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INTERNATIONAL JOURNAL OF BUSINESS FROM BHARATIYA VIDYA BHAVAN'S
M. P. BIRLA INSTITUTE OF MANAGEMENT, BENGALURU

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N.S. Viswanath

**Symposium on
BREXIT-EU,
TRADE &
INDIA**



SYMPOSIUM ON BREXIT-EU, TRADE & INDIA SPECIAL ISSUE

आ नौ भद्रा : क्रतवौ यन्तु विश्वत : ।
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- Rig Veda 1-89-1

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EDITORIAL

The present edition of the journal is more contextual and relevant for the readers and scholars. There are five writings on Brexit issue which shook the world by surprise and proved yet again serendipity works! The papers presented at the Symposium held jointly by M P Birla Institute of Management and Southern Economist on 8th July 2016, discuss in the form of domain impact, to thought documentation to impact on business houses in India. The impact on investments, human resources and on markets form the main theme of papers. There are, however, no conclusive evidences. Yet the papers reflect on the surety of impact on varied fronts. This is followed by a concept paper on organizational autonomy and innovation. The study points to Organizational Social Networks (OSNs) which may lead to greater autonomy. The setting is made on impeccable base of people, networks and relationships. The level of autonomy to make optimum innovation is a question for a researcher to ponder. The synopsis of the thesis awarded reflect Volition as a dimension of personality assessment in organisations. The two reviews of books have made the volume richer.

Editor-in-Chief

Brexit and Its Repercussions - A Concept Paper

Cynthia Menezes Prabhu*

Abstract

Brexit has attracted discussions in all parts of the world and has become a source of strain about the recent future for the British involved in it. This paper briefly outlines the repercussions of Brexit, as analyzed by the International media and the BBC news. Since Bangalore and its citizens have always been involved actively in international politics, and hold third party stances in Brexit, some questions about their thoughts on the repercussions of Brexit were posed to the 'intellectual few' and the answers elicited are the documented contents of this paper. The paper has been able to elicit views of interest from the people & countries of origin & destination.

Keywords: *Brexit, 'Intellectual Few' and Repercussions.*

1.1 Introduction

Brexit: Britain ready to exit from the treaty they had with EU is making headway. The ramifications are just being perceived from several corners of the universe. People perceive the news in a way that may appear strange. Intellectuals visualize in many other ways. How one can perceive in an urban environment? How would be felt in a city like Bengaluru? What can one derive from the decision of UK to leave the pattern that followed? - are some questions sought to be answered.

The European Union: The European Union, often known as the EU - is an economic and political partnership involving 28 European countries. It began after World War Two to foster economic co-operation,

with the idea that countries which trade together are more likely to avoid going to war with each other. It has since grown to become a "single market" allowing goods and people to move around, basically as if the member states were one country. It has its own currency, the euro, which is used by 19 of the member-countries, its own parliament and it now sets rules in a wide range of areas - including on the environment, transport, consumer rights and even thing such as mobile phone charges.

The Referendum that started it all: The Referendum was held on Thursday 23 June, to decide whether the UK should leave or remain in the European Union. The referendum had a turnout of 71.8%, with more than 30

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million people voted in it. The results are out in favour of Britain leaving trade with EU.

1.2 Repercussions for Britain

Single Market: The European Union single market, which was completed in 1992, allows the free movement of goods, services, money and people within the European Union, as if it was a single country. Mass migration from poorer to richer countries has also raised questions about the free movement rule.

Product Safety

The single market requires common law-making to ensure products are made to the same technical standards and imposes other rules to ensure a "level playing field".

Repercussions for the British

The legal status of UK nationals living in the EU:

The legal status of UK nationals living in the EU and of the EU citizens living in the UK is unlikely to change for some time.

The Claim: Some candidates for the Conservative Party leadership have suggested that UK Nationals living in the EU and indeed EU Nationals living in the UK will automatically be able to carry on as they are after Britain leaves the EU.

Reality Check Verdict: The consequences of returning so many people from the EU to the UK and vice versa would be extremely costly and complicated and so far no Conservative Party leadership contender or EU leader has suggested deportations.

Legal Implications: The European Court of Human Rights - not an EU but an international court - would also protect the rights of the individuals who live in another EU country. The European Convention on Human Rights protects an individual's right to private and family life, which would be eroded if people who have a job, property, children at school etc. were to be returned to their country of origin.

Pensions, Savings, Investments and Mortgages:

There will be three macro-economic implications of Brexit. Pensioners may have to accept less yield in the wake of performance of the economy deteriorating, given the circumstances. The pound may get weakened

to benefit importers than exporters. Investments may be on the decline as international investors may find returns not to the expected level. Mortgages pressure the economy to distort the returns to the lower level.

1.3 EU citizens in UK: Ministers say it would be "unwise" to fully "guarantee" EU citizens' rights without a deal for Britons abroad. Foreign Secretary Philip Hammond informed the BBC a deal that "works both ways" had to be negotiated in Brexit talks.

Objectives of the Paper:

The objectives of the paper are:

1. To assess the thoughts of the intellectuals and academicians of Bangalore about Brexit.
2. To understand the repercussions of Brexit from the view of a third party bystander.

1.4 Methodology

Twelve respondents were selected on a convenient basis. Eleven questions were posed to respondents and their answers were recorded through an in-depth telephonic interview. The answers elicited from them are analyzed herein in the form of paragraphs. This is a concept paper evidenced by an empirical study has been conducted. The questions posed were as follows:

1. Why did Britain opt for Brexit?
2. Will Britain continue as a single market?
3. Will the pound collapse?
4. Will Brexit drive up inflation in Britain?
5. Will it drive up inflation in EU?
6. Will the real income of Britons suffer?
7. Will the status of Britons in EU be jeopardized?
8. Will the status of EU citizens in Britain be affected?
9. Will Britain see a reduction in GDP?
10. Britain Being a large economy of EU, will the GDP status of EU be affected?
11. Repercussions on the rest of the world
12. Your opinion on Brexit, any feelings.

1.5 Analysis:

Profile of the Respondents

Age: Three respondents were in the age bracket of

25 to 35 years, three between 35 to 45 years and six respondents were above 45 years of age.

Gender: Five of the respondents were women and seven were men.

Designation: Two of the respondents were people retired from active service, two were businessmen, two were journalists, one was a home maker, and five were academicians.

It was considered that the above respondent profile gave a crude representation of the Bangalore City population.

1.6 Findings

1.6.1: The question as to why Britain opted for Brexit:

European Union has emerged as a political bureaucracy which is infringing on Britain's markets and economy. When Britain joined EU in 1975 the public did not have a say in it. Hence today having a referendum will help Britain know the public opinion. Brexit's reasons were to maintain national sovereignty especially to have faith in the local economy over the global economy. Political leaders created the political expediency that led to Brexit. British politicians wanted to trouble the Prime Minister, wanted to make a space for themselves in the party. Britain's exit deviates from the world's objective of unification. British leaders are myopic, once they captured the world, now they wish to be left alone. The referendum should never have been called. Scotland had supported England already. The anger of the common people has been misrepresented. Brexit happened because of racial profiling, it is about who enters and exits Britain and using EU as a platform to enter other countries. The British Pound is strong, Brexit has happened by placing faith in the British Pound. A certain Diplomat in EU has said that she felt that the EU had problems with Britain. America was behind Britain to trouble the EU. Britain seems to have played US bidding quietly, with US interests at heart. The loss is more to Britain than the EU. Brexit reasons are mainly local and indigenous, people coming from different countries are seen as interfering in internal affairs. The British people are concerned with the state of affairs of their country.

1.6.2: Would Britain continue as a single market (European Common Market)?

There has been so much heartburn in the Brexit, therefore it is unlikely that Britain will continue as a single market with the EU. Continuing as a single market would pose too many challenges. The British standards for quality of goods is high. The "Made in Britain" tag will still be accepted so the necessity for a single market will not arise.

