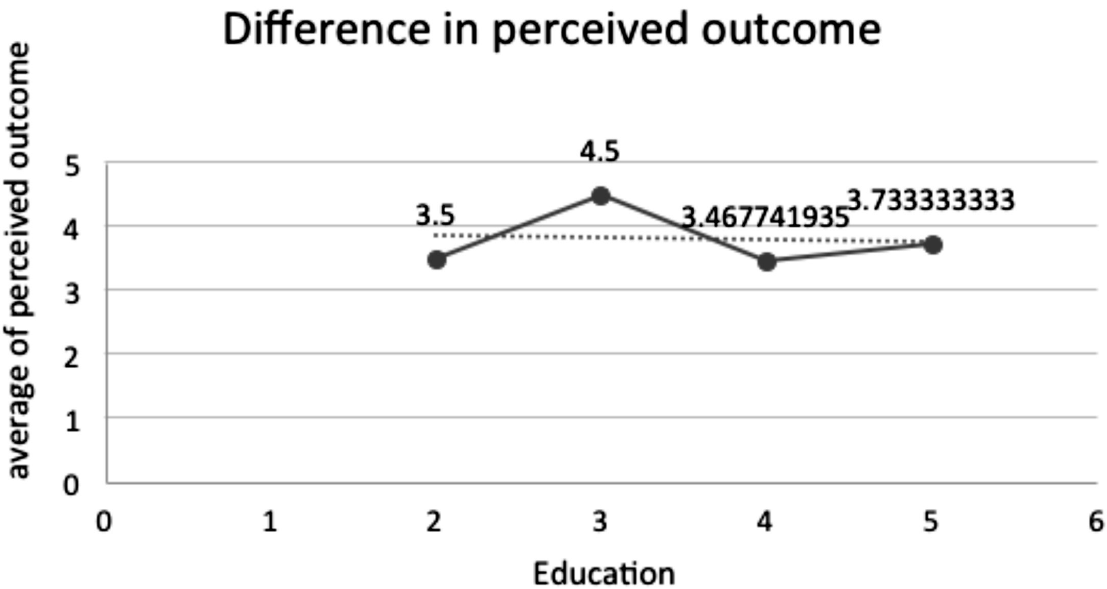

Fig 1.6

Analysis:

It is observed that the means of perceived outcomes for different education vary with +-0.5 difference from the tread line, this is an acceptable error and thus the null hypothesis can be accepted.

Thus, accepting and proving that there is no difference between the primary, graduate and post-graduate student expectations.

Interpretations:

Student expectation between primary, secondary, graduate and post graduate from blended e-learning.	• It is seen that almost all the respondents have similar expectations from the blended e-learning. • This could mainly be due to competitive educational environment and a sense of responsibility towards once future and career. • Also, the learning process of the primary and secondary students is mainly governed by their parents, such that exposure to blended e-learning platforms, will come with a cup of expectations from the parents.

Recommendations

The study found that, blended e-learning platforms are not able to successfully communicate their services to the target customers, this proves to be a real challenge for e-learning platforms in India, as the government of India has finally uplifted its restrictions on online education for reputed institutions from 20%, this has the potential to change the e-learning platform completely. The major players in the industry, currently are Udemy, Unacademy, BYJU'S etc., but to enable itself to compete with top reputed colleges such as NIT, IIT and IIM, these platforms will have to attract investors and create a market, providing higher quality and lower prices (HQLP). The main agenda will be to create a monopoly in the e-learning industry. BYJU'S is seen to be in a prominent lead, to create a freemium market for e-learning platforms. The free classes provided by BYJU'S saw a 200% rise in new students using its services. The platforms must work to make themselves a one stop shop for both teachers as well as students. Online platforms should provide, video conferencing facilities to teachers and students, this will easily help students to see the services provided by the e-learning platforms, Thus, creating more click through rate for these platforms and improving conversion ratios.

The DIKSHA platform launched by the union ministry of human resource and development, to make the lifestyle of teachers more digital, comes as a new challenge for e-learning portals New emerging platforms should work in partnership with local schools and colleges, during the pandemic, such that local education can be broadcasted. It will create momentum for their platforms.

The players in the market will have to add more cloud space into their servers to accommodate the humungous amount of data. This can be out sourced to cloud services or done through acquisitions and mergers for in-house cloud services.

Conclusions

To conclude with the study, the research was about analysing the diffusion rate of blended e-learning in India and how can it be accelerated. The current COVID-19 situation has created a huge demand-supply gap in the e-learning market, which has enabled new players to enter the market. E-learning institutes such as upGRAD, are directly connecting themselves to industries, to keep the content up-to-date and bring students and industry-professionals together. Thus, making them industry ready in a matter of months.

In the current scenario, industry professionals have to update their expertise every 3-4 years. This can be used by e-learning platforms for their advantage, directly connecting with IT companies, on a contractual basis, such that all their employees use this platform, to get equipped with relevant skills before their current skills, makes them obsolete.

Another advantage companies can use to have an edge over its competitors is from the technological view point, that is, the constant network connectivity failures and limited data, prove to be real challenge to blended e-learning platforms, which usually leaves the customer dissatisfied, with the entire experience of blended e-learning. Thus, partnership with telecom services such as JIO (launched 5G in India), can help further penetrate the market, by addressing the low bandwidth issue.

The study identified some key segments that the blended e-learning platforms can target, a post COVID study could bring to light new emerging segments, willing to adapt blended e-learning.

But, the major question for study is that will these segments hold good in a post COVID world. Most of the colleges that were forced to move from pedagogical methodology of teaching to online portals such as zoom, google meet or Microsoft teams followed the same curriculum as evaluation methodology that was used in the brick-and-mortar method.

Is moving to an online medium enough to be considered as blended e-learning? How do we ensure education in the remote parts of the country with minimum network coverage? Will the burgeoning of the blended e-learning portals hold good post COVID-19 or will institutions and different segments move back to the previous system? Why are blended e-learning platforms getting into acquisition of educational brick and mortar infrastructure?

These questions provide an ample amount of seeds for future research and analysis.

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Development Models for Holistic Management: A New Age Management Approach

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Abstract

This work is an attempt to show how development thoughts evolved from classical to new age and there is shift in management thinking in form of comprehensive view as Globalization, Democracy and Civic-society to Harmonic Globalization, Harmonic Democracy and Sacro-Civic Society. Dr. Subhash Sharma is an eminent thinker and researcher who thinks beyond the limits of conservatism, all "ism" and continuously contributing to society through his new age management models. This paper explains the major contribution given by Dr. Sharma in this field in form of his development models and development equations for Holistic Management and Development which are the essential components of new age management.

Introduction

Gone are the days when spirituality and ethical values are not considered as a part of management. In the new age of management, spirituality and ethical values are the inseparable part of management. For Holistic Development and Management it plays a vital role. To make human beings life better there is a need of advancement of existing theories & models according to the enhancement of technologies because as time passes new things takes the place of older one. This is also true in the field of management. As this is the age of Holistic Globalization, So organization should take Holistic View for their sustainability and growth and it indicates the requirement of new approach which includes this view. Due to this view new age management approach came in existence. Still this is in its Preliminary phase.

The paper is organized as follows: Section I explains about various existing Management approaches. Section II presents the various "Development Models" explained by Dr. Subhash Sharma for the future challenges of in management. Section III describes the "Transactional, Transformation and Transcendental Approach" (TTT) to social relationship. Section IV outlines the "Material Universe to Spiritual Universe" concept explained by him. Section V elaborates his "Equations of Development" and finally "Conclusion" is presented in section VI.

Section I: Existing Management Approaches

We can classify the advancement in the form of four approaches like:

(i) Classical Approach

(ii) Neo-Classical Approach

(iii) Modern Approach

(i) Classical Approach: This approach begun around 1900 and continued into 1920s. Classical approach mainly advocates profit maximization, centralized decision making and specialization of labour. Classical approach includes Scientific, administrative and bureaucratic management. Major contributors of this approach are Fredrick Winslow Taylor (1856–1915), Frank and Lillian Gilberth (1878 – 1972), Hennri Fayol (1841 – 1925) and Max Weber (1864 – 1920). So Profit, Competition & Self-interest (PCS) dominates in this approach. Business Entities were considered as commercial entities as they focused on work and organizations. The limit of this approach is Social Concern towards the Human Beings.

(ii) Neo Classical Approach: In this approach main focus was given to Human beings and business entities were considered as Social Systems. This approach came around 1924. Major contributors to this approach are Dr. Elton Mayo, Mary Follet, Abraham Maslow and others. Due to limitation of Classical approach this approach came in existence and more accorded to human beings and their behavior. Hierarchy of Needs given by Abraham Maslow is also a part of this approach. Due to socially oriented mentality the main dominance here is Justice, Right & Duties (JRD). The phase of this approach was up to 1924-1930.

(iii) Modern Approach: This approach is the combination of Classical and Neo-Classical approach as it includes the main features of both approaches and it advocates System and Contingent views related to the organizations. Still now the modern approach provides guidelines to the organizations for their workings and most of the organizations follow it.

Section II: New Age Development Models

To create innovative managers in future the various models are explained by Dr. Subhash Sharma. These development models are provided to meet the future challenges of management due to expanding horizons of management. These models are the tools to achieve the development oriented education in management, given as:

(i) WISDOM Model

(ii) BEST Model

(iii) CEO Model

(iv) 'MBA' Model

(v) Corporate Rishi Model

(vi) RICH Model

(vii) Holistic Development Model

(viii) Glass Model of Self Evolution

(i) Wisdom Model: The vision of this model is Holistic Development in Indian Management. Its fundamental basis is rooted in 1996 in Banasthali University, Banasthali (Rajasthan), a well known educational. Its basic concept is Panchmukhi Siksha and Panchmukhi Vikas, which are physical, practical, intellectual, aesthetic and moral dimensions. For this model author Dr Subhash Sharma in his book: "Western Window Eastern Doors" gave a wisdom equation that is as follows:

W = R + I
(Wisdom = Reason + Intuition)

(ii) BEST Model: In this model, Dr. Subhash Sharma, who is a Founding Director of Indian Institute of Plantation Management, Bangalore explains that when managers achieve a proper alignment between (B) Behavioral, (E) Economic, (S) Strategic and (T) Technical factors, they become the BEST managers. BEST model provides us a conceptual basis for designing curriculum for training the "BEST" professional managers because "BEST" workers, best managers and "BEST" entrepreneurs would make the organization "BEST", leading to the "BEST" nation.

(iii) CEO Model: Dr. Subhash Sharma, a creative and innovative person, founding member, Dean and Director of IBA in 2006, suggests the CEO model that is "Creative, Enlightened and Organic" leader. For this purpose, there is a 3D model of discussions, dialogue and discourse, that evolve students as CEO leaders for future.

(iv) 'MBA' Model: A decision making model that is suggested by author in 2008 in SVYASA, the Concept of "MBA" as "Mind Balancing Attitude" a foundational concept for integrating yoga and management disciplines. The basis of providing this model is to introduce Holistic approach in Yoga and Management. This model is related to balance between Manas- Buddhi – Ahankaar to take the right decision for problem solving skill.

(v) Corporate Rishi Model: A corporate Rishi is one who can Re – see events, threats and opportunities in a new perspective. Corporate Rishis can be considered as wisdom Rishis. As ancient India was a land of Rishis so this is an Indian model of leadership.

(vi) RICH Model: In the Western model of development the focus is on R (Resources), I (Income) and C (Consumption) factors. In these factors, the fourth factor named H (Happiness) is missing. The RICH model suggested by Dr. Subhash Sharma aims at correcting this deficiency of the Western model. Happiness factor implies living in harmony with nature. Thus, the RICH model takes into consideration the idea of ecological ethics, which is deeply rooted in Eastern thinking. As its focus is on happiness, hence it includes spiritual dimension as an important parameters of development. Hence this model represents the concept of development wheel or Vikas Chakra.

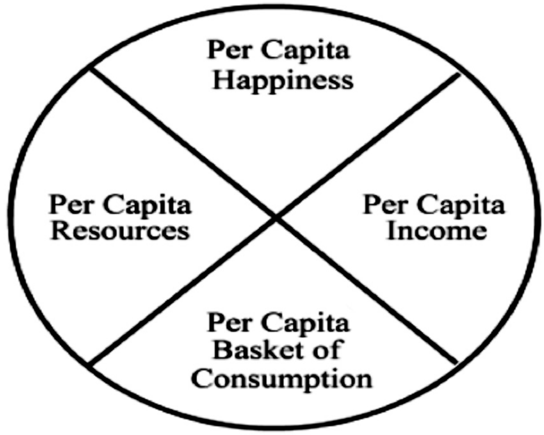

Fig.1: Development Wheel or Vikas Chakra (New Earth Sastra, p.27)

(vii) Holistic Development Model: In Holistic development, ethical dimension is part of the development thinking. It also incorporate the spiritual dimension reflected through love, comparison and devotion (LCD), as an integral aspect of development process. This model is explained by Dr. Subhash Sharma by the metaphor of "Three wise-men on an Indian Road" named Adam Smith, Karl Marx and Mahatma Gandhi. These three wise men also represent three world views i.e. 'Economics', 'Politics', and 'Good Governance'. Their integration implies a holistic view of the world. Since it is an Indian road, the three wise men are following the spiritual masters such as Mahavir, Buddha and Aurobindo. This metaphor provides as an integrative view of development, wherein various isms find space as well as integration in the form of Holistic Development.

(viii) Glass Model of Self Evaluation: This is related to the principle of enlightenment.

Enlightenment can be defined as that state of mind, wherein the problems on hand are viewed from a higher place and thereby aiming at better solution. Enlightenment transforms an ordinary person into an extra ordinary person and as Buddha. This model explains that life is not merely stimulus-response as suggested by Skinner and others. There is another property of intelligence and vivek or wisdom. So this model shows through the rising of water that there are three levels of interaction through three types of response in Human behavior i.e.

S-R (Stimulus – Response)

S-I-R (Stimulus – Intelligence – Response)

S-V-R (Stimulus – Vivek – Response)

And the fourth level is **Enlightenment.**

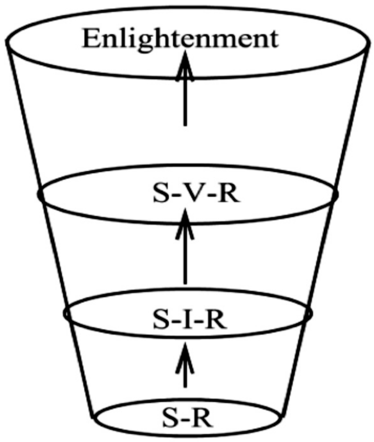

Fig.2: Glass Model of Self Evolution (New Earth Sastra, p.83)

The enlightened leader uses the conceptual or the holistic style characterized by the metaphor of Drishta. An enlightened Leader is who

- Harmonizes vision, mission and action through hope values and positive management approach.
- Combines both the yang and yin qualities and thereby creates moments and performing organization through people.
- Performs effectively in situations characterized by adversity and catastrophe.
- Responds effectively to radical and change situations.
- Who combines both leadership and management metaphorically represented by the concluding verse of Gita.

Above view of Dr. Subhash Sharma provides a most lucid definition of enlightened leader.

Section III: Transactional, Transformation and Transcendental Approach (TTT)

This approach of Dr. Subhash Sharma is related to the social relationship. In the HOST model suggested by him, this approach is well explained. In this model H denotes Home, O denotes Office, S denotes Society and T denotes the Temple. In H, O, S the predominance of LCD, PCS and JRD values are shown respectively. In his Article "A Vedic Integration of Transitions in Management' he shows the values PCS,JRD and LCD are manifest in the three models of social values viz, Transactional (T1), Transformational (T2) and Transcendental (T3).

Section IV: Material Universe to Spiritual

Self actualization to self realization is related to beyond the selfishness. The main emphasis for holistic development is to give appropriate weightage to material and spiritual in the development process. Material universe is the place of greed and spiritual universe is the place of self actualization, after that a person can be self- realized. These two dimensions are very close to each other in the process of self transformation.

Section V: Equations for Development

The various development equations are given by Dr. Subhash Sharma in the process of development thinking for holistic development. These equations are as follows:

(i) Wisdom Equation

(ii) Liberation Equation

(iii) Energy, Mass & Consciousness Equation

(iv) Holistic Development Equation (HRO + HSD + HQD)

(i) Wisdom Equation: This equation shows that wisdom (W) is sum of Reason(R) and

Intuition (I). This can be shown as

$$W = R + I$$

Wisdom = Reason + Intuition

It suggests that need for holistic view by integrating the left brain and right brain approaches to solve the problem and arrive at new solution. It indicates the role of women's in decision making.

(ii) Libration Equation: It relates to the liberation of Mind. When the mind libration is achieved, this is the stage of mind extension; the relationship between two individuals is transformed to Master–Master. The libration equation is the sum of libration from domination, exploitation and oppression. This can be shown as below:

Liberation = LIDO + LIFE + LIFO
= Liberation from Domination + Liberation from Exploitation + Liberation-
From Oppression

It is also related to the liberation of the weaker. We need to liberate our mind from various distortions.

(iii) Energy, Mass and Consciousness: The interesting equation related to energy, mass and consciousness suggested by Dr. Sharma in his book Quantum Rope (1999) is an extension of Einstein's famous equation to the field of spirituality. The same is given as:

$$\mathbf{E=MC^n}$$

Where n could be 1, 2, 3..........n i.e. (Nirvana Level of Consciousness)

His visit to Mount Kailash and his experience sharing to this, leads a person from the material world to spiritual consciousness. The concept of universal spiritual consciousness (USC) is related to the truth of life which is BABA i.e. Born Again Born Again. The truth of entry and exit from the world, the spiritual explanation of the place is full of guidance to the human life.

(iv)Holistic Development Equation: This equation integrates management through social discourse and spiritual concerns rooted in inter – relationships between the forces i.e. market, society on self. This equation is:

Holistic Development = HRD + HSD + HQD

= Human Resource Development + Human Social Development + Human Quality Development

Where, HRD is related to Human Capital, HSD to social capital and HQD to spiritual capital. Hence the equation can also be formulated as:

Holistic Development = Human capital + Social capital + Spiritual Capital

For the development of organization and also society, nations and world this equation is very important.

Section VI: Conclusion

Holistic view is the essence of new age management and all management approaches finds integration in this new Holistic management approach. Dr. Sharma's management models and equations towards Holistic development and management are the modern roads for development that can provide a way to the organizations so that they can become social institutions rather than just business entities, which has become an essential need of new age management.

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3D...
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Emerging Vistas for Start-ups into 21st Century: Three New Dimensions that Drive Sustainability

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Introduction

Start-ups across the world, and in India took a decisive direction after 2014, as the technology offered level playing field to every aspiring player with the advent and access of 4g based internet in most of the countries, including India. Indian start-up scenarios vacillated through a vast range of services with initiatives ranging from tapping emerging new business opportunities to resolving long standing economic challenges through technological resolutions. The zeal and enthusiasm of Indian entrepreneurs in exploring myriad initiatives in almost every field of economy and society lead to burgeoning enterprises and explosive growth in technology-based solutions for almost every human need. The impressive performance of these start-ups give raise to increased expectations about their utility, effectiveness, and their influence in changing the profile of the coming generations, and the definition of how future would unfold. Especially, with regard to human life and longevity; with regard to human mobility and with regard to resilience in conducting businesses addressing these two, in a sustainable manner. The paper would discuss the significance of these three dimensions to set a framework for policy making and strategizing for human sustenance.

The Three Dimensions of 21st century

As the economies attempt recovery from the covid pandemic, the priorities of countries get redrawn to: a)protection of the aged from fall - especially from morbidity and co-morbidity spill from Corona; b) supplanting and strengthening healthcare to handle existing as well as emerging illnesses and mini pandemics; c) redefining and promoting education and training to upskill and strengthen the young and d) propelling youth in participating and leading economies through entrepreneurial, and technological breakthroughs for economic and business leadership takes precedence from every other responsibility related to social and societal development. Therefore, the first dimension of emerging entrepreneurial vistas deal with engaging the aged as well as younger population in productive, economically sensible and profitable manner, thus redefining the demographic dividend from a convergence perspective rather than polarised perspective.

The first dimension - demographics of world and India

Joseph Coughlin opens his book, The Longevity Economy, with a statement "each of us grow old - if we're lucky..." (Coughlin, 2017). As January 2021 draws to a close many would realise the gravity of this profound statement. Every century has seen its own versions of pandemics and 21st century started to handle it with as much confusion as it did in at least the three past centuries, if not more. The stark reality of Covid19 making older people more susceptible, vulnerable, and more suffered than younger people further confounds Coughlin's theorem. Coughlin argues in the book about the demographic dividend of older generations while India was harping on a different demographic dividend (of the youth population of the country) during the 2010s, and both look for the same harvest out of these two scenarios, in the form of creating wealth and prosperity, the propellor of success of countries in the years to come. Global aging on one side and exploding population in emerging economies on the other side would drive the economy - both in terms of consumption and production - of goods and services; in creating businesses and also in making them indispensable.

Demographic dividend is a result of three developments. The first, longer life expectancy and people all over the world, including India, live no longer periods than the 20th century. With Japan setting the global benchmark at 84 years average life expectancy and other developing countries following, we simply have people living longer. It was estimated by Coughlin that 20th century added seven years of life to people compared to 19th century, across the globe. The second, is the declining birth rates, with the global average dropping to almost 2.1 children per family, indicating that the reproductive rates have almost got stabilised to the replacement rates for population stability. It may be seen that in India itself, the birth rate of 5.9 per woman in 1960 has now fallen much below 2.4 as of 2014. One can see a similar trend across both developed and developing nations, thanks to a very vigorous family welfare movement across many countries in late 20th century, every country now has a high rising segment of "senior citizens", and reduced number of enrolments in babies registers. One of the estimates by the UNO indicates that almost 65% of population in developing countries accounts for senior citizens, just neck to neck with developed countries. The third factor, a lot to do with the two world wars of 20th century, lead to baby boomers of 1960s, who contributed to a considerable segment of senior citizens, who, taken the benefits of better healthcare and longer life spans, and subsequent sharp decline in reproductive rates, started to add to the ranks of senior citizens.

One of the astounding observations of the senior citizen boom is that the trend can't be reversed by any measure, even with policies of promoting baby boom in 21st century. The ranks of people adding to senior citizens will continue to swell, except in scenarios like Covid Pandemics of 2020, and despite the measures taken to balance population growth - either positive or negative - the rate and ranks of senior citizens will keep growing into the later periods of 21st century.

Working only on the swell of old people in people, and not yet touching the growth of young, one can see the openings for businesses, entrepreneurial initiatives and technology innovations. An estimate indicates that by 2015 itself world has 617 million people who are above 65 years age, something that is almost two times the population of USA. That number is expected to touch one billion by 2030 and 1.6 billion, by 2050, almost adding another India to global population (ibid). Such a high growth in the numbers of senior citizens, putting pressure on on all "senior citizen" goods and services and clamouring for access. Quoting Coughlin, "Societies won't just be older, they will function differently. Not just in obvious ways, either. Eldercare responsibilities, healthcare spending, and pension liabilities will naturally ramp up. However, we'll also see changes as wide ranging as new labour markets, amplified demand for products that seemingly have nothing to do with age, such as smart-home technologies; new forces affecting family composition and rituals; and far more." (ibid).

In simpler terms, the need for products and services that cater to basic human needs will expand over to catering new segments with both old products as well as newer products. The demand for auxiliary services in education and healthcare - where, more agile senior citizens becoming consumers of learning new skills, new languages, new subject domains and harness technologies to suit and meet their specific requirements has already started to create trends in developed countries, for special education and learning services. While people have already acknowledged geriatric care as an essential tertial healthcare service, the statistics from eyewear providers already show spurt in reading glasses sales compared to all other eyewear. Even a country like India, where adult sanitary napkins were to be imported in as recently as 2012, now reports selling as many adult diapers as baby diapers (in Japan, the number outranks baby diapers as in 2015 itself). The author witnessed increase in sales of appendages like walkers shooting up from 2014 to 2020, with a city like Bengaluru itself witnessing an increase in the number of retail stores selling geriatrics equipment by more than ten times (Acharyulu, 2016). It is in this context, will be interesting to highlight a study by Boston Consulting Group, which observed that less than 15 percent of companies in the last decade attempted any strategies to cater to thsi segment, with a clear marketing vision. A very concerting trend in India had been a quick recognition of this gap and between 2018 to 2020, many companies with pan-India presence, started tweaking their communication strategy and project themselves pro-senior citizens, although the outreach is, at best figurative.

The second facet of demographic dividend, in the context of India, calls for a different paradigm of creating and sustaining businesses that offer services to the smart children who are growing with a smart phone and a tablet in their hand from as early an age as two years, and cultivating an early years brand relation and retaining them through their metamorphosis into young adults, all along by leading as choosers, and users, while the "buy" being acted upon by the parent, for some of the early years. Excepting the few initiatives during Covid Pandemic, one has yet to see services that are tuned to upskill the early young to harness their increased appetite to handle technology for every human need, as understood and expressed during the early schooling ages to the stage of teenage explosion of need for "discerning services consumption drive" - which only the teens can convey, manifest and exercise.

The Second Dimension - Exponential growth in need for mobility

The second dimension of the emerging 21st century relates to burgeoning need and equally accelerated solutions for human mobility.

"The automobile has been central to human mobility systems for over a hundred years", thus quotes Venkat Sumantran in his co-authored book, Faster, Greener, Smarter - The Future of the Car and Urban Mobility, in 2017. almost three and half years later, India has rejoiced the announcement of Elon Musk of the entry of Tesla into India. It is a known fact that automobile industry was the fulcrum of business enterprises all through the 20th century and the only industry that withstood the dominating forces of IT industry, which came up and overtook the business space and changed every other sector, economy and influenced policy making and governance in deeply entrenched ways. However, the advent of 21st century has started to witness a different challenge, with, a hitherto non-existing industry till 1980s, overtaking the charm and glamour of an automobile and shrinking that glamour into the palm, in a mobile phone. Added to the overstressed urban conglomerations and road networks, and increased attention that a mobile phone draws from an individual, the challenge for a car has moved away from the horsepower, seating, size and manoeuvrability, to redefine itself as another gadget, which, in sync with a mobile, is offering solutions in terms of how best to reach, how soon to reach and how comfortably complete a journey using a myriad of technologies and alternate solutions.

Examining this dimension, one must look at the multitude of challenges required to be addressed, which have become common expectations and standards in post 2015 world. If on one side people would like an astoundingly low carbon footprint in the transportation systems, the second is towards de-congesting the roads, which are unable to handle the geometrically increasing need for people to commute (Acharyulu, 2016). The third is related to reducing the time one spends in commuting or travelling, as the need to expand productive time in one's hand has never been manifested more strongly than the present times. A totally different challenge emerges from the young, who today would like the transportation solutions to be seen more as a service than as an ownership challenge. As a result, when more people resort to use of services, both as mass transport systems or a personal transport service, they eliminate the roles of owners and drivers as well; leading Olas, Ubers, Grabs to become the mainstay of human mobility component in urban space. A silent attempt in creating "tubes" of 21st century, the hyper loop offers a redefining moment in mass transportation, unlike the pursuits of old, conventional mega technologies such as bullet trains. The last dimension in urban mobility challenge comes from the increasing convergence of office and home space into one - a trend that started almost a decade ago, with companies encouraging people to work on SOHO mode, and post 2020 scenarios, where every company actively encourages their employees to shift towards "work from home" to meet multiple aspects of safety, economy, and productivity issues. In such a scenario, the meaning of mobility itself tends to get redefined and also result in an explosion of businesses - both in physical goods and in services that will change human life into future in unthinkable ways.

The Third Dimension - building resilience and sustainability in business operations

The two emerging dimensions of 21st century society give us a hint of what the upcoming enterprises need to address to, for their success, relevance, and sustenance over life cycles. The third dimension points out the need to root the businesses to be pro-earth, pro-customer and pro-nature in order to retain their presence in the marketplace and market space, to be pragmatic in their considerations towards finite resources and nature's gift to humanity.

Yossi Sheffi argued for building resilient supply chains to face catastrophes a little before 2016 and stressed on working with deep rooted supplier bases to sustain the aftermath of globally effecting disasters. His book, The Power of Resilience discusses the range of disruptions that can happen every time a large disaster occurs and their impact. Sheffi very skilfully addresses the seemingly unrecognised links between risks in handling supply chains with deep tiers of supplier dependencies, risks of Corporate Social Responsibility crossovers, risks of cyber security, global raw material risks, long-term disruptions, business continuity planning, emergency operations centers, risk and disruption detection and the (*latent*) and potential for systemic disruptions (Sheffi, 2015). The current context of entrepreneurial opportunity for startups largely deals with the immense opportunity it creates for new age startups, challenging, co-opting, and competing with current large global enterprises and carving a new dimension about the power of technology-based startups in creating an overdrive of disruptions for the good of humanity. The as yet undefined third dimension deals with seemingly unrelated and independent actions by different players, which it is argued that they can be brought under a single umbrella, and address the basis and creation of a platform that not only strives to create resilient businesses, but also, bring to the fore the challenges existing within the two earlier dimensions - demographic dividend and yearning for mobility - which could be resolved using a near revolutionary approach - which, if a term from XXXX is borrowed, can be aptly stated as "big Bang Disruption" in emerging start-up economy of the world.

The Big Bang Disruption is required to be created in the areas of removing or eliminating carbo footprint in deep-tier supply chains; it is required to be created in structuring business models that are beyond conventional - inputs-process-outputs as equivalent to revenues less costs and loosely get defined as profits or margins. Several examples of current technology driven startups tout having a market capitalization driven business model, however, not many of these are sustaining and the erosion of capital much before the stabilization of the businesses is commonplace.

A very unnerving example of how a flicker of a 70-millisecond power dropout at Toshiba›s Yokkaichi memory plant in 2010 resulted in affecting the world›s supply of NAND flash, is not forgotten by most of the global IT hardware giants and the disaster of Japan›s 2011 earthquake, tsunami and nuclear disaster disrupted the entire business ecosystems of world over, is not too distant a memory (ibid). The author desists from taking the examples of how supply chains collapsed during the April-June lockdown in India to address the Covid Pandemic, as its true impact is still under assessment. However, it is sufficient to mention that the 21st century's biggest pandemic is only a beginning and the coming eighty years will see, several more such unexpected events to shape the world and humanity at large.

Emerging Opportunities for start-ups and a hope for humanity

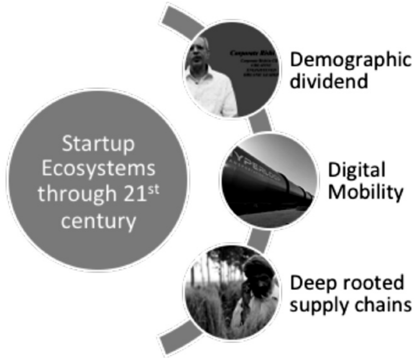
The 21st century will increasingly be driven by the three dimensions of business life and they become the drivers of society, in a silent way. All of agree to the current dispensation of digital banking and also the no-contact deliveries by Amazons and Walmarts which till 2019 were seen more from theorization perspective and curios learning domain approach, rather than they are becoming integral to life post 2020. It is a hint to the times to come. It is also necessary to argue how these will entrench to become long term trends and shifts that require individuals to adapt and adopt much faster than what was expected in pre-2010 era (Acharyulu, 2010).

To quote Sheffi, "certain types of disruptions arrive in long-term shifts, not transient shocks. These shifts lead to a permanent change - a new normal - for the company's environment, its supply chain, markets, factors of production, society's expectations, or regulatory frameworks. Some trends affect the viability of specific industries… other trends have broader effects on multiple industries as well as supply chain structures." All over the world, the post covid life has become synonymous with masked, social distance maintaining, scared and highly protective human life, in the as yet absent preventive healthcare. Some of the trends cities across the globe witnessed over the last two decades include rising megacities; growing middle class, growing use of m-commerce and spread of modern-trade based multi supply-multisegment retailing, services for old people, climate change and shifts in agriculture, and rise in civil society movements, without the formal organizational structures and political boundaries, increased polarization of societies around cultural ideologies and technological paradigms of how lifestyles need to be shaped and accepted.

It is necessary to understand that existing businesses and emerging businesses see the implications of these trends in diametrically opposite terms and paradoxically, the white spaces in the industry are spotted and addressed differently by these two classes of business enterprises. A fact acknowledged almost a decade ago itself, as the long terms trends and shifts from several risks bring with them opportunities hitherto unseen or considered.

In other words, the three dimensions that are driving the world today bring with them unique solutions that offer explosive growth to businesses - especially start-ups and prime them to be overnight millionaires and service providers to millions.

Figure 1: 3 Dimensions of disruptive enterprises of 21st Century



The trends that India witnessed during the last twenty years showcase the slow convergence of the three dimensions of India and many other emerging economies in entrepreneurial initiatives and succeeding as businesses to reckon. While the examples can range from the ubiquitous Flipkarts, Paytms, Oxigens, which are in public eye, it is also showcased from the silent, remotely located and decisively working startups such as Clarions, Farmizines and multiples of technology based, society driven start-ups which are changing the age-old market game into those offering a dispersed and decentralized economic sustenance.

Dimension 1: Demographic Dividend

Enhancing capabilities and competencies of people in multiple generations – transforming contributions of individuals into nation building, with Indian talent, systems, and methods – whether in management, business models, systems or in scientific discovery, by talented, irrespective of age, gender, region, caste, creed, or culture that helped emerge and convert into assets to the nation.

The result is, discoveries and innovations that are propelling new forms of organizations, new ways of dissipating inequalities, new methods through which exploitation is reduced, and help mainstream those who are marginalized. The evolution of voluntary action in India, from one that was dependent on donations, grants and philanthropy, to that of social enterprises seeking self-sustaining revenue models, is the order of the day (Acharyulu et al, 2020).

Dimension 2: Mobility Needs

Indian Society is aspiration driven and solution seeking, intelligent youth on one-side and burgeoning overlaps of markets that create challenges and also offer solutions that others hesitate to venture into. As a result, one observes latent churn and explosions of human behavior that in other societies, extremely hard to come by. On one side the search for opportunities created three distinct migration trends in India, it also propagated over-crowded and over-populated urban conglomerations, that eventually bring the systems to an almost choked situations, whether it is transportation, housing, or civic amenities. In such a scenario, India becoming the hub for development of ultra-fast mobility solutions such as hyperloop offer a new dimension to how the future urban conglomerations develop into ecologically balanced and human comfort centered, rather than drudgery driven livelihoods, is the second dimension of future of startups in India into the 21st century.

Dimension 3: Resilient supply chains

Convergence of the entrepreneurial effort in social, spiritual, and economic needs fulfillment and help bridge the connectivity needs of almost 1.5 billion people can only happen when costs are continuously driven down, robustness is improved, and resilience is developed – both at human body level and at business organization sustenance level. This entails creation of multiple supply chains that handle multiple cycles of consumption cycles, multiple agro-climatic seasons, and immensely unifying, yet diverse cultures that seek goods and services, human confluence and religious diversity seeking mass consumption to explode in spurts and moods that coincide with our festivals, ceremonies, and celebrations. What it means in simpler terms is, the need for multitudes of production centers, services providers' clusters and infrastructural nodes that address the geographic, demographic, religious and cultural demands on market. It can be addressed when the nano, micro and SME level enterprises multiply in almost every district, region, and state of the country, to ensure that goods and services are available at affordable costs and are accessible to every village, town, and city of the country throughout the 365 days, and overcome the age-old challenges of remoteness, economic deprivation and marginalization due to geo-climatic factors.

Conclusions

The emergence of a new startup ecosystem in Indian economy is a congregation of layers akin to onion peels. It builds a beauty in its beholding as one fathoms the intricate nature of how Indian Enterprises operate at village level, to a taluka center to a commercial town and there after the few global hubs of international businesses and few Indian hubs of domestic businesses operate, creating overly complicated and complex supply chain networks. While Sheffi advocates delineating the diamond models of supply chains, the author observes them giving resilience in Indian context, in terms of their being able to offer a backup to each other and diffuse the demand supply gaps in a cost-effective manner. The proposed new vistas for startups that work with and against conventional businesses are already existing, in some of the play-back industries such as fruits and vegetables, foundry ancillaries, automobile ancillaries, and most importantly in Agri supply chain infrastructure businesses. The offering of business services that were hitherto thought to be unfeasible is being challenged and addressed, creating a new breed of confident, willing, and hard-working rural and micro level entrepreneurs, which as further gets to market leadership positions, the path to sustainable, surviving, and service driven start-up ecosystems become the mainstay of the country.

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3D... IBA Journal of Management & Leadership
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Impact of COVID-19 on the MSME Sector and the Way Forward

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Abstract

The year 2020 has affected every being in this planet, may it be an individual, household, business firm or even the Government. This research paper is purely based on a conceptual study, that depicts the impact of pandemic on the business in general and SMEs in specific. The study focusses on link between marketing & innovation; need and relevance of strategies for SMEs, (in the light of Dynamic Capability Theory), during critical times of COVID 19 pandemic. The effort has been made to give relevant instances of MSMEs, which have been successful in applying innovative marketing strategies during the pandemic. It also gives a framework for considering the probable strategies that would work in favor of MSMEs post pandemic.

Dynamic Capability Theory is found to be relevant and helpful for MSMEs during and post pandemic situations. As the business performance comes to a standstill, following the impact of pandemic, the theory comes much handy for MSMEs to bounce back and re-establish business. Following the theory, one can establish a fact that any MSME is capable of re-establishing the lost business post pandemic by identifying the right opportunity and working towards for en-cashing those opportunities effectively.

Key words: Innovation, Marketing, Strategy, Dynamic capabilities, MSMEs, Pandemic.