There are chances of continuing currently, till the exit policies and decisions have been finalized. Britain is not self-sufficient in food production. Therefore, the single market concept will continue. Britain cannot continue as a "single people". At least for a short term they will remain united as a single market. Britain must not continue as a single market which was originally called common market. The Nation wants to be free from the political union but wants free movement as a member which is not possible and not right. Once Brexit is proposed, Britain should not continue as a single market. Small traders, farmers, artisans and the like are expected to have a better chance at surviving and doing well.

1.6.3 The status of the British currency, the Pound:

As is evident here, the answers were mixed: The pound will collapse and take longer than ever to rebound. The Pound will be stronger after some time, say, six months. The Pound is too strong to collapse. Britain's trade has far reaching effects which will keep the Pound stable. The Dollar, Euro, Pound and Yen are the stronger currencies in the world. The value of the Pound will surely decrease after Brexit. The Pound may be affected but not to such a great extent. The Pound is running parallel with the Euro so is pretty strong. But economic trade licenses with EU may have effects, that can make the Pound crash. The Pound may keep going down & then may stabilize. The Bank of England will intervene. Just as the Tatas have big business interests in Britain, so will other countries, the Central Banks of such countries will also intervene. The Pound has come down to Rs.90.

1.6.4 Would Brexit drive up inflation in Britain?

Some felt that it might not drive up inflation. Others said that it is sure to develop. There will be inflation as imports

will cost higher. However, Britain can increase exports and stabilize the Balance of Payments. Deflationary tendencies are likely to be more. Many people who are not British would switch over countries. Asians would switch over to Ireland or Germany. The Central bank of England will have to manage both tendencies, inflationary and deflationary. Some others opined that the local market has its own dynamics, ups and downs, will be determined by internal dynamics rather than external.

1.6.5 Would Brexit drive up inflation in the EU?

Brexit shall bring in low growth rate in EU which can lead to inflation. Some said minimally, as Britain would be only a part of the system. Some EU countries would face inflation. Germany and Ireland could be named as such. Greece, will face inflation, mainly, due to the aging people and also for not entertaining people from outside. Asians can create entrepreneurs. France's borders are more open. It can counter inflation, but is beset with threats from Syria. Britain need not pay any amount to EU, so the EU has something to lose. But since each Nation will sustain in a collective way, EU can sustain as well! The quality of British goods is high, example are the railway tracks in India. Nowhere in the world is the steel quality better. Upheaval in the combined economy has its ill effects. The business class may be affected, however, not small businesses.

1.6.6 Would the real income of the British suffer?

Norms may be more stringent. May not be, because minimum wages are set. People undertaking menial jobs, and willing to do such jobs are not generally British. The domestic help in Britain, in early 2000, onward came from the East European countries. One respondent stated that her domestic help in England had discussed literature with them when doing house work. Yet, for lack of jobs, was willing to work for lower wages. If such labour is restricted then the home keeping expenses of the average British will increase. If visa norms become stringent then such possibilities will arise. Sterling will hit through the floor. The current account deficit of 7% will make the pound hit further down. This makes way for inflation to curb that interest rates shall be increased leading to recession. As history of recession says it will cost jobs and incomes. Hence real income is bound to suffer.

1.6.7 Would the status of the British people in EU be jeopardized?

It would depend on the reactions of the EU. If the British are singled out, then such may not be the case. Britain was reluctant to join in the first place maintained their currency. Culturally, Europeans have the same skin colour which could be a saving factor. Definitely, yes, the status will be jeopardized. When countries unify, countering is based on the cultural strength, in stand-alone UK, internal culture is not strength. The Euro was maintained as a common currency without losing sovereignty. It was not an easy task, but was managed successfully. The strength of Britain is because of the migrants. Theoretically, the Britons have become illegal immigrants. If Britain retains certain rights of free movement, then Britons can be relieved. However, now it all rest on the bilateral negotiations with EU. Mass expulsion of Britons is not a realistic possibility.

1.6.8 Would the status of EU citizens in Britain be affected?

The approach cannot be a street approach. It has to be handled with diplomacy. The people who hold a Schengen visa, wherein they have access to a few countries of EU will be affected. Those who aim at going to UK will be affected, especially the labour class. The Polish people are likely to be targeted.

1.6.9 Would Britain see a reduction in GDP?

Britain would see a reduction in their GDP, possibly, in the medium and long term. People of other nationalities may not be welcome and therefore, there may be an exodus from Britain. The average grocer would be stocking foodstuff for the foreigners, when they move out of Britain, the small grocer will suffer. Britain will try to boost tourism. Northern Ireland may join Southern Ireland. When people suffer Geography suffers. GDP will decrease, in the first year, it will be marginal & later on it will decrease in greater magnitude.

1.6.10 Britain being a large economy of EU, will the GDP status of EU be affected?

Marginally, but EU will try to sustain such changes. Yes, when considering the composite GDP, it will be affected. When Brexit happens, they get segregated & it will be to the advantage of the EU.

1.6.11 Repercussions on the Rest of the world?

The world affairs will naturally be affected since the world balance will be affected. Britain may ally with the US. Britain cannot be called an exclusive force, yet chain reactions cannot be denied. Other countries may show an attitude towards Britain. India's economy is dependent on its imports and exports. Therefore, India may experience mild tremors due to FDI. The impact will be seen in the metal markets. Gold prices are rising due to equity effects of investors for safer investment options. This trend continues in the Indian market. The FDI policies of the Government of India must change to derive equity benefits.

The Chinese currency will suffer for at least two years. The stock markets of China will be volatile & will recover faster than India. China must strengthen its stock markets with United States. Chinese exports are 25 per cent of US imports. Therefore, the Chinese need to draw more dollars to stabilize. US needs to think of the Dollar requirement from other countries. Therefore, the export import balance will have impacts.

West Asia needs clarity; OPEC countries must change their stand because of Brexit. Oil prices are bound to fall further. Since Britain is not an oil dependent Nation, OPEC cannot dictate terms. The unification of OPEC countries is a mirage, therefore OPEC must revive their economies together. There will be a fall in the world output. Therefore, new projects will be needed to counter the overall decline in the next 2 or 3 years. China and India will benefit greatly. SAARC markets and such other trade blocs have to join to help to revive their economies.

Very positive changes will be seen. The Gap has increased between the rich and the poor due to globalization. Local produce has less demand and local control of resources has decreased due to globalization. Therefore, local economies will be revived. The World Bank cannot determine a country's economy. Changes like Brexit will make countries economically democratic. Countries now can have new trade deals with Britain. Capital investment shall move away from Britain due to its instability.

1.6.12 Your opinion on Brexit, any feelings?

Britain should have prepared a more sensible plan

before the referendum. Decisions to leave cannot be easy. Considering the cultural and emotional similarity this decision may not be good. Consider the Swedish-British, Danish-British, German-British, this does not bode well for us. Britain has reached a state wherein they have let in so many people & that internal security is compromised. The British people are not feeling secure in their own country. Britain is built as a self-sufficient nation in many ways, it is an asset for the EU not vice versa. Given Britain's history and its gold reserves, it can manage well on its own. The right wing tendency is seen all over the world, just us-not others. Rise of supra nationalism is disturbing. The scariest thought is that there will be no voice for the minority & no rights of domicile. Britain, who colonized the world, suddenly wants to be insular. Peace to the EU will be threatened, porous borders will disappear, travel and tourism will be full of hassles. When there is no united Europe, US will rule, and European power will be lost. The common man is looking for a global solidarity, workers of the world unite & not corporates loot poor countries. There need not be global economies, local economies that take care of the environment and manage the climate changes at the local level.

1.7 Concluding Remarks

Brexit has elicited mixed reactions among Bangaloreans as seen by the myriad of opinions in the above findings. Reactions have ranged from the alienation towards global solidarity rather than a global economy; from glimpses of hope for India's economy to a fall out in the economy of Britain. The common feeling is an inclination towards peace in the world, equity and justice for the common man and a great consideration for the lives of ordinary citizens of the world.

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Note

The introduction has been extracted from the BBC News. The rest of the paper is based on the opinions sent in through email and the telephonic conversations with the respondents.