Introduction and rationale for the study

Post-independence, Indian economy has witnessed a few very bad crises, that shook the whole economy very badly. Whenever India faced crisis, naturally every individual, household, business firms, Government had faced the heat, resulting in a turmoil and a chaotic environment. Shortage of raw-materials, unfulfilled demands, drastic fall of profitability, raising number of sick industries have been common during such critical situations. MSMEs are no exception for this. Whenever a crisis happened in the past, innovative strategies have been the mantra which came in handy for the rescue of MSMEs. Innovation can take in the range of simple change (incremental) to a considerable change (radical) in the product or service offered. Sometimes the innovation can even be disruptive. There have been many instances where innovation has helped business in multiple ways like reducing costs and wastes, improving employee & customer relations, boosting up the company's positioning, etc. No doubt that Marketing is vital in business, at the same time, marketing can be more effective if it is blended with innovation. Hence, Innovative strategies have been inevitable for the survival and sustained growth in all the business organizations where SMEs are not an exception. Though innovative marketing strategies like website creation, SEO, Google AdWords, advertising on FB, etc., can be easily adopted by MSMEs, we can't deny the fact that many MSMEs fail to consider the same, hence resulting in failure of business. MSMEs are found in almost every sector / industry, especially in India, an amazing world of opportunities.

A few notable facts about MSMEs in India:

Number of MSMEs in India	42.50 million, registered & unregistered together. A staggering 95% of the total industrial units in the country.
SME & Employment opportunity	Employs about 106 million, 40% of India's workforce. Next only to the agricultural sector.
Products	Produces more than 6000 products
GDP Contribution: :	Currently around 6.11% of the manufacturing GDP and 24.63% of Service sector GDP.
SME Output	45% of the total Indian manufacturing output.
SME Exports	40% of the total exports for the total GDP
Bank Lending:	Accounts for 16% of bank lending.
Fixed Assets:	Current fixed assets at INR 1,471,9129.4 million
SME Growth Rate:	Has maintained an average growth rate of over 10%.

Source: msme.gov.in/KPMG/CRISIL/CII.

Highlights of previous work on MSMEs

It is known that, next to agriculture the largest employment generator of employment is MSME sector. The sector has always been providing unlimited opportunities for the aspiring entrepreneurs. In India, MSMEs produce not less than 6,000 products for local and global consumption. According to Director General, Commercial Intelligence & Statistics (DGCIS) data, the value of MSME related products in India is $147,390.08 million and contributed 48.56% of total export during 2017-18. The sector has contributed 29% to overall GDP as per 2019 data.

It has been evident from multiple findings that the sector is instrumental in the socio-economic development of the country. It is expected that the sector's contribution to GDP would be close to 50% in 2025, as the aim of the Government is to achieve $ 5 trillion economy. It is obvious that the role of the sector is going to be much more crucial in the days to come. So, the decisions and policies of the Government favoring the sector have been justified and welcomed by all as the sector still has potential.

All business organizations, irrespective of the scale of production, face tremendous challenges in this competitive business world across the globe. SMEs face challenges internally as well as externally as shown in image below. External challenges are always very critical, as they can't be controlled. Among those, challenges posed by environmental factors are critical and it can be so brutal which can absolutely bring the entire economy to a standstill, a typical example for that could be the recent COVID – 19 pandemic.

Phases of Lockdown:

1. Janataa Curfew (14 hors): 22.03.2020
2. Lock down – Phase 1: 25th March 2020 – 14th Apr 2020.
3. Lock down – Phase 2: 15th Apr 2020 – 3rd May 2020.
4. Lock down – Phase 3: 4th May 2020 to 17th May
5. Lock down – Phase 4: 18th May 2020 – 31st May 2020.

Phases of Unlock:

1. Unlock – Phase 1: 1st June 2020 – 30th June 2020.
2. Unlock – Phase 2: 1st Jul 2020 – 31st July 2020.
3. Unlock – Phase 3: 1st Aug 2020 – 31st Aug 2020.
4. Unlock – Phase 4: 1st Sep 2020 – 30th Sep 2020
5. Unlock – Phase 5: 1st Oct 2020 – 31st Oct 2020.
6. Unlock – Phase 6: 1st Nov 2020 – 30th Nov 2020.

Declaring lockdown initially, followed by the extended lockdown, every individual, household and the firm had to face rather fear and ambiguity which left no clue in their minds as to what is happening and what is going to happen. MSMEs were not an exception to this. On one side, MSMEs had challenges in procuring raw materials, on the other side, migration of laborers resulted in failure of supply to meet the actual demand. Except the most essential goods for survival, production of other goods was completely shut

According to a joint survey conducted by non-banking financial company Magma Fincorp, and Business School Bhavan's SPJIMR, conducted in May 2020, the earnings of MSMEs were affected by 20-50%. Firms which were into production and supply of non-essential goods or services suffered comparatively more than those of essential commodities and services like grocery, vegetables, medical, healthcare, etc.,

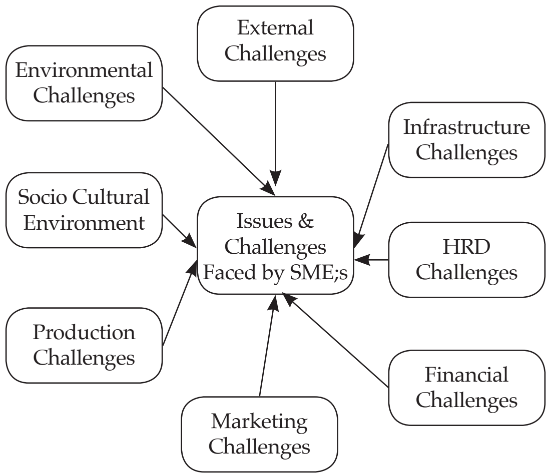

Figure 1 showing issues & challenges faced by SMEs. 9Source:

Source: A study on Issues and Challenges faced by SMEs: A Literature Review – April 2017, ResearchGate

Figure 2 showing the impact of COID 19 Pandemic.

Source: Survey on the impact of COVID-19 by the Asia–Pacific MSME Trade Coalition, 31 March to 6 April 2020.

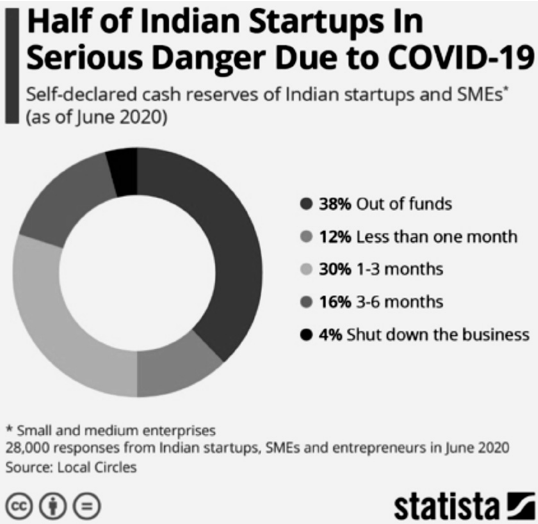

Fig 3 – The state of SMEs and Start-ups following the COVID – 19 Pandemic (June 2020). (Source: Local Circles)

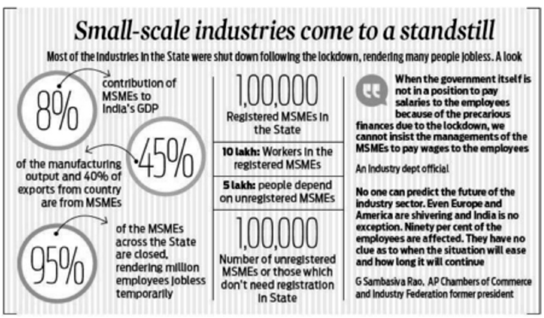

Fig 4: Impact of COVID-19 on MSMEs

Methodology

This is an analytical study from the published articles, latest literatures and Industry reports, focusing on the facts and information enumerating the challenges that COVID 19 pandemic posed on the business in general and MSMEs in specific.

Findings and Discussion

COVID-19 has impacted MSMEs significantly, beyond anyone's imagination. The degree of impact has been found to be rather high. From highly imbalanced demand and supply conditions to the non-availability of labor (due to migration), resulting in huge losses, the firm owners had the toughest time in their career. The facts (depicted above) made the firm owners to really introspect their capabilities to consider and win over the chaotic moments. In the past, the business establishments had faced similar pandemic situations. It has been observed that the firms in the past have tried hard to unveil the opportunities amidst crises. Many firms have demonstrated their capability and were able to bounce back because of the proper approach in crisis handling.

Given this context, among many solutions the following theory seems to be relevent & appropriate.

Dynamic Capability Approach / Dynamic Capability Theory as a solution

Teece *et al.* (1997) define dynamic capabilities as 'the ability to integrate, build, and reconfigure internal and external competencies to address rapidly-changing environments'.

The dynamic capabilities approach (DCA) has shed light on how organizations deal with the changing environment. Studies in this area have tended to fall back on the creation of capabilities that allow businesses to survive and grow in this type of environment *(Ambrosini and Bowman, 2009).*

Teece (2012) The dynamic capabilities can be grouped into three categories of activities: *sensing*, which is concerned with opportunity identification, *seizing*, that entails with opportunity that has been identified, and *transforming*, that is concerned with continuous renewal. All these functions can be performed well with the entrepreneur's active involvement with focused approach.

While spotting the opportunities, one should note that all firms are influenced to greater extent by many factors that are completely external in nature. However, it is not an easy task to understand and get the mileage out of opportunities or even change to minimize the risks present in the environment. Because of this, identifying opportunity has been reported in the literature as a peculiarity underlying the very definition of an entrepreneur

(Ensley, Carland, & Carland, 2000; Shane & Venkataraman, 2000; Ferreira, 2005).

A few instances of how SMEs can strategize during tough times:

A collaboration with other firms would be a strategic move. For instance, a Noida based OOH (Out Of Home) Ad agency called CASHurDRIVE (CUD), has collaborated with Uber cabs to offer earning opportunities for drivers through OOH advertising on cabs. Also, it has offered healthcare products by launching CUD Medicare and other products like car cockpit, faceguard, bike covers, etc. Collaborations like mergers, joint development agreements would really help. On the other hand, technology could be utilized in a better way like using of AI, IoT, ML, drone, autonomous design, Virtual Reality based design, etc.,

The way forward:

To survive, grow and sustain, SMEs need to develop dynamic capabilities. In other words, SMEs are expected to develop the ability to integrate, build and configure internal and external competencies to address rapidly-changing environments. How can the SMEs sail through tough waters like pandemic or any other crisis? Probably, the *Dynamic Capability Approach* would give strength for firms to sustain and grow through crisis situations. Meanwhile, recently, we have noticed that some enterprises innovated their ways by shifting focus from non-essential commodities towards essential commodities; like production of hand sanitizer and toiletries, PPE kits, reusable masks, etc. and are able to survive in tough times. SMEs present in remote areas also faced lots of difficulties due to interrupted supply chain systems and intrastate lockdown provisions.

Dynamic Capability Approach & its relevance to survive during pandemic:

- It has been evident from the past pandemic crises that a good firm can identify the opportunities amidst difficulties.
- The theory is very much practical and has a greater degree of applicability.
- Problems and Opportunities are two sides of the same coin.
- The testing times would persuade the firms to look into their potential and try to en-cash the opportunities.
- MSMEs are found to have challenge of 65% deficit in WCR, this should be taken care by the owners of MSMEs, State & Central Govts, in addition to Banks and Financial Institutions.
- MSMEs should have emergency fund to the min of 3-6 months of their monthly operating expenses

Summary and conclusions

The MSMEs can work on

(i) taking out some factors which the industry has competed for long or those factors which the industry has taken it for granted;

(ii) reduce such factors that should be reduced well below the industry standards;

(iii) raise some of the factors above the industry standards. All these can result in a great innovation.

A few considerations like attractive pay-outs, bonus, perks with flexible work hours, etc would result in the rapport building with the employees, eventually leading to do well in the long run.

Besides these, the SMEs can

(i) continue focusing on customer needs;

(ii) avoid credit sales would be better;

(iii) reduce costs, unaffecting the quality of the product offerings would be an intelligent move;

(iv) identify and making good use of suitable policies of Government is always welcomed;

(v) increase operational efficiency through digitalization is an effective and timely move by SMEs is the new normal;

(vi) converting challenges into opportunities would be truly a strategic move.

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Analytical Study on Management of Franchisees in India: A Perspective

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Abstract

Purpose - Several studies have been conducted about franchising which provide multiple theoretical frameworks to explain the franchising practices. Franchising in India has seen rapid growth and has been a strategy for expansion in several sectors. This research study is a first attempt to examine the linkages between theoretical frameworks of franchising existing industry franchising practices in India. A detailed analysis of strategies used for franchisee-franchisor relationship management across various sectors has been done. The study also analyses the Six Key success factors that franchisors have used to manage franchisee relationships in the Indian context.

Design of the research - Unstructured exploratory interviews with industry professionals were conducted to bring out several aspects of franchisee-franchisor relationship and management practices. Professionals who were interviewed had experience in dealing with franchising in sectors of apparels, textiles, footwear and fashion and services such as wellness, beauty and preschools.

Findings: The franchisor brands in India are divided into two categories in their approach towards franchisees. One category that believes that the franchisees are indirect **Competitors** to the franchisor as they take away

margins or commissions for very little efforts or investments. There is a second category of franchisors who view franchisees as a **Collaborator** in the growth strategy of their business. Such franchisors have positively leveraged their franchisee networks to rapidly expand across the country and also in turn have created Six **key success factors** that are responsible for the culture that is essential for successful franchising.

1. Trust, Transparency and Ethical Working **-** The foundations of a stable and strong franchisor – franchisee relationship has been built on the single most important value – Trust.
2. Equitable Relationship - Win Together and Loose together **-** The principle of equality and fair-play has been consistently demonstrated by the organizations that have nurtured and grown the franchisee relationships in the last few decades
3. Two Way Communication: Listening to one another is an essential ingredient of a successful franchisor- franchisee relationship
4. Clarity - Roles responsibilities and expectations **:** All organizations who have strong franchising networks, have very well-articulated and clear business guidelines, rules and regulations that are provided to the franchisee from the very beginning
5. Consistency - Homogeneity of Policies **:** Franchisees in business have long term engagements and they expect that the contractual terms for the franchisees remain consistent and do not change with the years
6. Reward and recognition**:** Successful franchisors have set up very elaborate rewards and recognition programs, and these are based on multiple parameters, and this helps to engage with franchisees.

Introduction

There have been numerous research studies conducted to study the business model of franchising and provide a theoretical construct to the same. From multiple studies that have been reviewed three major theories have emerged as the possible basis for franchisor – franchisee relationships. This study explores the industry practices in franchisor – franchisee relationship management and establishes linkages to the theoretical frameworks related to franchising.

Background

Franchising is a contractual arrangement between a manufacturer of a product or brand or services or an intellectual property owner who is termed as a “Franchisor and another party who wants to obtain operating rights or license to conduct business who is termed as a “Franchisee”. This contractual agreement between the Franchisor and Franchisee along with the commercial arrangement of onetime license fee or ongoing commissions or royalty for bestowing operating rights or license to the Franchisee is termed as Franchising. The World Franchise Council (WFC), and International Franchising Association (IFA) have made future growth projections, which shows emerging markets and the developing markets such as India, Malaysia, Vietnam, Russia, China, Egypt, Philippines and Brazil will be the leaders of the growth story.

The franchising industry in India has been growing at a rapid 35% growth every year, and franchising industry is calculated at Rupees 938 Billion. The catalyst for this huge growth was caused due to a variety of reasons, which include franchising professionals, robust business models, and new age entrepreneurs who are willing to experiment and take business risks. A joint report of 2019 prepared by KPMG and Franchise Association of India (FAI) has estimated that the Indian franchise industry is currently $50.4 billion, a 370% growth from $13.4 billion in the year 2012. The boom in the franchise industry in India is expected to be driven by franchisors in education, training, services, wellness, health, food, travel and tourism. The other sectors include retail in fashion apparels, accessories, jewelry, and furniture, business consulting and financial advisory services. Rough estimates of the jobs generated by all the franchising industry in India is to the tune of 1.6 million.

Literature Review

William et al (2011) found an interdependency model to explain the parameters that influence the franchisee based on the Social exchange theory. The researchers examine the model where the franchisee and franchisor commence with a collaborative communication into the business relationship, and thereby establishes linkage to the three theories on which the franchising business principles are defined. **Stephen Ross and Barry Mitnick (1973)** proposed the Agency theory that suggested that business needs to understand the imperfections of any agency relationships, and that the behavior desired by the principal never occurs. This agency theory over the years has been adapted with a central theory that states that franchisees as the motivated by self-will and, that local managers who run franchisee business tend to run them in an independent and autonomous manner, which may not necessarily be in line with the expectations of the principal.

M. Bronfenbrenner (1962) propounded the Scarcity Hypothesis in Modern economics, which was **t**he fundamental premise of this Resource Scarcity Theory that was theory evolved from the fact that all resources that are required to conduct any business are finite and limited. The resources like time, capital, manpower, labor and franchising is practical way to gain the access to the important resources namely financial resources and human capital. **George Homans (1960) proposed** the Social exchange theory which proposes that the social behavior in any setting is the result of an exchange process. This exchange process as defined by Homans has a well stated purpose of maximizing the benefits and to minimize the costs and efforts involved. Through multiple researches and studies the many researchers have used the Social Exchange theory to articulate and explain the reasons, why the companies and the firms sign and enter into franchisor – franchisee relationships. Some research studies have gone further to also illustrate the linkages of franchisee existing from franchisee relationships based on the Social Exchange theory.

The findings **of Imed and Soheyb (2018)** highlights the importance of having laws that regulate and govern franchising business. This study examines the rapid expansion of franchising as a business expansion strategy across several continents and countries across the world. **James G Combs and Jermy C Short (2011)** have approached franchising from theoretical perspectives built upon property rights theory, signaling theory, contingency theory, organizational learning, and other organizational behavior theories. They have evaluated the behavioral aspects of the franchisor franchisee relationship from organizational learning theories and established a direct relationship that exists in the franchisor- franchisee relationships in this context. **Rozenn Perrigot et al (2012)** have studied closely the importance of franchisee stakeholder communications for firms, with specific reference to franchised businesses. Their work also studies the rapid emergence of social media networks as a means of such communications that is being used for franchisees to promote their business.

Rick Pedone and Craig Tractenberg (2012) have done an elaborate study to examine the key issues for bankruptcy lawyers, franchisors, and franchisees dealing with financial distress in franchising business. The researchers have explored a variety of reasons that can be causing the bankruptcy in franchisees.

Zoltan Nagy (2017) has identified the critical success factors of international franchising, identifying the organizational capabilities that are required by the international franchisee to succeed in terms for cross border expansion in the European Union. He has provided an analysis of the critical success factors and parameters that have been evaluated and considered by successful international franchises businesses in Europe, and also identified the key critical success factors that are required by franchisees to a achieve a higher probability of business success in the short team and sustainability and growth in the long term.

Esther Calderon-Monge and Pilar Huerta-Zavala (2014) have identified the fitment between the Theory of networks and its relatedness to business franchising. They have proposed Theory of Network is an established researched tool that assists in the selection of franchisees for a given business model and a franchise system, and the central objective being to enter in to a sustainable and mutually satisfying long term relationship that is operationally and strategically stable in nature

Originality: The study introduces the approaches to nurturing and growing franchise relationships through the financial and non-financial aspects of franchisee management and establishes the direct linkages to theoretical frameworks related to franchising.

Keywords: Franchisor – franchisee relationship, Indian franchisee management, key success factors, theoretical frameworks of franchising.