BREXIT - A First Look on Global Workforce Mobility and Economic Impact

Rohini G. Shetty*

Abstract

BREXIT is official now. Britain is in the throes of conflict. There is no definitive picture of what is going to happen? Serious questions arise in the backdrop of this concerning employees and their rights to work and live in the UK and how employee mobility policies need to be changed and made adaptable to benefit employees whose livelihood depends on their jobs in the UK. All changes have a positive and negative side to them but what is important is that one should take them in stride and try to reap beneficial outcomes. Strategic plans need to be formulated and an action plan must be put in place because the outcomes here seem to be unclear at present without an iota of knowledge of how the future will actually unfold. With no concrete outcomes visible, inevitably this will result in a knock-on effect for firms in UK.

The Brexit Aftermath - Aftershocks, Resignations, Recriminations, Rediscoveries and what more? All that can be done now is to wait and watch what happens next?

Keywords: *Global Mobility, Employee and Corporate Relocation, Immigration, Taxes, Brexit.*

Britain's exit – 'Brexit' in reality is likely to take not less than two years from now to complete, so changes in UK will be minimum and business will be done as usual. Most people will continue to travel within and out of the country as is done. There may be no change on the international stage especially, short term, thereby allowing ample time for firms to review and rev up their relocation policies well ahead of any

potential impact that is expected to come. Simply put - for now, 'Brexit' has had no immediate impact on global mobility and mobility providers focus should remain on continuing to do what is best – meeting the needs of employees all over the world which ever part of the globe they may be living and working.

Now that the dust has settled down a little, the reassurances from the Bank of England's Governor,

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Mark Carney that they have already started to engage in “extensive contingency planning” that will help the economy navigate any uncertainty as the process of dismemberment unfolds for Britain. Any separation comes with a price, so also with the UK. Ahead of the UK’s EU referendum which saw 51.9% of voters’ i.e. more than 17 million people chose to leave the European Union in a historic decision with immigration changes looming large which may occur in the near future. Labour mobility industry leaders have begun giving some serious thought to what the international landscape might look like for its firms and the relocation of employees because of the “Leave the EU” decision.

The EU referendum date was set for 23 June 2016 and BREXIT is thus official now. Britain is in the key stages of campaigning, public debate and mass speculation about the future of the UK and its relationship with Europe. Serious questions arise in the backdrop of this about employee rights ; how it will affect the availability of talent ; will businesses be able to move quickly to their point of decision making ; how the mobility policies need to be adapted and finally how all of this, will affect the globe? These are the questions that need to be answered.

The Great Divide

Pro-Brexit advocates believe that leaving the European Union is required to protect and perhaps restore UK’s identity: its culture, independence and most importantly its vital place in the world. This often is expressed by opposing immigration and discouraging people who want to come down to settle in the UK.

“Remain in EU” supporters state that staying with the union is better for the British economy and will pave way for prosperity in the long run and any concerns about migration and related issues far outweigh the economic consequences of leaving the union.

The debate has also cut along UK’s deep class divide. Citizens with less money and low wages and education support leaving the union. **Robert Tombs**, a historian at the University of Cambridge, said this stems from a sense of abandonment among the poor and working-class Britons. Brexit has become a stage for exhibiting anti-establishment and anti-elite feelings directed at

the leaders of the mainstream “British political parties” as much as towards Europe. Interestingly, neither the pro nor the anti-side is defending the European Union as a meaningful or admirable institution. In part, this speaks of British views that the rest of Europe is somehow totally alien.

Shadow of Uncertainty - The U.K. vote to leave the European Union has sent shock waves around the world and taken both the U.K. and the EU into wholly uncharted territory. This leaves global mobility professionals, especially those of you with employees or business in the U.K. and other European countries, wondering what lies ahead. There is no precedent for what has happened: the U.K. is the first country ever to exit the Union. So how will the U.K. withdrawal from the EU play out and what will be the consequences.

Brexit Consequences -

Volatility

The U.K. is entering a period of political, economic and quite possibly social volatility. The prime minister has resigned, and a new leader is unlikely to be in place before October – this leaves the ruling Conservative party leaderless. The main opposition Labour party leadership is also under siege. The day after the referendum result, Moody’s cut the U.K.’s credit rating from stable to negative.

Disengagement

It will take at least two years for the U.K. to negotiate its disengagement fully from the EU. The disengagement will be negotiated with the remaining 27 EU members and ultimately approved by a majority of them as well as both the U.K. and European Parliaments. Until these negotiations are completed, the U.K. is required to abide by all existing EU treaties and laws.

Legal Entanglement

The process will require working through approximately 80,000 pages of current laws that bind the U.K. to the EU. Both must agree on how to resolve EU budget issues, the division of assets and set out the future rights of EU nationals in the U.K. and vice versa.

Laws

In the area of tax law, many U.K. laws are bound to

EU laws and specifically incorporate what is known as EU fundamental freedom principles. Once EU directives relating to corporate taxation no longer apply in the U.K., a U.K. company with subsidiaries in EU member states would need to rely on the U.K.'s extensive network of double tax treaties to prevent effective double-taxation on intra-group dividend, interest and royalties.

Rights

Until the U.K.'s disengagement has been negotiated, EU citizens already residing in the U.K. prior to the referendum will not lose the right to live and work in the U.K. Similarly, U.K. citizens living and working in EU countries prior to the referendum will not lose their right to live or work there. This is especially important to note for any of your employees currently in this situation.

Trade

Negotiations on new trading arrangements between the U.K. and EU can be conducted in parallel with the disengagement negotiations, but it is quite possible that these negotiations could drag on for years to come.

Beyond the key certainties that are listed above, everything else is speculation and left to imagination at this point of time. Much depends on the forthcoming negotiations between the UK. and the EU. These are some of the major areas of concern to those concerned with global mobility, plus the informed opinion of what is expected to come regarding immigration. It is possible that those who have lived and worked in the UK for less than five years by the time disengagement is completed will need to reapply for work permits to continue living and working in the UK.

London City

The impact of potential European headquarters migration and transfer of operations outside the UK is greatest in the city of London and in the global financial services sector. Banks based in London are reported to have already begun looking at shifting operations outside of UK. Destinations like Frankfurt, Paris, Dublin and Amsterdam have been mentioned as excellent alternatives as banks consider moving staff from London to locations within the EU as a good move to begin with.

This potential impact is not confined to financial services. In the immediate aftermath of the referendum result, companies in the technology sector (Samsung for instance) are rumoured to be considering a move of their European headquarters out of the UK. Other tech sector companies such as LG Electronics and Acer are also looking at shifting operations. Acer CEO Jason Chen is on record as saying the U.K.'s departure from the EU will weaken demand in the European market due to lower consumer confidence and exchange rate fluctuations.

Finally, the U.K.'s Institute of Directors (IoD) surveyed 1,000 of its members in the immediate aftermath of the vote and found that 25% plan to freeze recruitment, with a further 5% planning to cut jobs. More than 60% of members surveyed said the vote was negative for their business.

A "Disunited Kingdom"

An abiding irony of the U.K. referendum is that the vote was meant to lay to rest a decades-long simmering political issue, yet the result very much projects an image of a "Disunited Kingdom." Voters in Scotland and London voted overwhelmingly to remain in the EU, and majorities in the metropolitan areas of Birmingham and Manchester as well as in Northern Ireland also voted in favour of staying in the EU.

On the other hand, the rest of England and Wales voted overwhelmingly in favour of leaving the EU. The geographic differences in the vote spell long-term political trouble. Scotland is already pressing for another referendum so that the Scottish people can decide if they want to be in the EU (not a single polling district in Scotland voted to leave the EU). And there are now strong voices in Northern Ireland in favour of uniting with the Republic of Ireland, which is a staunch EU member.

Political leaders in the UK, especially those who led the Leave EU campaign, should be equally troubled by the sharp generational divide on the issue of EU membership. Younger U.K. citizens (especially those under voting age) overwhelmingly support being part of the EU. Most polls of 16 and 17-year olds put support for UK membership in the EU at 75% or more. Among

18-24-year-olds who did vote in the referendum, 75% voted to remain in the EU. In the immediate aftermath of the referendum, there has been a tidal wave of outrage on social media from this group against the result to leave. Many expect further political and social volatility over the next few years in the U.K. over this matter

At this time, there are a great many more questions than there are answers about the consequences of the U.K.'s withdrawal from the EU. While it is certain that sweeping changes are coming, it will take time for the details to emerge. With so much open to speculation at this point, it is perhaps inevitable that such speculation runs from mild to wild. *Relocating and assigning employees in the U.K. and Europe will be the order of the day.*

Low skilled migrant workers shall be at the greatest risk

The United Kingdom's recent vote to separate from the European Union (EU) was a surprise move for many. While the impact Brexit (shortened from "British exit") will have on global mobility is still not entirely clear, there will be no immediate change as Britain embarks on the two-year process of cutting ties with the EU.

"We won't know for some time how this is really going to pan out, but at least we've got a decision," said Nick Jackson, head of global mobility at Lloyd's Register, in an article published by Forum for Expatriate Management. There will undoubtedly be more administration for with regard to immigration in particular, and it is expected that many will see some shift in the countries with businesses adapting to a new order.

What would Brexit mean for immigration?

Some of the coverage of our Brexit report has honed in on the conclusion that, in order for Britain to make the most of life outside the EU and reach either of our optimistic scenarios where UK GDP is 0.6% or 1.55% of GDP higher in 2030 post-Brexit, one of the many things Great Britain would need to do is maintain a "liberal policy for labour migration

Deloitte has provided insight on some possible outcomes:

- European nationals could be subject to new immigration rules and restrictions.

- Many trade agreements may need to be renegotiated.
- Scotland may push for a new referendum on its independence (in 2014); the country voted against gaining independence
- The UK could adopt a similar trade model to other European countries that are not a part of the EU.

Iceland, Liechtenstein and Norway are not part of the EU, but they are a part of the European Economic Area (EEA) and are allowed to access the single market, which permits free movement of goods, capital, services and people between EU member states. Switzerland belongs to neither the EU or EEA, but has access to the single market. If Britain does stay in the EEA, it would be required to preserve free movement of labour so in that case, European immigration may experience only some moderate changes. Change in some form is inevitable, however. *Reports the Economist:* "Britain's next leader must explain to 17 million voters that the illusion they were promised all the EU's benefits with none of its obligations does not exist."

Economic Impact on UK in a Nutshell

The economic changes will certainly have widespread ramifications for UK. Businesses with locations or employees currently located in the U.K. or other European countries must pay undivided attention to how these areas develop:

- It is likely that the U.K. will cease to be part of the EU's customs union. This will mean that U.K. exports to the EU will be subject to EU customs processes, and in turn, that customs duties will apply. This will bring an added administrative and financial burden which will affect British business relative to their duty-free former EU partners.
- If there is no new deal on trade after the U.K. withdrawal from the EU is complete, World Trade Organization (WTO) rules will govern the U.K.-EU trading relationship until such time as there is one.
- One of the biggest areas of concern for U.K. business (especially the U.K. services sector) is the loss of preferential access to the EU market. The U.K. services sector accounts for 80% of the U.K. economy, and in 2015, nearly 40% of U.K. services exports went to the EU.

- A detailed analysis by the Economist suggests that it will take until 2019 for any new U.K.-EU relationship to take shape. By this time, the Economist expects domestic demand to be in recovery from the downturn caused by the referendum result - but from a new and lower base.
- It further anticipates the combined effects of restrictions on migration and the likely relocation of business (especially those in the services sector) will mean a decline in the U.K.'s labour force. This means a negative effect on already weakened productivity. The Economist forecasts that by 2020, the U.K. economy will probably have stabilized, but with real GDP at 6% lower than if the U.K. had voted to remain in the EU.

The Migration of European Headquarters and Impact on Jobs

This area is of special interest to those in industry, and we will pay close attention to developments and changes as companies make decisions about their futures in the U.K. and EU. The U.K. is home to around 50% of all headquarters of multinational corporations operating in the EU, so there is much potential for upheaval. As Radius, a global business expansion advisor, points out - the potential for a reintroduction of withholding taxes on the repatriation of dividends out of Europe via a historic U.K. holding structure will be a cause for concern for many multinational companies operating in both the U.K. and the EU.

British Indians and Brexit

A broad pattern is observed consistently to the reactions of the Indian diaspora in UK to Brexit. As immigrants Indians are at the very top. While the opinion polls keep changing like the British weather, a recent poll suggested that 52% of Indian origin voters are anti-Brexit, with 28% supporting it and the remaining are undecided. It is important to note that Indians in the UK tend to be young, highly educated and employed as professionals or skilled employees for whom trade and migration in an integrated market is a net-plus.

India will be impacted adversely on the following counts – Investments in India; Indian firms are the third largest source of FDI in the UK; 800 plus firms have

presence in the UK; Fastest growing Indian companies in UK generate over 26 million pounds of turnover and many will need to find another city in Europe to serve as a gateway to conduct business with EU which is akin to starting from scratch in business.

Conclusions

In reality, many analysts like to believe that the Brexit will not hurt globalists in the long run, it will actually help them. Brexit is likely to be very different and employers should be alert to implications for their businesses. The implications are tough to predict and the likelihood that Brexit will have significant implications for employment and employment law is a big question. As discussed, nothing is certain in terms of the potential implications, but there may be some future longer term challenges such as tighter immigration controls and customs clearance for consumer goods. There could also be taxation and transport legislation changes which would have a wider impact on the moving industry, particularly for European operators. But, as things remain unchanged as of now, it affords providers the opportunity to continue to consult with their clients to manage the overall cost of their employee mobility programmes.

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Impact of Brexit and India's Preparedness: A Perspective

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Abstract

Britain's decision to withdraw from the European Union on June 24, 2016 ceasing its long affiliation since January 1, 1973 has sent shockwaves across the globe. The markets have collectively reacted sharply leading to turbulence especially in financial markets. The investors are found dumping stocks and risky assets opting for safe heaven assets. The earnings outlook of corporate entities has taken a beating. The Indian companies which have their business contacts and locations in Britain and Europe are feeling the pinch of Brexit. However, our regulators are of the opinion that the nation is ready to handle the eventualities of Brexit. Against this background, this paper intends to examine the pros and cons of Brexit and India's preparedness in handling the same. Narrative approach is adopted in discussing the issues pertaining to the impact of Brexit and India's preparedness.

Keywords: *Economic Unification, Monetary Union, Euro Zone, Regional Cooperation, Market Turbulence, Safe Haven Assets.*

I. Introduction

The early roots of regional economic cooperation in general and the unification of Europe in particular can be traced back to the Treaty signed at Paris on 18 April 1951. Under this treaty, six countries came forward to establish European Coal and Steel Committee (ECSC). They include Belgium, France, Italy, Luxembourg, the Netherlands and then Federal Republic of Germany. The same six countries later signed the Treaty of Rome

on 25 March 1957 to create the European Economic Community (EEC). The EEC acted as a forum of economic cooperation facilitating free market of goods, manpower and capital. New members joined the EEC over time: Denmark, Ireland and UK (1972), Greece (1979), Spain and Portugal (1986). With the Maastricht Treaty (1992), the European Economic Community has been renamed as European Union (EU). The Maastricht Treaty had laid down certain conditions for joining

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the union. The prospective member countries had to achieve low inflation rates, low long-term interest rates and a stable exchange rate so as to become members of the union. In addition, the public debt and current budget deficits should not exceed 60% and 3% of country's GDP respectively. The EU emerged as a regional economic integration in Western Europe by removing all the barriers to the free flow of goods, capital and people. The increase in its membership from the original six to twenty eight indicates a converging trend towards regional cooperation.

In spite of the increasing membership and the efforts of economic unification by the EU over time, the seeds of disintegration in the union are sown with the Brexit. There is a need to ponder over its repercussions especially on trade, investment and corporate performance across globe. It is a matter of greater concern to examine its impact on India as well and also to ensure India's preparedness in handling the consequential crisis. The study is organized into five sections. The second section discusses the *raison detre* of Brexit. Third section describes the impact of Brexit on trade, investment and financial markets and corporate performance. Fourth section discusses India's preparedness in handling the impact of Brexit. Last section concludes the discussion.