Research Methodology: Collection of data – Unstructured exploratory interviews were conducted with Textiles brands like Raymonds and Siyarams, Fashion Apparel brands like Pepe, Spykar, Lee, Arrow, Wrangler, Allen Solly, Van Huesen, Peter England, and Jockey, footwear brands like Nike, Reebok and Adidas, accessory brands such as Titan and Tanishq, beauty brands like Naturals, wellness brands such as VLCC and preschool brands like Eurokids, Little Kangaroo, Elly Lilly and Kidzee. The interviews covered the areas of (1) The policies followed by the franchisor that supported the franchisee (2) Key factors that contributed to the success of the franchisor- franchisee relationships (3) Areas of franchisee engagement undertaken (4) General challenges faced in franchisee management

Analysis of Data

The common factors and parameters that were captured in the exploratory interviews were categorized into financial, non- financial and people related areas. Based on the language used and the approach to the franchisee relationship management

Observations

The detailed interviews provided new insights to the franchisor – franchisee relationship management in India. It was interesting to understand two contrasting approaches to Franchisee by the franchisors.

Franchisee as a Competitor

Most Indian fashion brands who had started business in the early 2000, had a mixed channel approach to retailing. This involved a set up a chain of company owned, and company operated stores – COCO Stores and Franchisee owned Franchisee Operated Stores - FOFO Stores. Such franchisors quickly expanded their business footprints across the country through the franchisee route. In a matter of a few years the franchisors realized that if a franchisee business unit is successful and profitable, then the franchisor has to part with a substantial share of the profits (in form of margins or commissions) with the franchisee, when compared to the COCO stores, that were owned and operated by the company !. The franchisors began to view the franchisee units as a competition to their objective of maximizing profits. This view of the franchisors was one sided and myopic view of the franchisee business, since it ignored the fact that the franchisees who invested and operated the FOFO Stores in the early stages of brand inception, had taken the business risks in the early years, and had been rewarded by the markets after a years of effort. The CFO's of the franchisors viewed the franchisees as a business channel that was draining away precious margins. Such a view, led to a protectionist measures that limited franchisee earnings and, in some cases, propelled business failures leading to closure of franchisee units. This this behavior of franchisees has been supported in the findings **of Rick Pedone and Craig Tractenberg (2012)**

One Sided Approach: This mindset of looking at the franchisee as an internal competitor or as a necessary evil in the business ecosystem by some Indian fashion brands has led to creation of oppressive policies which have effectively led to the collapse of the franchisee business in a few years. These franchisors had a mindset of looking at a franchisee as quick access to capital for expansion which is a purest form of application of the Resource Scarcity theory as proposed by M**. Bronfenbrenner (1962)** This phenomenon of the gradual demise and death of the franchisee channel, as had been witnessed by several apparel brands and fashion brands in the Indian market. It has gone to the extent that several brands abhor franchising and avoid including franchising as a business expansion strategy.

Franchisee as a collaborator: Some brands had very early identified the right approach to franchising, by having a mindset of treating the franchisee as a partner in business progress. These companies have embarked upon the franchising journey with view that "Franchisee has to understand my business perspective and the company has to have an understanding of the franchisee perspective". This was demonstrated by some established franchisors like Titan in the watches segment and Raymond in the fashion business which have a legendary long standing franchisee relationship, lasting successfully over several decades.

Balanced Approach: The companies that held a balanced view about franchisees and understood that franchising is a definite business solution to overcome challenges which Resource Scarcity theory had spelt out. These companies identified that franchising is an effective strategy to gain access to capital investment, human resources and entrepreneurial talent. They also understood the limitations of franchising and came up with effective checks and balances in terms of regulatory processes to avoid misuse by any franchisee supporting the findings of of **Imed and Soheyb (2018).**

Many fashion brands in the sectors of textile, apparels, and footwear, jewelry and fashion accessories very early identified that franchising, when well managed and regulated is a strong and powerful expansion strategy. They clearly understood that if leveraged correctly the franchisee channel was a very reliable source of capital investment and human resources, and that can be effective for expansion across the length and breadth of country. There are some brands which have been working very successfully with franchising for over four decades and even today continue to enjoy the business support from hundreds of franchisees. These franchisors have made profiling of franchisees that help in selection of right business partners to appoint as franchisees and this supports the findings of **Esther Calderon-Monge and Pilar Huerta-Zavala (2014).**

Service sector brands have grown on the back robust franchising model and been successful in rapid expansion across the Indian markets. These companies created well-structured policies that created a strong foundation for franchising in a large scale that supports the findings of Zoltan Nagy (2017).

RESULTS & DISCUSSION

The detailed interviews with franchising professionals across the sectors of industry was very insightful in identifying the areas that the franchisees required a helping hand in the course of business. Successful franchisors had identified that there are two critical areas that franchisees need the expertise and support during their lifecycle as a franchisee to remain successful in the business. The first area identified was **Financial Assistance** and the second area identified was **Manpower support**.

Financial Assistance: Franchisees in India are generally individual entrepreneurs, who have limited capital but are willing to take up loans from banks or financial institutions to set up the business. Franchisors like Naturals Salon and Spa have arranged exclusive tie-ups with select banks or financial institutions along with preferential lending terms, for financing the franchisee project at the initial stages

During the maturity phase of the business some franchisees required financial assistance when they have additional investments in the existing business such

(a) as expansion of the existing facility

(b) Modernization or upgradation of the existing facility

(c) Expansion to additional facilities

In such cases the franchisees have also been extended working capital loans or soft loans by the franchisors directly based on their track record and credit rating in the company for short periods to fund the above business scenarios.

Manpower related support - There are several areas in which the brands or service companies provide assistance to the franchisees in terms of manpower related areas:

1. **Selection and recruitment:** The franchisor assists the franchisee in the process of hiring and provides a broad based support to shortlist, interview and select the right profile candidates for running the franchisee business

2. **Orientation and training:** Franchisors in the service sectors have well structured and detailed new employee orientation and training for the set of defined skills that are essential to carry out the business effectively and efficiently.

3. **Re-training and skill upgradation:** Some franchisors periodic training to the franchisee staff in order to bring them in line with the latest skills and products or service knowledge that are required of the business.

4. **FICO Model-Franchisee Invested Company Operated model**: Some brands have realized that franchisees being independent units of business are not able to provide a carrier path to the professional employed to run the business. This becomes a limiting factor as the franchisees are unable to attract or retain talent and hence the business delivery suffers. Hence franchisors have also devised a new business model known as the Franchisee Invested Company Operated Model, that allows the company to depute their won staff on the franchisee invested facility and then operate them on behalf of the franchisee.

When closely examining the critical success factors that enabled several organizations to embrace franchising as a strategic expansion tool, it was seen that business culture of the organization is the key to successful and sustainable franchisee business. This is further evidenced by the research conducted by **Roger McCoy in 2017**, where it has been proven by multiple business case studies that positive culture in business when managed effectively leads to significant increase in organizational productivity and profitability, which is a direct outcome that is derived from the team engagement and team commitment to the organizational goals. This study highlights the point that there are three essential elements that comprise of the organizational culture. (1) **Mission Statement of the Organization**. The mission statement is an articulation of the purpose of the organization, it defines why the organization exists and how they are different and unique from other competitors in the market. It defines who the business entity is and in-fact an identity creation statement. (2) **The Vision Statement of the Organization –** This statement spells out the organizational direction and drive towards the future

Most of the short term plans, medium term strategies and long term strategies are derived from the Vision statement of the organization. (3) **Core Values of the organization**- These are the intrinsic moral commitments of the organization towards the employees, customers, stake holder and all associates of the organization. These are the guiding principles that are underlying in all the strategic and tactical plans that are executed by the organization.

The analysis of the best practices followed by the franchisors who have been successful, has led to identification of **Six key success factors** that are responsible for the culture that is essential for successful franchising, amongst the Indian Franchisors

1. **Trust, Transparency and Ethical Working** the foundations of a stable and strong franchisor – franchisee relationship has been built on the single most important value – Trust. Mutual trust is very reason for both the franchisor and franchisee entering into a contractual arrangement. The trust is built along with elements of transparency in all dealings and clarity in communication. Transparency goes on to reinforce the trust and built solidity in the business relationship. Above all most of the franchisors and franchisees have stated that the ethical working standards of the organization has been the prime reason for the trust and transparency in these stable organizations.

2. **Equitable Relationship - Win Together and Loose together** -The principle of equality and fair-play has been consistently demonstrated by the organizations that have nurtured and grown the franchisee relationships in the last few decades. The franchisee invests in the business unit based on the business strategy and the unit based business plans that are shared by the franchisor. The franchisee places his investment based on the trust on the business plans that are proposed by the franchisor and has a major share in the business risk related to that business unit. Hence it is the unwritten and moral obligation of the franchisor to support the franchisee in the event of the business plans not being achieved. The support to the franchisee may be in the form of generating customer awareness, inducing trials, helping customer acquisition, training and orientation to staff, or any other monetary support or non-monetary support. This philosophy of "We win Together or We lose together "has been put in practice in many critical business situations in the franchisor franchisee relationships, and there are several anecdotes that were cited by the organizations. It is a manifestation of financial empathy with the franchisee by the franchisor.

3. **Two Way Communication: Listening to one another**: The Indian markets are very heterogenous and it has been seen several times that the franchisees have access to a huge body of local market understanding, customer preferences and local practices. The franchisor must have structured mechanism for capturing and obtaining the local intelligence related to market practices and consumer behavior, and also have a robust process of validating the relevant and crucial pieces of information and apply them suitably to enhance business productivity. Likewise when the franchisor has business process related observations and any other business related feedback or advisory the franchisee must be open to listen and accordingly implement or execute the required actions This two way process of listening to one another is a essential ingredient for a healthy and progressive franchisor and franchisee relationships as has been validated in the findings of Rozenn Perrigot et al (2012)

4. **Clarity - Roles responsibilities and expectations**: All organizations who have strong franchising networks, have very well-articulated and clear business guidelines, rules and regulations that are provided to the franchisee from the very beginning. This means that business franchisors and

investing franchisees must recognize that franchise systems follow certain rules and regulations. The franchisor must also very clearly spell out the roles and responsibilities of the franchisee. The franchisor must also provide a list of support activities and services the franchisor will provide to support the business. Franchisee must imbibe these and ensure that everyone in the franchisee organization is aware of the rules and guidelines and these are followed. These rules and guidelines create a business orientation and an environment for growth and success with clear expectations.

5. **Consistency - Homogeneity of Policies**: Franchisees in business have long term engagements and they expect that the contractual terms for the franchisees remain consistent and do not change with the years. In some of the poorly managed franchisee networks there have been several instances of contractual policies changing every year and older franchisees feel that they have cheated when the franchisees who have signed up with the brand in the later years are given preferential contractual terms. This leads to mistrust and animosity between the franchisor and franchisee.
6. **Reward and recognition:** Most franchisors have set up very elaborate rewards and recognition programs, and these are based on multiple parameters. Some of the parameters include – business performance, customer ratings and category leadership. The rewards are in the form of Trophies, cash prizes, international trips, and several other benefits. There are also multi- tiered categorization of franchisees with multiple levels of privileges. The annual conferences are looked as a reward by companies, who host them in exotic international locations and these are fully paid trips for franchisees by many franchisors like Raymonds, Titan, Tanishq to name a few.

Summary and Future Implications

The paper details out the Indian franchisee management methods and systems that have evolved over the last few decades. The authors have presented the Six key success factors that attributed by franchising professionals in India for successful franchisee- franchisor relationship management. This is a significant contribution to the body of research in Indian franchising, as it opens up several areas for Indian franchising management to be researched in great depth. Relevant observations that emerge from this study are (1) Indian franchisee place a large emphasis on softer aspects of relationship management, and that plays a large role in their business decisions (2) Indian franchisors who have been successful have laid out sustainable business process and policies that are long term in nature (3) Franchisors who are successful have structured and well defined franchisee communication process, franchisee engagement programs and (4) There is a large emphasis by franchisors and franchisees on rewards and recognition programs and annual conferences hosted overseas in exotic locales.

Conclusions

The study reveals that while it is essential to have a financially sustainable business model for the franchisee, it is even more important to have a positive organizational culture traits that must manifest in the franchisor-franchisee and only then can the relationship be long lasting and mutually beneficial. This paper throws up a startling revelation that non-financial parameters are major influencers for franchisees to continue in a healthy franchisor-franchisee relationship. The study also shows that the softer aspects of franchisor-franchisee relationships are of very high importance for long and sustainable partnership.

Limitations

The greatest limitation of this study is that construct and related concepts of franchising were drawn from the literature and have not been validated empirically. However, the objective of this paper was conceptual framework linkage between the theory and practice of franchisor – franchisee relationships and to stimulate research interest for future research.

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Innovation in Fitness Industry: A Case of Cure.Fit

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Abstract

This case study considered the innovative practices brought in a mundane business such as fitness industry. The quick rise of this start-up and its flourishing business brings out the entrepreneurship skills of the founders. This is a good example of thinking out of the box. The case focuses disruption, innovation and differentiation in health care and fitness industry. Also it focuses on the rising health conscious around big cities like Bengaluru, Hyderabad, Chennai, Delhi and other metropolitan cities in India, which is enabling the company to create new markets.

The case illustrates how the concept of differentiation and innovation led to the spectacular success of Cure.fit. Also, the case motivates aspiring entrepreneurs on "Thinking locally and acting globally" as the Cure.fit is trying to expand to other countries.

Introduction

Few factors that help a firm to evolve and lead the market are the risk taking ability, deep courage, confidence of its founders and their ability to design and implement strategy for the company (Wheelen, Hunger, N. Hoffman, & Bamford, 2018). Mukesh Bansal, co-founder of Myntra - who sold

Myntra for over $300 million to Flipkart in 2014 - and former Flipkart executive Ankit Nagori, founded Cure.Fit in 2016. Cure. Fit, the health tech and fitness start-up is targeting the primary health care space. The start-up combines engagement, coaching customers and delivery products/service through a mix of online and offline channels. This idea raised many eyebrows and caused a stir well before its launch. Cure.Fit now has four verticals — Cult.fit, brick-and-mortar workout centres open to its members; Eat.fit, nutritive food delivery vertical on subscription-basis,; Mind.fit, wellness programme focussed on stress prevention techniques with access through an app; and Care.fit the fourth and the latest vertical will offer health care solutions through its in-house physicians. Cure.fit at present has over 180 cult.fit centres, 35 mind.fit centres and aims to grow this to over 800 centres by 2020. Eat.fit is servicing over 35K meals/ day now and doubling every 3 months (PTI New Delhi, 2019). The company has raised $120 million (approx. Rs.840 crore) in a fresh round of equity and debt funding from existing and new investors (PTI New Delhi, 2019). What gives them the confidence to take this giant leap? Will they be able to meet the expectations of the investors? Are the founders correct in taking this risk? The company said fresh investment will fund cure.fit's expansion plans in India and globally.

The Primary Health Care & Fitness Industry in India

If wealth is lost nothing is lost; if health is lost something is lost and if character is lost, everything is lost – thus goes an old saying. In the modern days, with increased stress at work place, increased pollution and modern life style, it has become more important to maintain good health. We can think of achieving great heights in life only if we keep robust health. The fact that good health is recognized as one of the fundamental rights, of an individual, in itself establishes the importance attached to good health by the modern society. Additionally, the prominence can be gauged from the fact that out of the eight recognized millennium development goals of the United Nations, health finds its place in three of them (United Nations, 2000). In the World Health Statistics, released by World Health Organization (WHO) in 2012, it is clear that especially in the developing and poor countries the health issues are enormous. Studies have revealed that, in India a substantial proportion of the population meet all their expenses out of their own and many individuals are driven to poverty purely due to the huge medical expenses borne out of one's own pocket (Duggal, 2007).

On one side, India's population is young and on the other side people are increasingly unhealthy – the country leads in cardiac disease and diabetes (Sachitanand, 2016). At another level, people's disposable incomes are rising and the increased health awareness make them more amenable to at least try to stay fit. The global weight loss and weight-management market is expected to reach $206.4 billion by 2019 from $148.1 billion in 2014, a cumulative annual growth rate of 6.9%. (Sachitanand, 2016) The wellness market in India, as per a FICCI report, is estimated to be worth Rs.95,000 crore and weight-loss/ slimming services alone are estimated to be between Rs.60,000 crore and Rs.70,000 crore. This number is only set to explode.

Today, various government bodies, including PM of India Mr. Modi, are making efforts to improve the healthcare scenario in the country. This is easily said than done as there are stiff challenges at the execution level. Health care and fitness centres play an important role in individual's health care and fitness. These centres provide for a fee, the infrastructure to their members for workouts and physical activity. The global fitness and health club industry generates more than 80 billion U.S. dollars in revenue per year (Gough, 2019). The number of health and fitness clubs worldwide in all regions show a steady growth (Figure 1) and in India too, the industry has matured from a nascent state in the early 90s to a prosperous industry.

The health care and fitness industry includes fitness centres, wearable tech, fitness apps, food, clothing and accessories. The market in India is highly fragmented and 95% of this is unorganized with a plethora of mom-and-pop gym and fitness centres populating it. However, the industry has witnessed a growth rate of 18–20 percent during 2012, and is likely to touch USD 700 bn. According to a Deloitte India report, fitness industry in India is worth USD 1.1 billion. Further, it is estimated that the sports, fitness and wellness (SFW) market in India will grow from $35 billion in 2016 to $90 billion by 2022, creating 2.5 times more opportunity for peripheral products and services such as gear and apparel, according to a report by Praxis and Your Nest Venture Capital.

This vast potential and opportunity is attracting the entrepreneurs to this sector. Further, it is an industry that is largely undisrupted by tech, entertainment or retail, for instance. (Shephali Bhatt, 2018). The market size of the gyms alone is substantial and chains like Fitticket, Flexipass and Fiternity who are expanding rapidly too. In India where the median age is 27 years, people will all start using gyms soon, either to impress or to become professionals (Krishna, 2016). Also, the driving factors for the growth include affluence, sedentary lifestyle, and increasing awareness about health and fitness, backed by robust supply drivers. (Agarwal, 2018). When asked if the entry on new chains threatening the existence of smaller centres, Darshini Amit Shah and Nehal Shah, co-founders of The Square say no, because "Growing middle class is fuelling the growth of the sector. Today, there are many takers for aspirational products and services." Urmi Kothari, owner of fitness label Kinetic Living says, "The rise of fitness culture is an inevitable process and result of people trying to compensate decreased physical activity in daily life. They prefer small studios due to the relationships with their trainers as well as other gym buddies."

The spread of health awareness image-consciousness among the people drives them to the pursuit of fitness. According to a study by Gympik, 'Weighing up Fitness', the fitness enthusiasts are mostly in the age group of 20 to 35 years with the majority being students and professionals. This group is primarily concentrating on looks and building a fit, toned and conditioned body. There also exists another section that focuses on workouts and use gyms to avoid lifestyle-related diseases. There is a section of the population that still prefers traditional methods such as walking, running or sports over gyms in order to maintain their fitness levels.

Some go to gym to strike a balance between professional and personal lives and deal with stress and for some others, going to gym is a status symbol. Overall, there is a growing enthusiasm to increase stamina, endurance and enhance core strength. Aerobics, Zumba, martial arts, kickboxing, cross-functional and bodyweight training are growing in popularity. Other regimes such as pilates, aqua fitness, body combat, crawling workout and TRX suspension and relatively new and are just off the starting block.