II. The Britain's Exit: *raison detre*

The undertones of those who favored 'leave' and 'stay' are insightful. The leave won decisively with 52% of the votes. Mostly the old voted to leave and the young voted to remain. Those who lost their jobs to the advances in technology and global trade poured out their grudge by voting out. Those who saw their future in growing collaborations in research, and the rise of new businesses as well as disruptive new companies that are transnational in their funding, work force and markets voted to stay. In nutshell, Britain's decision to exit from the E.U. has political, economic and socio-cultural undertones. These are summarized hereunder:

- Britain had troubled relationship with EU since the beginning. The ministerial governance of the European Parliament was detrimental to the interests of the British. It even felt that the bureaucratic regulations affected its innovation and competitiveness. The

proponents of Brexit even felt that being a member of EU involves giving up some control over its own affairs.

- Britain faced the menace of huge immigrants especially from the Eastern and Southern Europe that put heavy pressure on its housing and other services. There is a general feeling that Europe could not properly handle the migration crisis. Millions of Syrian fleeing their homes made their way to Europe. Britain found that the East European immigrants were affecting their jobs. Traditionalists upset by the ever growing presence of the foreigners in their midst with their own uniforms, food, clothing and in some cases religion voted to halt and reverse migration.
- Being in the EU had direct financial burden in terms of its contribution to the European budget. Whereas Britain paid £ 13 billion to EU, it could receive only £ 4.5 billion in 2015. In addition, Britain found itself that being dependent on Europeans led to disappearing of its own industries.
- A widening disparity among the members of the EU was disappointing. Two countries that share the same currency led to two spectacularly unequal lives in the same monetary union. For instance, Greece had 25% unemployment level whereas Germany had only 4%. Similarly, the percentage of public debt to GDP was 177% in Greece as against 71% in Germany. The former Governor of Bank of England observes that 'the monetary union has created a conflict between centralized elite on the one hand and the force of democracy at the national level on the other.'
- Of late, Britain felt that its doors lie open to terrorists' attacks by remaining in the European Union due to the open border mandate of the European Union.

Against these compelling reasons, the United Kingdom decided to exit from the EU to seek its own way. With its exit from the EU, Britain can be free from the EU rules and regulations. As a consequence, Britain would be privileged to establish its own trade agreements. It would regain control over its borders and check immigration that would result into more jobs to local people. It may also result into hike in wages that would benefit its native working class. It would also get fishing rights around its coasts.

Brexit also puts Britain to political and economic hardships. Politically, Britain will have to give up its influence in Europe and retreating itself from the global power networks. Back at home, Britain will see a new Prime Minister by September 2016 which will further escalate the uncertainty. Ms. Theresa May who is to succeed Prime Minister David Cameron had indicated for invoking Article 50 of the EU's Lisbon Treaty. It deals with the formal procedure for leaving the EU. Negotiations on the future relationship cannot begin until it starts the divorce proceedings. From the economic angle, UK's status as one among the biggest global financial centres will be dismissed thereby affecting the national governments of Britain. In addition, its status as major investment banking hub would be damaged as some business would shift to the European Union. As a result, Britain would face weaker growth and investment prospects. It would need to promote its own agreements of trade among various countries including the U.S.

III. Impact of Brexit on trade, investments, financial markets and corporate sector

At the global level, the impact of Brexit can be seen on trade and investments and turbulence in financial markets. Its impact is already felt on the exports, imports, investment and financial markets. In addition, Indian companies including banks are being also affected. The overall impact of Brexit is summarized in the following paragraphs:

1. Impact on trade

Brexit affects the overall economy of the EU in general and trade and investment in particular. Many countries consider Britain as the gateway to free trade with the rest of the nations of the EU. Brexit may reduce the prospects of Britain's trade with the EU and thereby lead to a sustained drop in GDP and loss of jobs. It is also feared that Britain's tax revenues may drop as companies that do large amounts of business with Europe may shift their bases back to the EU. Brexit puts fuel to the fire as the foreign firms operating in the EU would be compelled to relocate their European operations elsewhere.

The Global Counsel has brought out a report entitled

"BREXIT: the impact on the UK and the EU" (2015). This report has found that Brexit would severely impact the trade and investment channels of the UK. It is also feared that there would be regulatory divergence affecting trade volumes and reducing the attractiveness of the UK for investment. This would impact on European businesses in the UK and supply chains involving UK firms. The report also observes that other member nations such as Netherlands, Ireland and Cyprus are also exposed to Brexit. Each of these countries has strong links with the UK in respect to trade and investments. In few cases, there is an intimate alignment even in policy terms. This is found especially between the UK on the one hand and the Netherlands and Irelands on the other hand.

From India's point of view, currency fluctuations might undermine India's export of goods and services to the UK. For locals in the UK, imports have already become 10% expensive due to currency devaluation. This along with further devaluation could trigger curb in spending, leading to a fall in trade. Since relations between India and Britain are good, the latter may focus on emerging markets like India to make up for the deficit in trade and investment. Further, Indian companies which are not exporting to Europe are not affected.

2. Impact on investments

The UK attracts the maximum amount of FDI in the EU. With Brexit, the UK loses the status of 'gateway to Europe' that, in turn, would diminish its attractiveness in general and the investment from the rest of the E.U. in particular. As a result, the corporate headquarters hitherto set up in the UK may quit. In addition to European nations, the US too, which is one among the largest investors in the UK, consider the UK as a gateway to free trade with the European Union. Brexit jeopardizes the US access to market. A survey by the British Americans Business has favored that 70% of its members thought that Brexit would damage their operations and future investments. The IMF is of the opinion that the reduction in investment would decrease economic growth up to 5.6% over the next three years.

Further, uncertainty causes certain things that are bad for developing countries. It poses much more difficulty

in accessing capital. India, for instance, loses its access to Europe and UK will not be an alternative destination for India's FDI as before. On the other hand, Britain may woo Indian companies in the form of tax incentives, enabling regulations and other financial enticements. Amidst this dilemma, India needs to forge its ties with other countries within the EU such as Netherlands, France, Germany, etc. The current values of British pound offer an appealing rationale for foreign investors to buy properties in the UK. The lower prices and devaluation of the £ together would prompt Indian investors to acquire assets in the UK. Further, London continues to be a favourite destination for India's property buyers.

3. Turbulence in financial markets

Brexit creates a whole bunch of financial, economic, political and geopolitical uncertainties. Primarily, there are uncertainties with regard to Britain's future relationship with the EU, and its access to the European markets. It has heightened market uncertainty in particular, leading to an aversion to invest in equities now. The markets have reacted sharply to the referendum results with the £ falling to its lowest since 1985. It is losing value against currencies of major economies. Other major currencies that have also shown volatility include the Euro which has seen its worst fall against \$. Consequently, there will be considerable caution and lower confidence on spending and investment in the short run. The US too experienced nervousness as the Dow Jones index opened 200 points down. Interestingly, the Asian markets remained resilient on 27 June 2016 after the sell-off on 25 June 2016. India was not an exception. However, currencies could not bear the assault as the £ crashed to 31 year low. Similarly, China's Yuan plunged to the lowest since 2010. Amidst this assault on currencies, gold is being considered as a safe asset. Gold has remained as a powerful asset as its prices surprised investors with a sharp rally on Friday, the 24 June 2016.

The Indian equity market has reacted negatively to the Brexit news on 25 June 2016. The BSE Sensex fell as much as 1091 points (4%) before recovering to close 2.2% lower. The 30 share Sensex fell 2.24% to 26397.71 as turmoil gripped global markets on Brexit.

The Nifty of the National Stock Exchange ended the day at 8088.60 down 181.85 points or 2.20%. Rupee initially weakened past 68 a dollar. Gold moved up 4.28% to \$1,310 an ounce while the US 10 years yield ascended to 1.56%. Similarly, the prices of commodities like oil swelled on the back of the dollar rise. Thus Brexit caused a crash in stocks and currencies, especially in emerging markets such as India. This tends to prompt investors offload stocks and risky assets such as emerging market currencies and bonds and fly to safe haven assets like gold, the yen and the dollar. As a result, billions of dollars may flow out of India.