Innovation as a Strategic Weapon

In the VUCA environment, the markets are dramatically changing. The advent of new technologies, ever altering consumer preferences, rising health and fitness consciousness have all given rise to new business models and necessitated innovations. It has now become fundamental for a start-up to introduce a new concept or model or a product to be successful. The importance of innovations cannot be overemphasized in the present era.

Innovations, of course, can spring from anywhere though mostly they are conscious search for opportunities (Drucker, 1998). Innovations have to be conceptual, intuitive and appealing. Successful innovations are generally backed by talent, ingenuity, persistence and hard work. They have to satisfy the potential customers' wants. Innovations that are simple enough for all to understand stand better chance of acceptance.

There is no proven formula for success of an innovation and hence one can not predict its success or not. However, research has shown the existence of causal relationship between innovations and the attributes such as i) Aspire, ii) Choose, iii) Discover, iv) Evolve v) Accelerate, vi) Scale, vii) Extend and viii) Mobilize (Jong, Marston, & Roth, 2015). Albeit it is only a correlation between these attributes and innovation, application of them would improve the chances their success.

In today's hyper competitive world, innovations are leading to business models being re-written. For example, Coursera and edX, among others, threaten business schools with massive open online courses (MOOCs)[1]. In fact, every industry has an established theory of running its business. For example, aviation industry generates revenue by flying people to their destinations. The business model of fitness industry is/was to make have gym with more of sophisticated and latest instruments to attract customers. They are often considered sacrosanct until they are turned up side down.

Differentiation as Competitive Advantage

Michael Porter in 1985 in his book, "*Competitive Advantage: Creating and Sustaining Superior Performance*" described three approaches a firm can adopt to gain an advantage over the competitors i.e. gain competitive advantage. These three approaches are called as "generic strategies," because they can be applied to products or services in all industries, and to organizations of all sizes. "Differentiation" (creating uniquely desirable products and services) is one of them; other two are "Cost Leadership" (no frills) and "Focus" (offering a specialized service in a niche market).

In a differentiation strategy, a firm hopes to gain advantage in its industry over others along some dimensions. How a firm does this depends on the exact nature of the industry and of the products and services themselves. Among many, the firms selects one or two attributes that are valued by the customers and seeks to position itself uniquely meeting the needs of the customers. For example Domino's differentiated itself from other pizza firms by highlighting the speed of its delivery.

Every generic strategy requires certain capabilities to pursue that strategy. For a firm to follow differentiation strategy, it must have complete understanding of what constitutes customer value. If a firm's resource exhibits VRIO (Valuable, Rareness, Imitability and Organization) attributes, it enables the firm to gain and sustain competitive advantage. Successful differentiation allows a firm to do one or more of the following:

- Charge a premium price
- Gain customer loyalty
- Create an entry barrier

Some important requirements for the firms adopting differentiation strategy are

- that it should communicate the value of these features to potential customers
- may have to accept lower sales volumes and
- must quickly respond to changing customer needs.

Firms adopting differentiation strategy in spite of expected lower sales volumes in view of charging higher prices may still make higher profits provided that the higher price it charges are

i. not less that the cost it incurs to make the attribute different and
ii. the premium price is not far above the price of the competing products for otherwise customers will not see the extra quality as worth the extra cost.

CureFit

Idea of Cult.Fit

"In 2012 I was in Amsterdam on work when I just walked in to a pro-fighting center and started training. Being a fitness freak, I made sure that from that day on wards I travelled around the world to train with the best

1. Rich Lyons, "Haas dean confidently predicts demise of business schools," interview by Della Bradshaw, Financial Times, April 10, 2015, ft.com.

fighters," says Rishabh the 30-year-old fitness freak who has trained with international athletes. He convinced Deepak, his brother-in-law to invest Rs 50 lakhs and he roped in his brother Ritesh as a co-founder and to help him with the operations. Cult was born in May 2016. (Krishna, 2016). Thus Cult.Fit was originally founded by Rishabh Telang. Later, it was acquired for $3 million by healthcare startup Cure.Fit which in turn was founded by former Flipkart executives Mukesh Bansal and Ankit Nagori.

The Cult.Fitness center is different from others and has unique workout model. It has the advantage of being run by Cure.Fit and offers unique blend of of exercises through group workouts without any mainstream gym equipment. These centers do not boost of treadmills or fancy fitness machines. However they have boxing rings, jump ropes, boxing bags, tyres/hammer, speed chutes, resistance bands and plyometric boxes.

Taking advantage of holistic integrated healthcare platform Cure.fit, Cult fit combines tech with behavioral insights, while introducing new workouts and new kinds of subscriptions (Shephali Bhatt, 2018). As fitness in the core, Cult provides a mix of martial arts, yoga and outdoor activities. Customers are often taken out for running, cycling or swimming. These unconventional and distinctive combinations of functional training, mixed martial arts, yoga and other formats are attracting the attention and interests of youngsters. Further, these novel workouts are also keeping the customers highly engaged during the session and are also very effective in producing results.

Another attractive feature of Cult centres is that each of them are around 5,000 sq.ft and have natural light and air flow systems. They have also addressed the major issues such as innovation in workouts, gamification of workouts, address fitness centre usual problems like over crowdedness, lack of maintenance, bad quality of equipment, no parking. By this they are able to attract and keep the customers.

Competition

In view of the vast potential, there are many players in this market. Cure.Fit has its competitors who all started before Cure. Fit. Though it may not be possible to list all the players, some leading players have been shown below:

	MyFitnessPal	HealthifyMe	Noom	SparkPeople
	MyFitnessPal is a company developing a platform for keeping a food diary.	HealthifyMe simplifies weight-loss with India's best fitness coaches, nutritionists and yoga trainers to guide individuals.	Noom is a company that offers smartphone apps promoting healthy living by monitoring the progress of its users and providing advice on weight management.	SparkPeople is an online diet and healthy living community.
Founding Date	2005	2012	2007	2001
Type	Subsidiary	Private	Private	Private
Tags	Healthcare fitness & wellness mobile app platform	Healthcare Technology application software fitness & wellness	Healthcare lifestyle	Healthcare content provider fitness & wellness nutrition platform
Locations	San Francisco, US HQ Baltimore, US Austin, US	Bengaluru, IN HQ	New York, US HQ	Cincinnati, US HQ
Employees	NA	369	704	22

Source: https://craft.co/curefit/competitors.

Innovation and Creating a Niche

Success of Cult fit:

The success of Cult fit hinges on the fact that it has succeeded in turning out the mundane workouts by ushering innovation and gamification of workouts. By being professional in their approach, they have ensured that there is no over crowding in the centre and the equipments are maintained at a good standard. One other aspect that they have differentiated themselves is by providing a tension free parking.

In the initial stages, they had the problem of creating awareness amongst the people about the machine-free workouts. Cult fit started acquired its customer through outdoor training activities done at the nearby lake and later the word-of-mouth helped get a majority of their clients. Within six months of its launch, Cult fit achieved more than 200 memberships. Some joined Cult fit for maintain good health and remaining fit and some to pick up the sport to become a career athlete. Currently, there are seventy centres in Bengaluru. There Face book page carries 294,550 likes (11.09.2019 at 11.21 am). Although the start-up started with bi-annual/annual membership, presently they also offer quarterly membership costing around Rs.9,000 as on date with unlimited classes at any of their centres. The first week is free for new users, and one has to book their sessions button on Cult's website or via the Curefit app.

CultFit centres now have about 100,000 monthly users (Bansal, 2019). The company is also profitable, While a spokesperson declined to share financial information, Cure.fit's co-founder Bansal told the Mint newspaper in June that 10 of Cult's centres in Bengaluru each make revenues of $10,000 every month (Thomas, 2017).

As mentioned earlier, CureFit now owns gyms under the CultFit brand, and offers a range of healthy food options under Eat.Fit, mental wellness programmes through Mind.Fit and diagnostic centres through Care.Fit. The focus of Care.fit, however, will not be to compete with clinics and hospital chains, but to offer preventive health care solutions through its in-house physicians, using technologies such as Big Data and analytics and telemedicine. "At Care.fit, we will assign doctors who will prescribe lifestyle measures to keep one healthy in the long run," said Bansal.

After Successfully Creating a Niche, the Expansion Plan

Cult.fit the health and fitness centre chain has ambitious plans to expand and intends to increase the total number of centres to 200 by the end of 2019. As regards pan India expansion, they plan to spread to 15 cities by 2020. "We want to be a global company eventually when the time is right after sufficient penetration in India. (ET Bureau, 2018). The company has opened 130 Cult. Fit centres across Bengaluru Mumbai, Delhi NCR and Hyderabad. It plans to increase this to 250 across 10 cities by the end of 2019. It also said that it will expand into international markets, starting with Dubai. The company has earlier said that it plans to expand to 1,000 outlets across different units in two-three years (Chanchani & Mishra, 2019). Cult does not compete directly with other fitness startups. With its key focus on "machine-free fitness with internationally experienced trainers," the startup seems to be carving out a niche for itself in this overcrowded market (Choudhury, 2015). In order to support their ambitious expansion plan they are on lookout for fresh equity.

Investors

Cure.Fit, the multi-brand health and fitness chain has been on a fundraising spree during the entire FY18 and the beginning of FY19. As per the company's (Diverse Retails Private Limited) RoC filings with Ministry of Corporate Affairs, the revenue clocked during FY18 took a staggering 596.2 times jump to $3.4 million from $5.85 thousands in the previous fiscal.

Cure.fit, the parent company of Cult, is looking at revenues of $40 million in 2019, up from $20 million last year. It has raised about $160 million funding till now, and according to its founder, has enough funds to support its aggressive expansion plans. Mukesh Bansal believes that a person's well-being is dependent on not just physical health, but also on his mental health and good food. Cure.fit, according to him, wants to emerge as the one-stop shop for all the health needs and this will give them a unique advantage and help in their growth. Besides Cult fitness centres, the firm will also increase Mind.Fit and Eat.Fit centres. "Besides offline offerings, we are focusing on online offerings for our consumers. We have a 50 member-strong tech team, which will be designing our online products. We will launch an AI-powered health coach by the end of this year," Bansal explained (Sunday Express, 2016).

Challenges

Epilogue

Cure.fit enjoys the celebrity backing in the form of Bollywood actor Hrithik Roshan, who is not just instrumental in designing a workout titled HRX, but also holds equity stakes in the firm.

However, the question is, are they justified seeking funds? What gives them the confidence to take this giant leap? Will they be able to meet the expectations of the investors? Are the founders correct in taking this risk?

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Evolving Trends in Talent Management & Employee Engagement Practices undertaken by the Business Enterprises during the Pandemic

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Introduction

The 2020 Pandemic has radically changed the entire human life and the business processes around the globe. The entire work process is getting transformed in to digital mode of almost operations, across the industry 20-25 major sectors. The Business Leaders and especially HR Professionals/CHROs are facing a greater challenge by inculcating transformation to accelerate themselves to overcome the pandemic situation and to meet with future challenges.

Many organizations are struggling to keep pace and balance the situation very effectively. Significant change makes the Organizations to emphasize on Resilience, Empowerment and Empathy. The rapid adoption of remote work culture challenges the HR Professionals to keep track on the performance Management of their Talents through Virtual Connectivity.

The Rapid and sudden environmental changes makes the Business Leaders and HR Professionals to rethink and enforce new strategies to retain and keep engaging of their Talents through providing safety and lively remote work environment which as also made them to hyper focus on Employees and their family safety against the Covid19.

EMERGING TRENDS:

a) Resilience

Few organization focused on Resilience by predicting the future market they started to reskill their talents through various skill set training and developmental programs to fill the new roles and challenges in the contingent events and upcoming days. Organization should shift their focus from individual roles to Organization wide skills.

Encourage employees to develop critical skills to match up with multiple roles in order focus on future challenges and meeting the new roles successfully. by this they are developing cognitive thinking and lateral thinking which results in being competitive for the unpredictable future.

Resilience Organizations are better and capable to meet the varying condition of market by developing their Talents and to get flexible to the environmental and economic changes. They also provide cross functional knowledge and training which will be able to provide solution to the unpredictable situations.

b) Empowerment

In order to protect the business Integrity and manage the Talents with the Pandemic situation its very much necessary to the Organization to empower their Employees through which it increases the satisfaction level and able to coordinate with change and Team successfully Remote work culture makes the Employees to adjust with new strategies,work roles, flexible time, virtual meetings and assignments and changing priorities.

The Covid19 crisis highlighted to have participative decision making and shift of power and authority among the hierarchy. During rapid change in covid19 HR professionals plays vital role as a Change Foster by coordinating with unpredictable change and building a strong remote work culture and keep developing their talents through focused coordination among the teams to accomplish the individual role and organizational requirements.

As a result of empowering it permits business entity to remold and fabricate latest principles and enabling human capital to change their position to meet the changes in Talent Market.

c) Empathy

Covid 19 challenges the Business leaders and HR Professionals to prioritize the Employees and their family health safety, psychological safety. Unfortunately, many remote workers experience feeling ‘out of sight, out of mind. To keep engaging lively and strong with this pandemic they focused to initiated various Programs relating to Health guidance, Medical guidance from Doctors, Expert Talks Food intake, Hygiene, sanitization etc.

Creating sense of belonging will have long term effects for companies.Business Leaders and HR Professionals mainly focused various measures on employee hygiene, insurance, health and safety. After introduction of Vaccination many Organization initiated Vaccine drive for their employees and family member which shows their responsibility and care on their Human Capital.

Table 1: Organizational Initiatives and Special employee Welfare Drives initiated & effectively implemented during the Pandemic in various Organizations

Name of the Organization	Best HR Practices adopted & enhanced, to cope up with the COVID Pandemic challenges
1) HPCL	• Initiated Medical support, various sanitization measures we care initiatives through providing inspirational videos, issuing appreciation letters, forming informal hobby clubs among employees. • Initiated Medical support for covid Positive cases of their employees and family through providing medical assistance and guidance, daily reviews, Hospital assistance. • Providing advisory and medical support for post Covid recovery and provided personal touch to the family members by providing moral support.

2) **INFOSYS**	• Tied up with 130 Medicare units to provide medical assistance to employees and their families, provided 21days added paid leave for employees affected by Covid19 and also initiated Vaccination drive for their Employees and family members.
3) **Visionet Systems**	• Initiated Vaccination drive for Employees and their dependents, provided digital health care services and also helped their Ex-employees.
4) **Axis**	• Propose digital research element, practical introspection module and unofficial digital session to keep employee motivation at higher level.
5) **TCS**	• Few Drives like online connective Programs with regular breaks, Health secured initiatives for Pandemic, Telephonic consultation from Medical Experts and digital health educative programs.
6) **Google**	• Directed their Personnel to use additional leaves and report it as "Cumulative welfare" days. Organization approved and provided a space and time for personal views and interest of their Employees.
7) **MICROTEK**	• Offered 15 days Paid leaves for their employees, who got affected from Covid19.
8) **PWC US**	• Initiated one to one session, various beneficiary and welfare programs by Experts to protect the interest of Employees.
9) **Maruti**	• Introduced digital mode of Connect and meets to reach Employees and their families by giving personal touch and stay connect with families to inspire them during isolation period.
10) **Amazon**	• 14 days special paid leave if someone in an employee's family has tested +ve and they need to take care of them.
11) **Deloitte**	• Encouraging employees with surplus leave to donate some to colleagues in need.
12) **Genpact**	• 24x7 support helpline, Wellness Helpdesk with trained psychologists, for employees.
13) **Cello**	• Initiated welfare and safety measures to employees and their families. Employees who lost their life due to Covid 19 their family will be compensated with financial assistance and their kids' education till graduation will be take care by Company end.
14) **PayTm, Cred**	• Launched innovative Initiatives to Tackle Oxygen Shortages From COVID-19 Crisis.
15) **Microsoft**	• Focused to provide various benefits and materials in order to maintain the personal and professional needs.
16) **VOLVO India**	• Introduced new techno application to maintain social distance and safety among the peer groups.
17) **L&T**	• Designed various online developmental programs to enhance & enrich their employees' competencies and increase the productivity, Various Experts talks organized through virtual mode to keep their employees engaged.
18) **Accenture**	• Initiated health support & tele assist to Employees and their dependents, provided additional paid leaves, medical assistance and vaccination drive.

19) Bayer	• Resilience program based on the art on mindfulness.
20) Various Companies	• More frequent leadership address / CEO address. • Mental healthand well-being and financially and emotional support to employees. • Food habits, eating habits to follow (expert suggestions only) to ensure body can fight and win over Covid before need coming to go to hospitals or Doctors • Providing guidelines to employees to not to venture out for any thing a tall as Expert saying Virus is in airnow.

NOTE: Compiled by the Authors

(Sourced inputs from article by ManojKumarhttp://Linkedin.com/in/manojkd)

Conclusions:

The trends initiates the various challenges and keep engaging their Talents over pandemic through remote work place,empowering them with new multiple roles and assignments which results in participative decision making and transformation learning and development. Pandemic also strengthens the business leaders and HR Professionals to design the various strategies to overcome the pandemic crisis and meet the future challenges with high focused ideas.

Talent Management Trends emphasis not only the work culture but also ensure Employees and their Families health and safety through various measures and guidance.2020 Pandemic changed the view of all the Business Leaders and HR Professionals to bring rapid change with bringing competitive work culture, empathic behavior empowering employees and moderating them to handle the unpredictable future.

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Yes Bank Saga: Some Lessons and Suggestions for Indian Banking Sector

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Abstract

Yet another banking sector turmoil, struck with YES BANK, has shaken the nerves of the depositors and investors considerably across the country. When the declining GDP and rising inflation coupled with bad loan in banking sector has deteriorated the confidence of the investors and depositors in banking sector, the episode of YES BANK, just after PMC bank, has added fuel to their nervousness.

However, timely intervention of the Government of India and Reserve Bank of India has doused the tension of both the sectors to some extent. It is now true that not only the public sector banks but also the private sector banks are also inflicted with bad loans. The malady had developed in YES BANK to such an extent that government interventions were urgently required.

In the context of rising banking sector problems our focus is how to content or avert such menace from the standpoint of financial analysis so that some corrective steps can be taken before a massacre or turmoil in the particular bank develops.

Key words: Bad loan, default, investors, confidence.

Introduction

The incidents of PMC bank and Yes Bank have raised a cause of concern for general depositors of the banking sector. Actually it has deteriorated not only the confidence of the depositors and investors of this bank but also the same of various other banks.

To identify the malady, a systematic approach relating to study of the various financial parameters and critical analysis of the same needs greater attention.

Here an attempt has been made to pinpoint the reason for such a failure on the part of the bank and chalk out corrective steps.

Objective of study: to identify the reasons of turmoil of the bank and development of corrective steps

Sources of data: Data have been taken from secondary reliable sources such as capitalmarket.com, moneycontrol.com, economictimes-indiatimes.com, financialexpress.com

Method and basis of study:

Method of study involves financial analysis of a set of data shown in various tables from1 to 5.

(i) In table 1, 1a, 1b, 1c yearly return on equity (ROE) and earning per share (EPS), equity multiplier (EM) of the bank have been noted. These data have been compared with the same of State Bank of India (SBI), Punjab National Bank (PNB), and Bank of Baroda (BOB) to get preliminary idea of the performance of the bank.