The stock market indices on 27 June 2016 ended unchanged over 25 June 2016, after dangling between gains and losses. This status quo was prompted as investors kept to the sidelines, confused by the implications of Brexit. The sensex rose 5 points to close at 26,402.96. The rupee closed at 67.94 per dollar, almost unchanged from 25 June 2016 as Central Bank intervention helped the currency rebound from low. Institutional activity in the stock market was unenthusiastic with foreign and domestic investors net selling shares worth Rs. 146 crores and Rs.147 crores respectively.

4. Impact on corporate sector

In the light of uncertainty, corporate sector is putting the investment plans on hold. With the slowdown in borrowing, every bank operating in the UK will probably be hurt. This is evident in case of British banks such as Barclays and Royal Bank of Scotland whose shares plunged to the lowest level since financial crisis. Both the Barclays and Royal Bank of Scotland (RBS) incurred losses on 27 June 2016, falling between 9% and 14%. Barclays shares fell more than 17% for the second straight day and RBS plummeted as 26% in London trading. Analysts downgraded Barclays – RBS and Lloyds Banking Group cutting their earnings outlooks. The average share price estimate of three banks dropped more than 13% in the next two days. The UK went through two downgrades from triple A to double A.

For India, Europe is the second largest market for Indian IT-BPM industry. A number of Indian companies have operations in UK which generate a substantial portion

of revenues from European Union in general and UK in particular: Tata Motors (35%), Bharat Forge (40%), Motherson Sumi (55%), Mahindra (CIE) and Tata Steel (30%). Similarly, a number of Indian exports to the UK generate a good amount of revenue: Balakrishna Inds (55%), I.T. Companies (20-30%), Cummins India (4%), and VA Tech Wabag (32%). The revenues of these companies are going to be affected. In the backdrop of India's exposure to the UK and Europe coming under pressure, the EPS estimates of stocks like TCS, HCL Technologies, Maruti Suzuki, Tata Motors, Tata Steels and Balakrishna Industries have been cut. On 27 June 2016, Bank of America downgraded TCS to underperform from 'buy', cutting its target price to Rs. 2450 from Rs. 2750. Deutsche Bank, on the same day, significantly increased underweight on IT services. This was due to the apprehension that the sector is negatively affected from the double blow of cross-currency headwinds and revenue volatility. Thus, the Indian IT companies would come under pressure on account of Brexit. The immediate impact could be seen through a weaker Euro and Pound versus the Indian rupee. Further, many European companies have postponed their software spending before the Brexit. It is hoped that this impact will get reflected in second quarter's earnings which will be reported in July 2016. It is felt that minor disappointment can cause about 8-10% price changes in post-earnings announcements.

IV. India's preparedness

It is true that Indian stocks suffered at the behest of volatility in global financial markets. Further, the fears pertaining to the dollar's strength has weakened investors' confidence. The Finance Minister has rightly said that 'We are well prepared to deal with short term and medium term consequences of Brexit'. India's preparedness is reflected through the following indicators:

- Sound macroeconomic fundamentals
- Comfortable external position
- Rock-solid commitment to fiscal deficit
- Declining inflation
- Healthy reserve position
- Better growth forecast
- Integrated working together of the Government, RBI as well as other regulators
- Lower exposure to the external sector as compared to many other countries
- India is not a significant commodity exporter
- Low short term external debt
- RBI's assurance of liquidity support for both Re & \$
- Government support to Indian firms
- Expectations of robust monsoon rains
- Ambitious reforms such as early passage of GST, medium term development goal being 8-9%

As an economy, we are greatly insulated and sure to grow by 7.6%. There will be a revival in the rural demand due to forecast of robust monsoon rains. Further, it is expected to calm down food prices. It gives enough cushion to withstand the pressures of Brexit. A few advantages are perceived as well. For instance, with migration from mainland Europe drying up, Britain would be able to accommodate migration from India due to its English speaking population. Moreover, we have historical and cultural ties with them. The devaluation of Pound will surge in leisure tourism to Britain and UK. Further, it will serve as a destination for higher education. Also there is time for making adjustment and try to see how things work better.

V. Conclusion

Europe is not yet fully recovered from the series of financial crisis that have been rolling countries such as Greece and Italy. In addition, a time has now come to Britain to unwind its four decades of increasingly close relationship with the European Union. Terms on which the UK would be trading with E.U. in future is not yet known. Most players don't know how things are going to play out. This is the first time that a country is leaving the EU. So no historical benchmark is available to fall back upon. Above all, withdrawal is not going to happen overnight. As it will take at least two years, there will be a lot of time for making adjustments and try to see how things work better. It can be concluded that the UK's decision to exit the EU has increased greater stress and turbulence in the markets and thereby casting a shadow over the global economy. Thus, there is a fear of global recession led by the UK.

The repercussions of fallout will emerge in next 5-10 years. However, it is difficult to predict now.

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Brexit Referendum: Impact on Indian & Global Economy

S. Sathyanarayana*

Abstract

After the subprime crisis causing jolts in the global financial markets including India in 2008, Brexit is seen as the next colossal financial affair since. Most of the EU functions as one vast economy because of Schengen, a free travel agreement among its members, enabling movement of people belonging to the EURO countries. Britain voters backed the breach by fifty-two percent to forty -two percent after a stringent campaign of roughly three months. The polling created a storm in financial markets and its aftermath can already be witnessed in currency market too. Banks and financial institutions across the world have been crushed by Brexit. Indian companies have always been a base to the U.K.to reach the European markets because of its access to London financial hub and ease of doing business with European nation because of divergent European culture and language. Apart from that India has a trade surplus of approximately four billion US dollars with Britain. Moreover, the firms which have revenue earnings from England and Eurozone are going to be the worst hit, at least for momentary. India would save a lot on its crude import bill because of the shock of the slowdown caused by Brexit referendum in several nations globally leading to the prices of major commodities plunging, specifically crude oil. Indian stock market along with the currency may face volatility in the short run in the event of Brexit, but doesn't have much to fear.

Keywords: *Brexit, Sterling, European Union, Immigration, exposure.*

Introduction

The European Union (EU) is a rare cohesive economic and political union of twenty eight members of European countries that are based predominantly in

Europe. The EU is one of a kind because (i) it is not a government; (ii) it is an association of independent nations; (iii) the members have renounce part of their supremacy to European Union; (iv) EU's operation is through a combination system of supranational and

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intergovernmental decision-making; (v) all the 28 members are independent fiscal and political entities.

The EU has an operational 4,324,782 square km area and 508,191,116 (density of 115.8 square km) of estimated population covering 7.3 percent of the world population with 24 official languages, where its administrative capital is Brussels. Its official estimated GDP of \$19.205 trillion (nominal GDP is \$16.220 trillion covering 24 percent of global nominal GDP) for the year 2015 with per capita income of \$37,852 (nominal per capita is \$31,918). The EU's HDI is 0.865 a very high rate with a common currency called Euro (only Nineteen of the countries use the euro as their official currency).

How Does It Work?

There are seven main controlling bodies regulating the EU. They are (i) the European Council (EC) – promote development of the European nations and provide direction. Its headquarters is located in Brussels; (ii) the Council of the European Union – it works as legislature, works jointly with the parliament, set out foreign policy and security issues of the members; (iii) the European Parliament – Quasi parliament (iv) the European Commission – does the executive role, submits proposal for new legislation and implements policies; (v) the Court of Justice of the EU – acts as judiciary headquarters at Luxembourg; (vi) the European Central Bank (ECB) – determines the monetary policy of the EU based in Frankfurt, and (vii) the European Court of Auditors - check the proper implementation of the budget placed in Luxembourg.

The major objectives of the EU

To stimulate economic and social progress, peace, common foreign and security policy, continuous development of the Earth, harmony and mutual respect among people, free and fair trade and movement of labour, eradication of poverty, protection of human rights and development of international law.