(ii) In table 2a, 2b, 2c yearly deposit, borrowing, advance, investment, interest expended and interest received, CD ratio (credit deposit) and interest margin have been noted to develop an idea of the functioning of the bank with respect to previously mentioned banks. Excessive borrowing was noted with concern for Yes Bank. Adverse CD ratio necessitated the deployment of borrowed fund for advance requirement.

(iii) In table no.3 attempt has been made to focus the reason for such huge borrowing. Bank could earn profit from normal operation. To generate profit, the bank invested large chunk of borrowed fund in avenues available. In this sector the bank was successful in managing the borrowed fund and earned sufficient profit.

(iv) In table 4 and 5 attempts have been made to high light the advance deposit shortfall and the consequent borrowing and investment status. It was noted that huge excess borrowing was meant for investment purpose to generate profit presumably because the principal and interest overdue was not repaid by loanee units in time. To lower the non performing assets banks usually increase the advance to lower the bad loan to advance ratio. Here YES BANK killed two things with single arrow but got entangled with debt trap. Though table 4a discloses better NPA level of Yes Bank than other three banks mentioned above, the real situation was not so. Otherwise such disaster would not have been happened. The report of ED and RBI may be noted in this connection.

Table 1a

Year	2019	2018	2017	2016	2015	2014
Equity Share Capital In Cr	463.01	460.59	456.49	420.53	417.74	360.63
Reserves In Cr	26424.4	25,291.91	21583.14	13341.85	11247.79	6761.11
Net worth In Cr	26887.41	25752.5	22039.63	13762.38	11665.53	7121.74
EPS in Rs	7.40	18.34	14.59	11.67	9.23	8.70
Return on equity %	6.35	16.43	15.15	18.38	17.12	22.64
Reserve Growth rate %	4.5	17.2	61.8	18.6	66.4	
EPS growth Rate %	-59.7	25.7	25	26.4	6.1	

Table 1b

	2019	2018	2017	2016	2015
Total assets of Yes Bank	380,826.17	312,445.60	215,059.92	165,263.41	136,170.41
Total Shareholders Funds of Yes Bank	26887.41	25752.5	22039.63	13762.38	11665.53
Equity multiplier of Yes Bank	14.16	12.13	9.76	12	11.67
Equity multiplier of State Bank	18.61	17.68	19.05	16.65	16.81
Equity multiplier of PNB	16.58	16.24	16.88	16.44	17.65
Equity multiplier of BOB	16.58	16.24	16.88	16.44	17.65

Table 1c

Name of Banks	2019	2018	2017	2016	2015
Return on equity/ Net worth % Yes Bank	6.35	16.43	15.15	18.38	17.12
Return on Equity / Net worth (%) of SBI	0.39	-3.37	6.69	6.89	10.20
Return On Equity/Net worth (%) PNB	-22.82	-31.26	3.01	-9.47	7.98
Return On Equity/Net worth (%) BOB	2.20	-4.05	4.21	-11.92	9.30

Source: moneycontrol.com

Observation:

The return on equity of Yes Bank declined suddenly in 2019, otherwise remained steady. EPS growth rate remain stagnant from 2015 to 2018; but declined significantly in 2019. ROE and equity multiplier of State Bank of India (SBI), Punjab National Bank (PNB), and Bank of Baroda (BOB) are inferior to this bank. The compounded annual growth rate of reserve of Yes Bank was 31.3%, which was quite high and till 2018 profitability was not unsatisfactory.

Analysis and interpretation:

Apparently these data do not disclose much embarrassing situation for YES BANK. From the standpoint of ROE and EM, YES BANK was in much better shape than other three banks. However, these factors do not reveal everything about any bank.

[A brief discussion on equity multiplier is also given below.

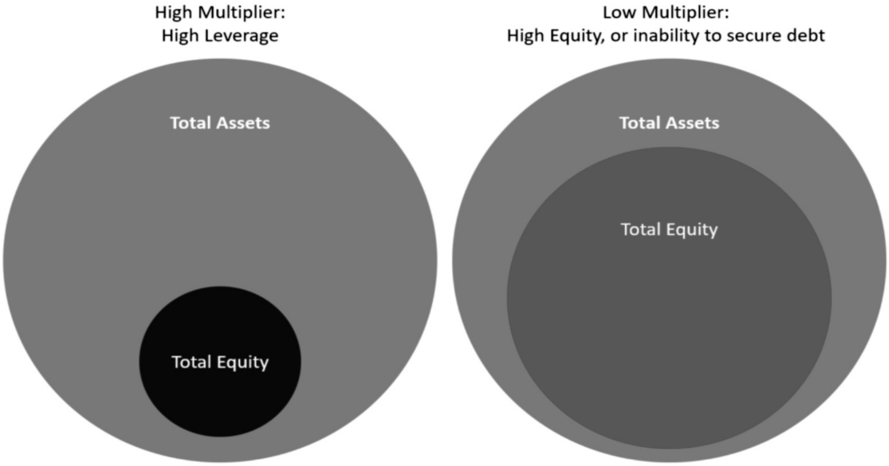
$$Equity\ Multiplier = \frac{Total\ Assets}{Stockholder's\ Equity}$$

The total assets of the company is backed by two items equity and debt; therefore equity multiplier or EM should be rewritten as (equity + debt)/ Equity, here equity means equity capital plus reserves. Thus EM measures that portion of the assets which has been financed by equity or share holders' fund.

More capital may ensure safety and stability, but may reduce profitability or earning per share. Hence bankers may prefer to operate with less capital or employ trading on equity i.e. employment of debt. Here lies the catch. More debt develops interest burden. If earning struggles to service the interest component the profitability may suffer. The bank must strike a balance between equity base and debt. Very high or high EM signifies high risk is associated with the unit as the same depends heavily on debt and external liabilities. Low EM denotes less reliance on external fund. Established firms prefer low or moderate EM for survival.

From this stand point YES BANK maintained lower EM than other three big public sector banks but question remained there whether there was sufficient earning to service the debt and generate profit from normal banking operation.]

What happens when the bank has risky or low quality assets whose earnings are being eroded either due to market factors or defaults? If the ROA slips to negative slot, the bank's profits slide tenfold if EM is 10. This implies that only low risk firms should have high financial leverage. Source: Padmalata Suresh and Justin Paul)



Source: (https://corporatefinanceinstitute.com/resources/knowledge/finance/equity-multiplier/)

However, suddenly some discomfort emerged in 2019 which might be spiralling over recent years. Further analysis of data may reveal some points of discomfort.

Table 2a

Year	2019	2018	2017	2016	2015	2014
Deposit Cr	2,27,557.90	2,00,688.60	1,42,857.44	1,11,704.18	91,158.78	74192
Borrowing Cr	1,08,424.11	74,893.58	38,606.67	31,658.98	26,220.40	21314.3
Total Cr	335982.01	275582.18	181464.11	143363.16	117379.18	95506.3
Interest expended Cr	19,811.29	12,529.43	10,626.53	8,965.41 8,965.41	8,083.38	7265.09
Advance Cr	**2,41,397.19**	**2,03,518.83**	**1,32,262.68**	**98,209.93**	**75,549.82**	55633
Investments Cr	**89522.03**	**68398.94**	**50031.8**	**48838.47**	**43228.49**	**40950.4**
Total Cr	330919.22271	271917.77	182294.48	147048.40	118778.31	96583.40
Interest earned Cr	29623.8	20268.59	16425.00	13533.44	11572.01	
Margin as per bank %	**2.57**	**2.47**	**2.69**	**2.76**	**2.56**	

Table 2b

Net Interest Margin (%)	2019	2018	2017	2016	2015
Yes Bank	2.57	2.47	2.69	2.76	2.56
State Bank of India (SBI)	2.5	2.27	2.36	2.52	2.77
Punjab National Bank (PNB)	2.21	1.95	2.09	2.31	2.73
Bank of Baroda (BOB)	2.48	2.25	2.06	1.98	1.95

Table 2c

CD ratio In %	2019	2018	2017	2016	2015
Yes Bank	106.08	101.41	92.58	87.92	82.88
SBI	73.35	73.79	80.38	83.56	84.47
PNB	68.14	67.51	70.81	75.19	76.60
BOB	72.87	67.95	65.24	68.13	69.54

(CD ratio of scheduled commercial banks in India was 77.91% as reported in the website given below as on march1 2019

https://www.financialexpress.com/industry/banking-finance/cd-ratio-of-banks-highest-since-december-at-77-91-pct/1517818/).

CD ratio of private sector banks in India 88.26% in 2019, 86.91% in 2018, 86.54% in 2017

(https://www.statista.com/statistics/1070252/india-private-banks-credit-to-deposit-ratio/ 22/11/2019).

Analysis and interpretation: Though YES BANK maintained better interest margin than others but high CD ratio perhaps spoiled the sport; the bank resorted to borrowing when advance exceeded the deposit amount.

Apparently, management of fund was quite satisfactory but where lied the fault?

The analysis up to 2c has revealed that excess borrowing was required to finance the credit sought by the entrepreneurs. With the help of following table attempt has been made to show the reason for huge borrowing.

Table 3

Year	2019	2018	2017	2016	2015	2014
Deposit D Cr	2,27,557.90	2,00,688.60	1,42,857.44	1,11,704.18	91,158.78	74192
Advance A Cr	**2,41,397.19**	**2,03,518.83**	**1,32,262.68**	**98,209.93**	**75,549.82**	55633
Difference of A-D Cr	**13839.29**	**2830.23**	**-10594.76**	**-13494.25**	**-15608.96**	-18559.06
Borrowing Cr	1,08,424.11	74,893.58	38,606.67	31,658.98	26,220.40	21314.3
Extra fund acquired By Bank Cr	94584.82	72063.35	49201.43	45153.25	41829.36	39873.36
Reserves In Cr	26424.4	25,291.91	21583.14	13341.85	11247.79	6761.11
Investment Cr	**89522.03**	**68398.94**	**50031.8**	**48838.47**	**43228.49**	**40950.4**
% of extra fund in investment	**94.6**	**94.9**	**101.7**	**108.2**	**103.3**	**102.7**
Interest on investment Cr	**6048.42**	**4102.53**	**3796.84**	**3508.21**	**3510.63**	
Net profit Cr	**1709.27**	**4233.22**	**3339.89**	**2529.69**	**1997.42**	
Accrued interest	37446.05	21932.65				
Interest earned Cr	29623.8	20268.59	16425.00	13533.44	11572.01	

Analysis and interpretation:

It can be seen interest on investment was a big issue to the bank. Bank invested more than its reserve and equity content in any of these years.

Bank virtually could not earn profit from normal operation at least from 2015. The interest on investment practically contributed a lot to net profit to offset the loss from normal operation otherwise net profit should have been substantially higher than interest on investment had the bank earned profit from normal operation. The interest default on advance might be a big issue. Here one thing is clear bank borrowed at cheaper rate and earned at higher rate from investment and derived substantial profit on investment.

Above analysis only explained that bank could not earn sufficient profit from normal banking activities in all these years. Major thrust was on investment. In 2018 situation was not seriously bad as difference between accrued interest and interest received was small. Situation turned severe suddenly from 2019.

More cause of such huge borrowing and resultant investment activities should be analysed to arrive at a decision.

Table 4

Year	2019	2018	2017	2016	2015
Advance- deposit shortfall Cr	13839.29	2830.23	-10594.76	-13494.25	-15608.96
Total Borrowing Cr	1,08,424.11	74,893.58	38,606.67	31,658.98	26,220.40
Excess borrowing Cr over years	94584.92	72063.35	38606.67	31658.98	26220.40
Deposit Growth per year Cr	26,869.30	57,831.16	31,153.26	20,545.40	16,966.76
Advance Growth per year Cr	37,878.36	71,256.15	34,052.75	22,660.11	19,916.86
Difference of advance- deposit growth Cr	-11009	-13424.99	-2899.49	-2114.70	-2950.1
Borrowing Growth per year Cr	33,530.53	36,286.91	6,947.69	5,438.58	4,906.11

Analysis and interpretation:

There was no short fall in 2015, 2016, 2017 and borrowing was more or less to cover investment requirement.

The borrowing growth rate suddenly escalated after 2017; in 2018 the rate was 94% higher with respect to previous year and in 2019 same was almost 45% higher.

The absolute value of advance in that same period was growing but the shortfall of advance-deposit was much lower with respect to the amount of total borrowing. The huge extra borrowing was because of some problem. Perhaps the amount was needed to offset some disadvantages, may be, profit decline from normal banking operation which is evident from the data.

Also, a bank may lower the ratio of nonperforming assets (NPA) to advance or credit by increasing the advance substantially. This is a dangerous act on the part of any bank as this may lead ultimately to disaster; CD ratio is badly affected. Here in YES BANK the CD ratio from 2017 was extremely high. This may be an indicator of the fact that bad loan is increasing.

Probably NPA increased substantially during this period and to keep it lower bank had to increase fresh credit to increase the standard asset so that effect of denominator will play in decreasing the NPA and management can escape from whistle blower, which is one of the easiest way to evade from RBI. A look at the asset quality of the Yes Bank may be noted.

Table 4a

Assets quality of Yes Bank	2019	2018	2017	2016	2015
Gross NPA Cr	7,882.56	2,626.80	2,018.56	748.98	313.40
Gross NPA (%)	3.22	1.28	1.52	0.76	0.41
Net NPA	4,484.85	1,312.75	1,072.27	284.47	0.00
Net NPA (%)	1.86	0.64	0.81	0.29	0.12
Return on assets	0.50	1.60	1.80	1.70	1.60

Source: moneycontrol.com (as reported by Yes Bank)

Analysis and Interpretation:

The NPA level as reported by bank might not be alarming when as per RBI gross NPA of Indian banking sector was 9.1% in 2019 and 11.2% in 2018

Source :(https://economictimes.indiatimes.com/markets/stocks/news/banks-contain-gross-npas-at-9-1-in-fy19-rbi/articleshow/70897174.cms?from=mdr 29/8/2019)

Overdue principal and interest might not be paid by loanee units to Yes Bank in due time. In spite of low NPA as disclosed by Yes Bank the situation turned sour. Bank's liquidity was at stake when large amount of withdrawal of deposit by depositors made in 2019. Both lenders and depositors of the bank suffered miserably.

Table 5

Year	2019	2018	2017	2016	2015	2014
Reserves In Cr	26424.4	25,291.91	21583.14	13341.85	11247.79	6761.11
Advance- deposit shortfall Cr	**13839.29**	**2830.23**	**-10594.76**	**-13494.25**	**-15608.96**	
Borrowing Cr	1,08,424.11	74,893.58	38,606.67	31,658.98	26,220.40	21314.3

(Negative value indicates deposit was higher than advance.)

Analysis and interpretation:

In spite of the fact that from 2015 to 2017 the bank maintained higher deposit than advance yet it borrowed significant amount of fund. For various reasons a bank can borrow money from outside but here the amount was significant.

Though availability of sound reserve which is practically substantially higher than advance-deposit shortfall in 2019 and in 2018 the shortfall was marginal, the bank was compelled to borrow in a massive way.

From 2015 the huge amount of borrowing cannot be justified in view of sound reserve. Was it that a large part of overdue principal amount could not be realised since 2017 and the bank was compelled to borrow in a massive way to keep things under control? Perhaps the bank was trapped under spiralling bad loan burden to generate profit for survival.

In this connection we may cite the observation of RBI with respect to this bank that the bank under reported its NPA content. (Indian express page 7, date 11/03/2020) "the total exposure of Yes Bank could be over 2.25 lakh crore but of that, the non-performing assets (NPA) are reportedly around Rs 42,000 crore. As per officials of the Enforcement Directorate (ED), interrogating Yes Bank founder Mr. Rana Kapoor, of these Rs 42,000 crore loans that turned into NPAs, Rs 20,000 crore were allegedly offered to some corporate companies and Non-Banking Financial Companies (NBFCs) on Kapoor's instructions". (https://www.indiatoday.in/business/story/yes-bank-crisis-rs-20-000-crore-worth-bad-loans-were-given-on-rana-kapoor-s-direction-say-ed-sources-1654280-2020-03-11)

The above two information corroborates our analysis what forced the bank to resort to heavy borrowing.

As per disclosure of ED, 20% of the deposit went bad for Yes Bank. This was dangerous for survival of any bank.

A close look at the reports published in the news papers and various websites may throw some light on this study and corroborate the findings.

Recent reports on Yes Bank:

Yes Bank was launched in 2004 and by 2017 it became a blue chip bank when its stock price rose to over Rs1800.00 (face value Rs10.00). The stock split to Rs 2.00 in 2017. The revelation of bad loan in 5th March 2020 resulted in extreme fall in stock price. The price fell to Rs.5.55 in March 2020. However, the price started declining from 2018. Something was brewing from 2017-18. The study here also reveals that.

In, 2015, UBS, a global financial services company, indicated that the bank gave loan to many entities which were unlikely to pay back and the amount was higher than its net worth. It is reported that 25% of its total advances were extended to non-banking financial companies (NBFC), real estate and construction sector. These three sectors were under severe stress in recent times and they contributed a lot to its NPA.

Exposure to risky shadow banks out of total loan was quite high. (Indian express page 7, date 11/03/2020).

Status of bank in December 2019 is given below.

Yes Bank reported a loss of Rs.18,564 Cr for Dcember quarter 2019 as against profit of Rs.1,000.50 Cr in the same period last year. Gross NPA skyrocketed to Rs. 40,709 Cr in December 2019 quarter from Rs.5,158 Cr a year ago. Bad loans constitute 18.87% of total advances as against 2.10% a year ago. (Indian Express page 14, dt 15/03/2020)

Yes Bank NPA as reports revealed by the bank was not alarming but as per RBI, the report did not reveal the true picture; NPA was under reported. (Indian express page 7, date 11/03/2020)

Thus the analysis as made here points one thing that a large chunk of advance made by the bank went to entities that could not utilise the fund in a proper way and therefore, were not in a position to repay the loan. The bad loan developed and NPA suddenly skyrocketed. It is true the bad loan could not grow to massive amount in a short span; the disaster was spiralling gradually. The view of RBI is true that under reporting of NPA occurred with respect to this bank.

If we study the following table where data for NPAs for FY 2015-16, 2016-17, 2017-18 and 2018-19 are given, we will see that the bank failed to recover its dues miserably in the FY 2018-19 and a big chunk of assets gone to NPAs during the previous FY 2017-18 where from downfall of Bank starts:

(Rs. in million)

		31.03.2019	**31.03.2018**	**31.03.2017**	**31.03.2016**
1.	Net NPAs to Net advances	1.86%	0.64%	0.81%	0.29%
2.	Movements of NPAs (Gross)				
	(a) Opening balance	26,268.02	20,185.57	7,489.81	3,134.01
	(b) Additions(fresh NPAs during the year)	79,703.31	82,157.37	26,323.22	9,111.08
	Sub Total (A)	**1,05,971.33**	**1,02,342.94**	**33,813.03**	**12,245.09**

	Less:				
	(i) Up gradation	11,149.95	33,264.06	3,707.52	288.95
	(ii) Recoveries	11,306.45	35,724.93	8,499.11	1,883.28
	(iii) Write-offs	4,689.33	7,085.93	1,420.83	2,583.04
	Sub Total (B)	27,145.73	76,074.92	13,627.46	4,755.27
	Gross NPAs (closing Balance) (A-B)	78,825.60	26,268.02	20,185.57	7,489.81
3.	Movements of Net NPAs				
	(a) Opening balance	13,127.46	10,722.68	2,844.74	877.24
	(b) Addition during the year	50,002.04	68,015.64	18,812.46	3,452.79
	(c) Reduction during the year	18,281.00	65,610.86	10,934.52	1,485.29
	(d) Closing balance	44,848.50	13,127.46	10,727.68	2844.74

It will be worth to mention here that management of YES Bank had a tendency during the FY 2016-17 and 2015-16 to suppress the NPAs figure which will be revealed from the following chart as disclosed by the bank in the schedule.(Source: Published Annual Report of Yes Bank).