Key Benefits to the members

Free movement of capital and labour the citizens of the member nations are entitled to free and open movement between the member nations in the Eurozone. This leads to creation of more flexible economy. This concept opens up many more new jobs and education

opportunities among the member countries. An empirical study conducted by the Union has proved that migration has helped increase productive capacity and approximately three to four million jobs have been created over the years. Furthermore, through the European Working Time Directive they are able to protect the work force from exploitation such as regulations regarding holidays, working hours, breaks, etc.

Tax Free Trading among Members the major benefit of this union is that the members are free to trade without paying additional taxes

Lower prices of services and goods products in single large European Market are low-priced as there are no customs duty for all the member nations. Generally, goods sold between nations are charged with customs duty, but because the EU has a unified economy, no such duties are applicable.

Development of poor countries: Some nations of the EU are underdeveloped such as Portugal, Ireland and Spain. In order to bridge the gap between the developed and underdeveloped nations among the members, the Union has developed structural funds to create infrastructure in the underdeveloped regions. After this initiative taken up by the EU, the underdeveloped states have made significant contribution in terms of growth, employment generation and prosperity.

Health benefits The EU residents hold Health Insurance Benefit Card giving them easy access to necessary medical care as required, even while visiting the affiliated nations.

Better bargaining power The Union is able to ensure that all their interests are taken seriously by various agencies across the globe and heard internationally since the EU is a \$13.8 Trillion economy which is larger than that of the US and comprising of 7.8% of the world population of 28 member states.

Environmental restoration The EU has reduced global warming emissions by not less than twenty percent by diligently enforcing emission norms among the member states and improved the quality of sea water and beaches by implementing regulations on water standards.

Consumer benefits the new EU policy has restored the regulation of cartel power among members. It prohibits abusive power of cartel and monopoly especially in the essential services sectors like airlines, electricity, mobile and gas. The main intention is protection of consumers from exploitation. Consumers are not expected to pay any additional duties and can shop duty free in any member nation.

Political and legal benefits The EU has been created with an intention to bring European harmony in the form of a single European socio-political entity to end the centuries of intense rivalry among European nations. The EU has achieved this objective to a larger extent except the Yugoslavian civil war. By promoting human rights and peace in the Euro region, the EU was awarded the Nobel Peace Prize in 2012. Now, many Eastern European nations are showing desire to become members of the Union for economic and political stability.

BREXIT

"Brexit" is the name given to U.K.'s potential exit from the EU. Most of the British believe that the EU is invading into British sovereignty. Britain is subjected to billions of pounds each as fees to remain in the EU. Majority of the British don't opine that remaining a member of the EU is worth the cost. In addition, EU regulations on European trade, commerce and law, inter alia, make pro-Brexiters believe that their country is held back by the rest of European Union at Brussels.

The major arguments advocating Brexit are as follows:

1. Euro currency issues!

England, as part of the UK, is the most significant member of the EU. The UK has elected not to use the Euro and continue to use the Pound, because they can enjoy the independent monetary policy, fiscal policy and exchange rate. Though, the EU does not insist all its members to convert to Euro, they stress on it and insist on the use of the common currency in the region. Sadly, the Euro is creating problems throughout the EU, including fluctuations in interest rate, increase in unemployment, low economic growth. However, post 2020 all EU members must adopt Euro as their common currency. This would force U.K. to abandon

its stronger currency Pound Sterling and to adopt the weaker currency the Euro. The British economists' main concern is that since the Euro is not only an unstable currency against Pound Sterling but it would be able to be influenced by weaker countries like Greece.

2. Money matter

Great Britain is the second-largest economy in the Eurozone by economic productivity and the third-biggest in terms of population, after Germany and France. Like Germany and France, U.K. is a net contributor to the European Union. The contribution is used across Europe for the development of poorer countries to build infrastructure. But, the economic argument of the pro Brexit is that Union is blocking the Britain's trade link outside the European Union. For example, Germany exported 74.5 billion euros to China last year, more than five times the value of British exports to China. Since emerging economy like China and India are the largest market for England, she wants free trade with leading emerging markets for the economic gain. Therefore, Britain would negotiate with these economies without being bound by common European law.

3. Trade and Economy

With regard to trade, anti Brexiteers argue that access to the single largest European market, without tariffs or duty and border controls, is critical to U. K's economy since 45 per cent of its trade is associated with the EU. However, pro Brexiteers argue that the European Union is in need of British markets and that trade deals with European nations can be effortlessly handled. When it comes to economy the remain argues that the decision of leaving the EU will put an end of London as the Europe's financial hub, However, the Brexiteers argue that London's position as the financial hub will not be affected as it is already a global power in finance.

4. The UK can retain the money, currently sent to the EU

The European Union does not have the right to collect taxes directly from the member nations, but it requires member nations to make an annual contribution to the main the EU budget. Currently, the Britain's contribution is about \$19 billion per annum, which is approximately about \$300 per U.K. citizen. Brexit supporters argue

that it would be better for the English parliament to take the decision of spending money rather than people at Brussels.

5. Overpopulation due to liberal immigration policy

EU has permitted citizens of the member states to travel across the territory. This leads to loss of immigration control that resulted in overcrowding. Although migration works both ways, but the population in the UK is expected to reach at an estimated seventy million because of the EU rules. However, net migration gap has been crossing at around two lakh a year. Approximately seven lakh UK migrants to EU are the major tax payers to the UK government and the state need not to spend much on their health care and pensions. Since, Britain is a wealthy country, immigrants from poorer European member nations flock to U.K. for jobs. As the European Union has an open door policy, immigrants don't require visas to live and work in the UK and can also demand all amenities and welfare. Pro Brexit population feel immigrants are replacing them in their jobs and destroying the system, and officials worry about foreign criminals moving into the UK undiscovered. Another major logic is that the migrants are more likely to be of working age 20-40. However, the UK native citizens are quickly ageing, this poses more stress on public spending by the UK government in the form of health care and old age pension. Brexit defenders argue that this puts a severe dent on the economic resources of the nation.

6. Employment issues

Pro-exit campaigner argue there would be a job boom if the U.K. leaves the EU. While the other side claims that as 3 million jobs are tied with the EU there could be employment crisis if the U.K. leaves the EU.

7. Security issues

Security is another major concern from the perspective of Brexit supporters. They argue that the security risk will increase if England does not have control over its boundary. While the EU supporters say that the cooperation with the EU would make UK safer.

8. EU laws are not practical it is affecting the British Sovereignty

U.K. is also apprehensive about the EU's restrictions levied on the immigration laws. The EU instructs the member countries to provide employment and all the benefits to the migrants. However, the British PM has been working to restrict benefits and housing to only those who have been in the country for at least four years. This move has been opposed by the EU leading many British think tank to question the extent of EU's interference in British welfare and policy makers seem to have lost control over the trade, human rights and migration. Therefore, pro Brexit thinkers believe that EU regulations will not encourage British interest.

Who really runs this country?

On 23 June 2016, the UK government finally decided to go for a poll to answer the key question "should the country remain within the EU or go it alone?" The final verdict went against the Euro zone that is 51.9 per cent votes for Leave as opposed to 48.1 per cent for remain, on a turnout of 72 per cent. The voters supported the split. However, post poll survey shows that Scotland and Northern Ireland are in support of staying in the Europe Union, with almost two thirds of participants wanting to remain in the Union. Interestingly, 73 percent of the voters those aged between 18-29 wanted Great Britain to remain in the EU. At the same time 63 percent of those older ones (aged above 60) opted to leave the EU. The middle-aged voters are divided almost equally on the Brexit. Almost with seven in 10 young voters backing the European Union.

The exit of the U.K. from the European Union would definitely affect the Union, as loads of the EU's money comes from its prominent member states and U.K. is one the largest contributor to the EU. The entire funds are spent on each member country, assisting poorer nations in European Union, managing natural resources, aid activities across the globe etc. Therefore, England exit would jolt the Union as it already rattled by Greece crisis, slow down and differences over the migration issues among the member nations. Apart from this Britain is one of the military super power definitely it affects the security spending of the EU. Consequently, this would also give rise to few more countries to think of exit from the European Union.