(Rs. in million)

		31.03.2017	31.03.2016
1.	Gross NPA as reported by the Bank	20,185.57	7,489.81
2.	Gross NPA as assessed by RBI	83,737.57	49,256.81
3.	Divergence in Gross NPA (2-1)	63,551.99	41,767.00
4.	Net NPA as reported by the Bank	10,722.68	2,844.74
5.	Net NPA as assessed by RBI	58,916.24	36,031.49
6.	Divergence in Net NPA (5-4)	48,193.56	33,186.75
7.	Provisions on NPA as reported by the Bank	9,462.89	4,645.07
8.	Provisions on NPA as assessed by RBI	24,821.38	13,225.32
9.	Divergence in Provisions NPA (8-7)	15,358.49	8,580.25
10.	Reported Net Profit after Tax (PAT) for the year ended	33,300.96	25,394.47
11.	Adjusted (Notional) Net Profit after Tax (PAT) for the year ended March after taking into account the divergence in Provisioning	23,161.28	19,783.84

Lessons:

The episode of Yes Bank, as well as, the story of PMC Bank have proved that there is no reason to believe that all private sector banks are working more efficiently and profitably than public sector banks. The quality of appraisal of credit or loan and above all the financial information available on websites how far are reliable and trustworthy are questionable.

Suggestions:

Already regulators have imposed disclosure norms for banking sector; apart from that following suggestions may also be considered for inclusion in disclosure norms.

(i) All banks should declare default principal as well as default interest amount in their quarterly report.

(ii) Bank should declare their major loanee entities. This will enable the investors to get the quality of credit appraisal of the banks.

(iii) RBI should closely monitor the borrowing amount and the reasons for high borrowing amount. This will give an early signal of the disease.

(iv) Bank should mention its profit from its normal banking activities apart from investment profit.

All these things will enable the bank to make provisions out of profit for bad loans at the right time as well as to identify and focus on bad loan formation.

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Analysis of Profitability of Infrastructure Sectors for Sustainability in India

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Abstract

Growth of the nation is directly proportionate to the growth of the infrastructure companies of the nation. We analyze the profitability of infrastructure companies in India. Profitability of infrastructure companies is analysed by using ratios that represent liquidity, profitability, cash flow-based measure and market-based measure to analyze the profitability. The overall assessment of the profitability of companies in the infrastructure sector show that the companies have problem in profitability and if the same trend continues, many companies will find themselves in difficult situations to survive. The overall profitability of these sectors as a whole is bad.

Keywords: operation profit margin, return on investment, return on equity, cash flow to sales, EBIT to Assets, growth rate.

1. Introduction

Governments of different countries all over the world take leading role in development of infrastructure. There has been a debate on whether the exclusive domain of the governments to create infrastructure result in monopolies and consequential inefficiencies in the usage of the resources and money. This debate has led to the opening of certain spheres of infrastructure to private sector in different forms. The private sector is using this opportunity to build infrastructure in many areas which are opened for their operation. It is three decades since India has opted for different models for developing infrastructure in India. Post 1991, GOI has allowed private players to contribute to the development of infrastructure. Over the years, Government has allowed foreign direct investment (FDI) in different sectors of the economy, including infrastructure sectors. While the percent of the FDI remained low in the initial years of liberalization, it revised the FDI percent from time to time. Allowing the private participation is a good move taken by Governments which helps in the overall development. While it is a good move to attract private capital to develop infrastructure in the country, GOI should also understand the financing patterns of the companies involved in the development of infrastructure. The financial performance analysis in developed countries has been undertaken by Beaver (1977), Bird and McHugh (1977), Buckmaster and Saniga (1990), Osteryoung and Richard 1992) and they report that earnings on assets and equity are important to understand the profitability of an enterprise. Gnanavelu (1996) found that to increase profitability there is a need for good financial performance and minimum borrowing. Cinca *et.al.* (2005) argues that size of a firm and the location of the firm impact the financial ratio structure. Blessing and Onoja (2015) found that combined leverage and operating leverage have impact on profitability. Manjunatha and Gujjar (2018a; 2018b) analyzed and found that net income of the organization is not enough to determine its efficiency unless profit margin, asset turnover, financial leverage is taken into consideration. In most of the developing countries there has been a debate on the level of efficiency of the state, public sector, and listed companies. Results of these findings have been debated again and again by many authors in the developed countries. For assessing the financing patterns of infrastructure companies, we have compute ratios based on the annual financial statements of companies in different infrastructure groups and interpret these ratios to understand how the companies in different sectors chose their finances. We have used 16 different ratios to understand the profitability ratios. In this paper, we analyze the profitability ratios of infrastructure sectors in India. The paper is organized in four parts. Part 1 is the introduction; Part 2 presents objectives and methodology; Part 3 analyses the results; Part 4 presents the summary and conclusions. References and tables are given after Part 4.

2. Objectives and Methodology

1.1 We have set following objective based on the evidence of review of literature

- To test the profitability position of infrastructure sectors in India

2.2 Data and Sample:

We use the financial data of 354 infrastructure companies from five sectors. We analyse the sector-wise aggregate results of 132 companies in construction sector, 68 companies in steel sector, 38 companies in cement sector, 68 companies in power sector, 48 companies in telecommunication sector. The performance measures computed from financial statements from 2000 to 2018 are aggregated for each sector and the results are presented. We use 16 different ratios to understand the profitability of infrastructure sectors. The analysis of profitability is presented by pooling the data of all the companies in each sector. Therefore, the analysis presented is for the sector as a whole. The aggregated results are presented to avoid too many tables if the data of each company is presented and analyzed. One of the limitations of this type of analysis is that the individual companies lose their identity in the analysis. If separate analysis is presented for each company in two different sectors, the data becomes unwieldy to present and analyze. This paper presents profitability ratios of the infrastructure sectors in India.

3. Results and Analysis

The profitability ratios for the infrastructure sectors are presented in Table 1 to 5. Main findings of the study are discussed in the following paragraphs.

Table 1: The ratios 1-4 in the table are computed to assess the liquidity position of the construction companies. The avg, Med, CV, Q1, Q3, Max, Min of the current ratios of companies in the construction industry are 1.21, 1.12, 0.69, 0.75, 1.38, 5.39 and 0.00 respectively. The average value shows that the for the industry as a whole the current ratio is less than 2 and shows that the current assets position is not very comfortable. The value of CV shows that there is variation in the current ratios of different companies but the variation is not very high. The first quartile shows that 25 percent of the companies in this industry group have current ratio less than 0.75 and 75 percent of the companies have ratio more than 0.75. The third quartile value of 1.38 shows that shows that 25 percent of the companies in this industry group have current ratio more than this value and 75 percent of the companies have ratio less than Q3. This shows that majority of the companies have less current ratio. The maximum value of current ratio is 5.39 and minimum value is 0.00. The maximum value shows that one of the companies in this industry group has very high current ratio and the minimum value shows that one of the companies in this industry group has a current ratio which is almost zero. The value of zero does not indicate that value of current assets are very low and therefore, the value of this ratio (to the 2nd decimal) is almost zero. This shows that one of the companies in this industry has almost negligible current ratio. The liquid ratio is also low indicating that the companies in this industry are facing the liquidity problems.

Inventory to working capital ratio shows the extent of inventory relative to the net working capital (NWC). A well-run company should have moderate level of inventory to working capital. A high level of inventory relative to NWC shows that companies are saddled with high inventory and low level of inventory indicates that companies face the inventory problem. This ratio has a mean value of 1.21 and median value of 0.52 and coefficient of variation of 5.09. While the mean and median values indicate that the inventory is on average at a moderate level, the CV indicates that there is a very high level of variation between companies in this sector. Q1 and Q3 values of 0.03 and 1.39 show that 25percent of the companies in this industry group have inventory to NWC less than 0.0.03 and 75 percent of the companies have ratio more than 0.03 and; 25 percent of the companies in this industry group have inventory to more than 1.39 and 75percent of the companies have ratio less than 1.39. This shows that majority of the companies have less inventory to NWC. The maximum value of inventory to NWC ratio is 61.59 and minimum value is -2459. The maximum value shows that one of the companies in this industry group has very high level of inventory which is highly dangerous and the minimum value shows that one of the companies in this industry group has a negative NWC indicating that their NWC is negative which shows that its current liabilities exceeds the current assets. Both these values portend dangerous signal to these companies. The dangerous position of these companies is indicated by the current ratio and liquid ratio also.

Current liabilities to total assets ratio (CLTA) shows the relative position of the current liabilities to the total assets of the companies. A ratio of more than 1 indicates that companies have current liabilities exceeding the total assets and therefore, such companies may not be able to meet the current liabilities even if they sell their assets. The mean value of this ratio is 0.43 and the max and min values are 1.21 and 0.10. The mean value indicates that companies have high levels of current liabilities and the maximum value indicates one of the companies in this industry has current liabilities exceeding total assets. The overall position of this ratio shows that the companies have difficulty in meeting the current obligations.

The mean value of gross profit ratio (GPR), net profit ration (NPR), operating profit ratio (OPR), return on investment (ROI) and return on shareholders' equity are 6.95, -3.09, -24.63, 15.32 and -3.36, respectively. The ratios very clearly indicate the companies have not been earning enough return and in most of the cases the companies are incurring losses. The minimum and maximum values of these ratios show that there is a large variation between the two extreme values. While some companies have reported high profits (maximum) other companies have reported huge losses (minimum values). Although mean value of ROI is reasonably good, the other profitability values clearly indicate that the companies in this sector are under distress. EBDIT to total interest on average looks reasonably good, but the variation between minimum and maximum values indicate there are companies which have generated good returns (maximum value) to cover the interest, there are others which have negative interest coverage (minimum value). Negative interest coverage ratio is an indication that earnings are negative and therefore, companies are not able to pay interest.

Net income to cash flows and cash flows to sales are the ratios to assess the cash flow position of the companies. While net income to cash flows mean value is 0.41 and that of cash flows to sales -0.08. Since the first ratio is positive, the second one is negative. Since sales cannot be negative, cash flows must be negative. This is a clear indication that although companies have generated the sales, they are not only unable realizes cash but also forced to pay more than what they are receiving. This will put stress on the profitability of companies. Since the net income to cash flows value is reasonably good, they give an indication that the cash flows of the companies are also good. When we look at this ratio in conjunction with net profit and operating profit ratio, we can infer that both the net income and cash flows values are negative and the resultant ratio is positive. Therefore, overall the cash flow position companies in this sector show that they are experiencing more outflows than inflows.

EBIT to total assets ratio indicate the profitability associated with the asset utilization of companies. Higher the ratio, better is the asset utilization and lower the ratio poorer is the utilization of assets of the companies. The ratio for the above sector shows that the mean and median values are very low and therefore, the asset utilization is low. The overall profitability associated with the asset utilization is also very low. The ratio of depreciation and amortization to total assets of the companies indicates the non-debt tax shields (NDTS) of companies. A high ratio shows that companies can save tax by way of deducting these two amounts to arrive at the taxable profits of the companies. The value of this ratio for the construction industry companies is very low. Intangible assets to total assets show the uniqueness (UNIQ) of companies in terms of possessing patents and copy rights. The higher value of companies shows that companies have high intangible assets which can be turned into profits in future. The values for the companies in the construction industry show that the ratio is low and therefore, they do not enjoy any unique advantages of intangible assets.

The growth rate of operating income is computed by calculating how the operating incomes of the current year have increased (decreased) over the years relative to their previous years. The mean of the ratio for the companies in the construction industry is negative indicating that the operating income is decreasing instead of increasing. The overall position of the growth rate also shows that the companies will find it difficult to sustain in the long run if the trend continues. This trend is of almost two decades and therefore, it shows the negative sentiments in the industry as a whole.

Table 2: As the interpretation for all the 16 ratios is given for the construction sector, we do not repeat the interpretation for each ratio for all the sectors. We have given the overall interpretation for sectors based on different ratios for the respective sectors.

The current ratio and liquid ratio for the steel sector companies is very low indicating that the companies would find it difficult to meet the current obligations from the current/

quick assets. The inventory to NWC ratio is high indicating that the companies have not been able to sell their finished products. The max and min values indicate that one of the companies in this industry has very high inventory (max value) and another has negative NWC (min value). This is a clear indication that the companies have difficulty in selling their products and are saddled with excess inventory to NWC. The profitability ratios indicate that the companies have negative NPR, return on share holders' equity and negative net income to cash flow ratios and negative growth of operating income. Therefore, we can infer that the companies in this industry are not only incurring losses but also the losses are increasing over the years. Companies in this industry do not have much of NDTS and UNIQ indicating that they do not have many patents or other intangible assets which will increase their profitability in future.

Table 3: The ratios which measure the liquidity of the companies in cement industry show that the companies in this industry have very low current ratio and liquid ratio. These two ratios show that the company's liquidity is not good in this industry. Further, inventory to NWC indicate the companies do not have much of inventory problems. Further, current liabilities to total assets is not very high indicating that the companies in this industry group have not resorted to short term funds to finance the assets of the companies. NPR and return on share holders' funds are negative indicating that the companies have not been able to generate profits for the shareholders. However, operating profit ratio is reasonably good indicating that the main business of cement has not affected the profitability of companies, but the other activities of the companies have eroded the profitability of the companies. Cash flow measure and other related profitability measures show that the overall profitability of the companies in this industry is not good.

Table 4: The ratios which measure the liquidity of the companies in power sector companies show that the companies in this industry have very low current ratio but reasonably good liquid ratio. The combination of these two ratios shows that the companies in this industry do not face much of the inventory problem. The current ratio shows that the companies' liquidity is not good in this industry. Further, inventory to NWC which indicate the relative position of the inventory to NWC shows the average ration is negative which indicate the NWC is negative. Negative NWC is an indication of the excess current liabilities relative to current assets. Further, current liabilities to total assets are very high for the power sector companies which have huge asset base. This indicates that the companies in this industry group have resorted to short term funds to finance the part of the large asset base. This is not a good indication of the future profitability of the companies. NPR and the return on share holders' equity are negative indicating the companies have not been able generate profit for the contributors of capital. However, operating profit ratio and debt service capacity ratios show that the companies are in reasonably good position. The overall ratios of profitability show that the operating activities of the companies in the power sector have not contributed to the negative profitability but the other activities of the companies seem to have resulted in the negative NPR and return on shareholders' equity. The mean growth rate of the operating income is very high but the median growth rate is negative. The comparison of the mean, median and maximum and minimum values clearly show that the mean value is influenced by a very high growth rate of one company which has a growth rate of 5690.61 percent. Therefore, we rely on the median to ascertain whether the overall growth of the companies in this industry is good or not. The overall growth is not good as indicated by the negative median growth rate of operating income.

Table 5: The liquidity ratios of the companies in telecommunication sector show that the companies in this industry have very low current ratio but reasonably good liquid ratio. The combinations of these two ratios show

that the companies in this industry do not face much of the inventory problem. This is understandable as the telecommunication companies normally do not have the problems of inventory. The current ratio shows that the companies' liquidity is not good in this industry. Further, inventory to NWC which indicate the relative position of the inventory to NWC shows the average ratio is very low which indicate the companies in this industry do not face much of inventory problems. Further, current liabilities to total assets are very high for the telecommunication sector companies which have huge asset base. This indicates that the companies in this industry group have resorted to short term funds to finance the part of the large asset bases. This is not a good indication of the future profitability of the companies. NPR, OPR, ROI, and the return on share holders' equity are negative indicating the companies have not been able generate profit for the contributors of capital. However, the debt service capacity ratio shows that the companies are in reasonably good position to service the debts, but high maximum value and low median value show that the high average DSC is influenced by the high extreme values and therefore, we rely on the median DSC. The median DSC is low which indicate that the capacity of the companies to service the debts is low. The overall ratios of profitability show that the operating activities of the companies in the telecommunication sector have contributed to the negative profitability. The mean, median, Q1, growth rates of the operating income is negative indicating that the companies have not been able to grow their operating income over the years. The operating income growth should be good if the companies have to survive in future. This is not the case with the telecommunication companies.

4. Summary and Conclusion

This paper has attempted to test the profitability ratio of infrastructure sectors in India. The overall assessment of the profitability of companies in the infrastructure sector show that the companies have problem in profitability and if the same trend continues, many companies will find themselves in difficult situations to survive. The overall profitability of these sectors as a whole is bad. The position of intangible assets and non-debt tax shields show that the companies have not created unique assets which will increase the profitability in future years.

The results of the study may be used by investors to assess the business risk of the companies in which they propose to invest, investor advisors to assess the risk associated with the use of debt to finance the operations, and policy makers to frame policies that would avoid financial distress to the companies which tend to borrow more than what they can manage. Researchers can use the results of this study to compare with other foreign infrastructure companies to understand how Indian infrastructure companies have financed their operations. Further studies can be undertaken by including large sample of particular industries in order to generalize the results of the study.

5. References

6. Tables

Table 1: Profitability position of Construction Sector

No.	Ratios	Avg	Med	CV	Q1	Q3	Max	Min
1	Current Ratio (LIQ)	1.21	1.12	0.69	0.75	1.38	5.39	0.00
2	Liquid Ratio/Quick Ratio	0.77	0.61	0.98	0.34	0.94	5.33	0.01
3	Inventory to Working Capital	1.21	0.52	5.09	0.03	1.39	61.59	-24.51
4	Current Liabilities to Total Assets	0.43	0.42	0.40	0.32	0.54	1.21	0.10
5	Gross profit Ratio	6.95	16.93	9.38	8.43	24.07	91.28	-481.20
6	Net Profit Ratio	-3.09	3.14	-10.42	-1.26	6.06	39.92	-262.13

7	Operating Profit Ratio	-24.63	3.46	-4.81	-25.92	16.38	91.28	-1051.89
8	Return on Investment Ratio	15.32	16.13	1.90	8.55	23.59	109.14	-269.45
9	Return on shareholders equity	-3.36	5.77	-12.92	0.04	12.66	36.16	-325.34
10	EBDIT to Total Interest (DSC)	6.57	2.37	3.05	1.33	4.23	176.01	-24.72
11	Net Income (PAT) to Cash Flow	0.41	0.14	12.08	-0.28	0.52	40.08	-16.77
12	Cash Flow to Sales	-0.08	0.04	-22.67	-0.04	0.14	4.60	-19.85
13	EBIT to Total Assets (PROF)	0.07	0.07	0.64	0.04	0.10	0.25	-0.05
14	(Depreciation+Amortisation)/Total Assets (NDTS)	0.02	0.01	0.82	0.00	0.02	0.08	0.00
15	Intangible Assets to Total Assets (UNIQ)	0.02	0.01	1.42	0.00	0.03	0.17	0.00
16	Growth Rate of Operating Income	-4.13	4.54	-11.65	-33.21	20.34	178.28	-100.00

Source: Computed by the researcher by computing the ratios for each company and averaging for all companies to get the industry wide ratios.

Table 2: Profitability position of Steel Industry Companies

No.	Ratios	Avg	Med	CV	Q1	Q3	Max	Min
1	Current Ratio (LIQ)	1.00	1.02	0.55	0.58	1.34	2.50	0.02
2	Liquid Ratio/Quick Ratio	0.61	0.61	0.63	0.31	0.89	1.62	0.00
3	Inventory to Working Capital	2.17	0.76	5.84	-0.14	1.82	84.95	-30.64
4	Current Liabilities to Total Assets	0.46	0.41	0.57	0.31	0.55	1.89	0.09
5	Gross profit Ratio	1.99	20.78	76.59	14.31	25.26	34.55	-1241.14
6	Net Profit Ratio	-19.52	0.82	-7.96	-1.66	3.43	12.85	-1289.70
7	Operating Profit Ratio	1.22	20.23	124.87	13.40	25.25	34.06	-1241.14
8	Return On Investment (Total) Ratio	25.97	14.40	3.55	7.90	21.91	757.31	-54.73
9	Return on shareholders' equity	-1.91	8.41	-25.40	-5.70	12.59	118.31	-209.39
10	EBDIT to Total Interest (DSC)	6.83	2.00	8.10	1.43	4.61	366.82	-192.25
11	Net Income (PAT) to Cash Flow	-0.04	0.24	-55.63	-0.35	0.54	13.53	-8.03
12	Cash Flow to Sales	0.12	0.05	4.07	0.02	0.10	3.97	-0.20
13	EBIT to Total Assets (PROF)	0.07	0.07	0.82	0.04	0.10	0.16	-0.11
14	(Depreciation+Amortisation)/Total Assets (NDTS)	0.03	0.03	0.54	0.02	0.03	0.08	0.01
15	Intangible Assets to Total Assets (UNIQ)	0.01	0.00	2.13	0.00	0.01	0.07	0.00
16	Growth Rate of Operating Income	-10.43	-22.42	-11.21	-47.03	6.62	887.82	-100.00

Table 3: Profitability position of Cement Industry Companies

No.	Ratios	Avg	Med	CV	Q1	Q3	Max	Min
1	Current Ratio (LIQ)	0.82	0.67	0.85	0.39	0.98	3.52	0.00
2	Liquid Ratio/Quick Ratio	0.59	0.47	1.11	0.23	0.62	3.46	0.00
3	Inventory to Working Capital	0.32	0.13	13.42	-0.13	0.68	18.74	-17.09

4	Current Liabilities to Total Assets	0.26	0.21	0.71	0.18	0.29	1.22	0.04
5	Gross profit Ratio	42.81	51.98	1.08	45.59	57.02	63.93	-228.56
6	Net Profit Ratio	-30.74	4.29	-6.09	0.98	8.80	16.01	-1140.64
7	Operating Profit Ratio	42.38	51.75	1.09	45.22	56.66	63.93	-228.56
8	Return On Investment (Total) Ratio	7.20	16.98	11.18	8.89	25.89	220.18	-375.58
9	Return on share holders equity	-83.36	10.63	-5.61	1.09	15.91	44.22	-2857.10
10	EBDIT to Total Interest (DSC)	5.55	4.02	1.01	1.97	7.57	20.70	-0.97
11	Net Income (PAT) to Cash Flow	0.04	0.36	51.90	0.03	0.48	6.83	-8.86
12	Cash Flow to Sales	0.03	0.16	20.73	0.11	0.19	0.36	-3.73
13	EBIT to Total Assets (PROF)	0.09	0.10	0.69	0.06	0.13	0.20	-0.07
14	(Depreciation+Amortisation)/Total Assets (NDTS)	0.04	0.04	0.34	0.03	0.04	0.08	0.01
15	Intangible Assets to Total Assets (UNIQ)	0.04	0.01	2.29	0.00	0.02	0.37	0.00
16	Growth Rate of Operating Income	-4.29	6.53	-8.16	-13.04	14.83	50.91	-100.00

Table 4: Profitability position of Power Industry Companies

No.	Ratios	Avg	Med	CV	Q1	Q3	Max	Min
1	Current Ratio (LIQ)	1.21	0.93	1.21	0.55	1.28	9.50	0.00
2	Liquid Ratio/Quick Ratio	1.12	0.81	1.30	0.51	1.19	9.43	-0.06
3	Inventory to Working Capital	-0.07	0.00	-7.76	-0.10	0.01	1.85	-2.38
4	Current Liabilities to Total Assets	0.21	0.15	0.71	0.10	0.28	0.57	0.02
5	Gross profit Ratio	17.71	35.85	7.59	16.91	55.16	83.14	-1037.39
6	Net Profit Ratio	-24.42	3.27	-5.97	-6.93	14.56	54.12	-1116.81
7	Operating Profit Ratio	13.64	34.33	10.06	11.26	47.55	80.55	-1063.60
8	Return On Investment (Total) Ratio	27.17	8.99	4.90	4.10	15.81	1097.70	-42.02
9	Return on share holders equity	-3.17	3.08	-20.67	-3.02	8.88	334.74	-244.59
10	EBDIT to Total Interest (DSC)	55.26	2.15	7.74	1.61	4.37	3293.00	-360.61
11	Net Income (PAT) to Cash Flow	-0.78	0.07	-6.90	-0.12	0.41	5.00	-39.97
12	Cash Flow to Sales	0.24	0.36	5.72	0.12	0.59	2.60	-9.46
13	EBIT to Total Assets (PROF)	0.05	0.05	1.04	0.03	0.08	0.20	-0.16
14	(Depreciation+Amortisation)/ Total Assets (NDTS)	0.03	0.03	0.69	0.02	0.04	0.09	0.00
15	Intangible Assets to Total Assets (UNIQ)	0.01	0.00	3.83	0.00	0.00	0.14	0.00
16	Growth Rate of Operating Income	198.02	-4.91	4.41	-31.50	16.03	5690.61	-100.00

Table 5: Profitability position of Telecommunications Sector

No.	Ratios	Avg	Med	CV	Q1	Q3	Max	Min
1	Current Ratio (LIQ)	1.21	0.58	1.13	0.37	1.57	5.95	0.00
2	Liquid Ratio/Quick Ratio	1.16	0.55	1.19	0.30	1.47	5.95	-0.05
3	Inventory to Working Capital	0.05	0.00	4.38	0.00	0.00	1.37	-0.10
4	Current Liabilities to Total Assets	0.62	0.27	2.71	0.18	0.48	11.75	0.01
5	Gross profit Ratio	9.24	30.50	11.41	15.73	49.64	98.51	-455.50
6	Net Profit Ratio	-410.57	-3.78	-5.59	-40.06	3.11	58.05	-15481.05
7	Operating Profit Ratio	-12.85	3.78	-8.99	-18.92	49.24	98.51	-478.64
8	Return On Investment (Total) Ratio	-13.83	11.14	-10.28	-1.45	21.58	93.16	-933.81
9	Return on share holders equity	-17.06	5.06	-6.83	-7.26	21.97	157.14	-621.33
10	EBDIT to Total Interest (DSC)	101.66	2.86	4.36	0.71	11.78	2582.50	-25.67
11	Net Income (PAT) to Cash Flow	-0.09	0.00	-116.58	-0.79	0.61	50.93	-38.97
12	Cash Flow to Sales	0.47	0.12	4.51	0.00	0.35	12.76	-3.42
13	EBIT to Total Assets (PROF)	0.02	0.04	6.22	0.00	0.09	0.24	-0.56
14	(Depreciation+Amortisation)/ Total Assets (NDTS)	0.06	0.05	1.06	0.02	0.08	0.43	0.00
15	Intangible Assets to Total Assets (UNIQ)	0.17	0.06	1.35	0.01	0.28	0.88	0.00
16	Growth Rate of Operating Income	-13.68	-16.79	-3.00	-30.72	7.52	140.60	-100.00

BOOK REVIEWS

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Reviewed by

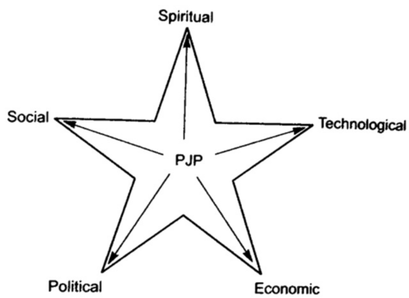
Daniel Albuquerque

Seat of Wisdom, Goa

Sharma's Mantra: 'Prabandh Sastra' – *Indian Management*

Ever since his seminal work, *Management in New Age: Western Windows Eastern Doors* (New Age Publications, 1996) quarter of a century ago, Prof. Subhash Sharma has been indefatigable in the dissemination of Indian Management education which he has crowned with his silver jubilee book, his 25th title, namely *Indian Management* (New Age Publications, 2021). I have rechristened it aptly as 'Prabandh Sastra' where *prabandh* implies to lead, organize, manage, plan, control. It goes beyond attainment of management qualifications; it is about actual practice in real time, as it were, producing results. *Praxis,* originally the Greek term used for action oriented process, may be understood as *Sastra* which was taken to mean *action rules* and not merely as theory.

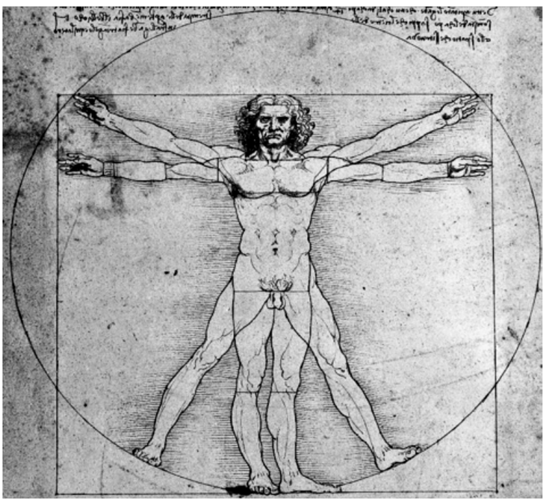
Sharma in his approach to management prefers a balanced Indian system of holistic management that includes both knowledge and praxis. He has developed scores of archetypical models that function as algorithms to explain process of a system. Here below is one of them with an acronym STEPS which is the quintessence of his present work. (See: page 153, Fig.13.7) It also embellishes the cover jacket.



I would interpret the star model thus: It has a nucleus, as though in an atom composed of three aspects Prosperity (Electron), Justice (Neutron) and Peace (Proton). Thus these three basic elements – PJP – metaphorically create such an electromagnetic energy that explode into nuclear fission that it expands into five different directions which form a universe: S – Social, T – Technological, E – Economic, P – Political, S – Spiritual. Its nomenclature 'Sacro-Civic Society' sums up the theory of the harmonious blend of the holistic theory of global proportions.

In *Indian Management* Sharma's new Cosmology distinguishes India into rural and urban, the former needs technological transformation, while the latter is in need of spiritualization. While rural India is economically backward, the urban one is overstressed due to pressures generated through competition. This is followed by Social, Political and Economic forces which need to be utilized with care and 'Wisdom'. It works on an equation: W = R+I, where W – Wisdom, R- Reason, I – Intuition (See: pages 136-137). It functions through the 'Matrix' of human relationships (See: pages 135-136). The aim of this pursuit is human empowerment which is demonstrated through the spheres of STEPS. It moves further with speed, creates a 'Macro Vision' for 'Harmonic Globalization' (See: pages 144 – 155). The entire gamut of this fivefold development that embodies spiritual, technological, economic, political and spiritual is steeped in the Indian cultural milieu, for instance, where the deities are often depicted having five faces symbolizing fivefold encompassment of extraordinary power to overcome adversity. However, Sharma's aim is to solve Indian Management problems in a pragmatic way.

The PJP-STEPS theory reminds me of Leonardo da Vinci's (1452 - 1519) renowned sketch of the perfection of human body, *Vitruvian Man* that demonstrates five dimensions of the human body, the four extremities comprising of two legs, two hands and the head as the vertical dimension. Human body is a harmonious unit; it stands as microcosm of a perfectly designed universe of which the head/mind is the spiritual dimension. The perfection of the design of the body is the perfection of the design of the cosmos. There are numerous interpretations; but one that I have proposed here fits into Sharma's holistic and universally applicable STEPS model.



In his preface to the book Sharma admits that his earlier works have played a major role in the present work; as a result his usual readers, scholars and students alike may find apparent repetitions. May that as it may, but rest assured, Sharma's present work is a potent capsule for Indian Management.

Excerpt: Concerning Management Ethics – Justice

In management literature, the "need for justice" has not received much attention. Kautilya was perhaps the first scholar to give emphasis to the need for justice through his metaphor of the matsya-nyaya.* Similarly, the "need for freedom" has not received enough recognition. It may be indicated that the idea for "need for freedom" is derived from Tilak's quote "freedom is my birth right". In organizational contexts, the need for freedom finds its expression in autonomy coupled with accountability.

*(*N.B. Literally fish-justice. It implies small fish is preyed upon by the big one, a law that advocates might is right. Kautilya (375 BCE – 283BCE) used this metaphor to illustrate such cannot be the case with citizens of a State. The State must uphold the right of every individual equally.)*

BOOK REVIEWS

Indian Management, New Age International Publishers, New Delhi, pp.176, Price Rs.280, ISBN: 97-93-89802412, 2020

Reviewed by

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Indian Management is yet another pioneering work intended both for the general reader as well as the specialist in Indian management studies. Prof. Subhash Sharma's objective, this time, is not so much to offer an introduction to Indian management as to bring together a series of published works for the benefit of new readers of this millennium which are unmistakably examples of the author's original thought.[2] The work is a unified whole blending the author's conceptual thought in to the practical requirements of Indian management and leadership.

Veteran management guru and theorist Prof. Subhash Sharma boldly displays his distinctiveness as a maestro who had inaugurated a specific genre of management and leadership in to the Indian managerial scene.[3] His use of language is easy to understand while his overall attitude towards his subject matter is commendable. He takes special care to make his argument accessible to the reader. The work is highly thought-provoking given the amount of the author's analysis of theories and models. These theories and models have been acknowledged for their intellectual and innovative depth and repeatedly tested and applied to the teaching-learning process in many Indian institutions.[4]

The work is divided in to four parts each of which is a comprehensive account of the author's discussion on Indian management's historical origin, evolution, extension of models and future. Each part of the work sets the tone for the succeeding part. Each part is divided in to still further sections for the sake of clarity and deeper explanation. In all four parts Prof. Sharma takes meticulous care to focus on key areas relevant to his subject matter. Prof. Sharma acknowledges that the idea of **Indian Management** is both ancient and modern and that apart from American and Japanese versions of management theories, the Indian Ethos movement, found expression by the 1990's, together with the idea of Yoga, Meditation and Spirituality (v). He explains that this movement has resulted not only in a resurgence of interest in research related to management in India but also has given rise to a special category as 'Indian management.' (v)

Part One of **Indian Management**, India, Indianism and Indian management provides an inspirational new vision for the future of management and leadership for which the for which the author applies a key element of age old Indian wisdom as the Subhashitani (19-26). The effort aids in more than adding a spiritual touch to the Indian management scenario. Instead, it assigns an innovative framework of management and leadership that may be reachable for both the general reader and the expert.

Part Two of **Indian Management** traces a history of management specific to India while also mapping a scientific approach to

2 For more on these concepts see: Sharma, S.2001, **Indian Ethos and the spirit of development: The VEDA model for Leadership and Management,** Management Perception,3:2.33-41; 2007, **New Mantras in Corporate Corridors: from ancient roots to global routes,** New Age International Publishers;2016, **New Ideas in Strategic Thinking & Management: A Knowledge Tree of New Age Mantras,** New Age International Publishers, New Delhi.

3 For the author's unique identity see: Gamlath, I.2011, **Identity if Subhashism in Indian Business and Indian Management,** 3D, IBA Journal of Management and Leadership,3(1), 103-106.

4 To name a few: IBA - Bangalore and Greater Noida - and Wisdom Banasthali (Jaipur).

management. The author begins with the 'Five thought steams' that emerge from a 'Four-Phase-Journey' and ends in envisaging a 'new work religion' (32-73). This 'new religion' consists of Yoga, Vedantha and the Koshas (75-76). In between there is much reference to what seems to be typical of the author's insightful conceptualizations that range from 'national symbols' (44-47),'key aspects of three paradigms' (53-54),'models of Human beings' (57-58). The evaluation of these conceptualizations reaches an 'Indian model of corporate development' (71-72).

Part Three is a move in to the question whether there is a typically Indian theory of management when Prof. Sharma boldly attempts to address Indian models of management and leadership. The author communicates to the reader some of his own scientific concepts as the 'OSHA model' (91-96), the 'ARROW analysis' (97), the 'MBA model' (101-105), concept of 'Corporate Rishi' (106-108), 'VEDA model' (109-110), 'OSHA-OSHE integration' (133) and the 'four flowers model' (138). These concepts play a central role in elaborating the author's concern for re-vitalizing the Indian managerial context while they also disseminate the author's groundbreaking thought in to the globe at large. These concepts have been repeatedly emphasized and appreciated by scholarly academia.[5]

Part Four of **Indian Management** aims at a new 'earth sastra' (art or discipline). Here, a holistic view of globalization is endeavored by monitoring a framework of a holistic vision of development.[6] The author explains his much tested models as the 'Swastika' (145), the 'four forces' (146-147), 'three wise men metaphor' (147-148),'RICH' (150), 'STEPS' (152) until at length these concepts are merged to characterize a new 'earth sastra' reaching the theory of a 'Global village' (162) and a 'new corporate model' (156). These ideas, the author claims, serve as fundamental for the birth of outstanding managerial personalities – the 'creative, enlightened and organic leaders' (167).[7] These personalities characterize Prof. Sharma's innovative thought.

In sum, the work suggests a framework of systematic theoretical knowledge that stimulates further research among the general reader and expert in Indian management. Once again, Prof. Sharma has demonstrated his exceptional capability for creating a realistic vision of management, in his own estimation, the significance of which certainly moves outside bounds of India to the globe at large.

[5] Chakravorty, M. 2009, **Significance of Dr. Subhash Sharma's approach to management in New Age: Western Windows: Eastern Doors,** 3D, IBA Journal of Management and Leadership, 1(1), 64-67; Pappilon, P.2015, **Bohmian, Sharma, Human Dialogues,** 3D, 7, 1(1), IBA Journal of Management and Leadership, 82-97.

[6] A holistic vision of development has captured the author's attention : Sharma, S. 2017, **Concern for Humanity (CFH) as a basis for holistic development and management (HDM),** IBA Journal of Management and Leadership, vol.8,issue,2, 1-7.

[7] For a more comprehensive analysis of these see: Sharma, S and Zirkler, M.2016, **From the edge of chaos: Dialogues amongst social theory and practice,** IBA Publications, Bangalore.

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