What does Brexit mean for the economy?

"Brexit" has led to wealth erosion in the U.K. and across the globe. London's premier Index FTSE 100 opened to a drop of 8.7 percent, and the FTSE 250, fell by 12 percent. Since the exit, global stock markets lost about dollar two trillion in value on Friday, and the British currency suffered its biggest one-day setback in recent history with the economic shock waves impacting far beyond the U.K. stock markets. The DAX, German stock index, fell seven percent. France's CAC 40 index fell 8.6 percent. The IBEX, Spanish Index, is down eleven percent. Crude prices settled 5 percent lower on 24th after England's vote to leave the EU. The traditional safe avenues like guilt edged government debt, gold and the Japanese yen all jumped. Brexit poll wiped off eight percent of the Japanese stock market and sent the yen up strongly against the American dollar. Now the key questions rolling across the British economy is the rise or fall in pensions and other investments. What would happen to the value of Pound sterling in the currency market? Sadly there are no positive answers to these questions. The consequences of the Brexit is huge for the people of U.K now and in the future. England's economy and legal system are greatly linked with the Union. On the other hand, referendum supporters have argued that with U.K's exit, they will be better off in the long term with full mastery and full control over immigration, economic governance and control over its borders. Brexit effects can already be seen in financial markets. According to a Goldman Sachs analysts Pound will collapse by twenty percent. Economists and bankers forecast an immediate slowdown in the economy as investment goes into hibernation although it is almost impossible to foresee the outcome. According to few economists Pound, the liquid British financial asset, is most unprotected to Brexit horror.

Brexit might pressure nation's budget and current account deficits, damaging the currency and ultimately demote creditworthiness. According to an expert The British Stock market is commanded by multinational corporations, whose performance is not associated to Brexit controversy, rather their performance is linked to Federal interest rate, crude prices, Chinese economic conditions etc. Banks across the Globe are crumpled

by Brexit. Non-UK banks have been unsuccessful in bouncing back from their losses, in spite of other parts of the markets recovering, the reason being major global banks presently base themselves in London and reaching out the other members of the EU. Now they need to wait to get a new banking licences in European Union and relocation of their corporate headquarters.

For non-European Banks facing a regulatory burden of having to set up a subsidiary in the EU and a branch in the UK would weigh heavily on non-EU banks: they would have to satisfy the requirements of their home country as well as those of the EU Member State in which they established their subsidiary in, and also adhere to any further supervisory requirements demanded by the British authorities. As a result, many banks might choose instead to move their operations from London to the EU. At present, the EU banks still have the probability of setting up a wing in London. It is inconvenient for non-EU banks, which would no longer have the opportunity to set up a subsidiary in London and then branch out to EU Member States. Currently, UK is the hub for foreign bank branches. To have access to a banking operations, non-EU banks will be required to open up a branch in an EU member nation. The regulatory burden of having to set up a subsidiary in the EU and a branch in the UK would weigh heavily on non-EU banks: they would have to satisfy the requirements of their home country as well as those of the EU Member State in which they established their subsidiary in, and also adhere to any further supervisory requirements demanded by the British authorities. As a result, many banks might choose instead to move their operations from London to the EU.

With unregulated control over immigration and economic regulations, Brexit advocates contend that England will do better off in the long term without the European Union. According to experts at Goldman Sachs, Pound Sterling is expected to crash by twenty percent during which stock markets are expected to crash by another thirty percent, savaging pension and Isa investments.

Economic impact on the U.S. The main setback for the U.S. economy on account of Brexit referendum comes from financial link such as investors queuing up

to buy Federal T Bills or other financial instruments to substitute Eurozone financial instruments leading to the appreciation of dollar. The effects of Brexit referendum on the U.S economy are nominal except Brexit referendum motivate the exit of additional nations to exit the EU.

Currency value. It is notably tough for U.K to negotiate similar extent of access to the EU markets, for exports from U.K. to EU countries will fall. The drop in the Sterling's value will make English exports cheaper and balance the decline in trade with European Union to an extent, but England is likely to face ongoing losses.

The Brexit triumph sent economic collapse through global markets and FTSE 100 stocks on Friday had their worst drop since the financial crisis. England has lost its top AAA credit rating. The pound, on Friday, 23 June 2016 collapsed and recorded the lowest level since 1985 and necessary steps are now being taken to ease the financial uncertainty. The EU advocates claim that offshore companies are less likely to invest in UK and might relocate their headquarters, if Britain loses gateway in to the European Union's common market. However, the Confederation of British Industry report that Brexit would cause a one hundred billion pound "shock" to the British economy.

INVESTMENT AND PRODUCTIVITY

The terms and conditions of trade between the U.K. and the EU will have to be redrafted, but the outcome of these arbitration is far from clear. The ambiguity and loss of confidence in the future will upshot into fewer investments in the Britain, decreased new projects and little ardour to engage in long-term contracts.

INDIAN CONCERNS

Britain is the third largest FDI investor into India, with cumulative equity investments of \$ 22.7 billion from 2000 to 2015. India, on the other hand, is the third largest investor in terms of number of ventures into England. The combined sales turnover of these ventures have increased from £ 22 billion in 2014 to £ 26 billion in 2015. Therefore, it's very difficult to predict today what Brexit will actually look like, or how the EU itself will function, in five or ten years' time and its impact on Indian economy. However, Indian financial

markets would experience a limited impact from England's exiting the EU, because, other major factors such as weak global demand, sluggish rural incomes, low nominal domestic growth, inflation etc. are likely to have an immediate impact on the Indian economy. Moreover, India's Exports to the Britain and the EU account for 0.4 per cent and 1.7 per cent of India's GDP respectively. Therefore, it is not a major concern for Indian economy. On Friday, 23 June 2016, Sensex closed the day with a deep cut of 605 points or 2.24% and our debt market remained relatively unchanged on Brexit. Indian investors lost nearly Rs. two lakh crore in wealth on Friday, 23 June 2016 following Brexit or Britain's decision to pull out of the EU. However, the rupee lost on both Monday, 26 June 2016 and Friday, 23 June 2016 and ended the week with a loss of 89 paise against the American dollar. Apart from that Brexit has an impact on the inflow from foreign portfolio investors (FPIs) to India. FPI stood at Rs 539 crore last week which is lesser than the expected inflow. Precious metal Gold raised to the highest level since March 2014 in more than two years in a mad global hunt for a safe assets. Gold jumped to USD 1,358.54 an ounce approximately 8.1 per cent to USD 1,358.54 an ounce, the momentum was the highest one day jump since 2008.

The slowdown that Brexit will cause in several nations globally will lead to a fall in the prices of commodities especially crude oil, which would help India save a lot on its import bill. The crude prices have come down sharply for example, the Brent crude oil from \$50 to around \$47 to \$45. According to some analysts every \$1 drop in crude prices leads to approximately \$1 billion savings in India's crude import bill. Lower commodity prices especially crude would reduce the inflation. Analysts believe that Brexit may make crude prices more volatile in the short run, but it is not likely to disrupt the crude industry's fundamental drivers, production and consumption. "India will benefit from steady prices of commodities, especially crude oil," observed an economist. The lower prices of commodities will help companies rein in costs and boost earnings. In the meantime, the markets could, however, become more expensive with earnings downgrades being expected for sectors such as automobiles and IT. "We expect earnings cuts in automobiles, IT and metals sectors

due to 'Brexit' and related weaker global economic growth..."

Generally, Britain has always taken as a base for Indian companies to reach the European companies, because of the access of London financial hub and ease of doing business with European nations. Further, India has a trade surplus of 3.64 billion US dollars with Britain. Since Brexit the pound sterling is continuously falling against rupee and thus the companies which are engaged in exporting goods and services to U.K. and Europe are going to be hit. Indian pharmaceutical sector which has more exposure towards Europe, will also be affected by the Brexit. On the other hand, the imports from Britain would be getting cheaper on the event of Brexit, mainly rough uncut diamonds, spirits etc. The companies which have revenue from Britain and Europe are going to be hit, at least for short term. The major companies which have large exposure in U.K. are Tata Steel, which has sales turnover more than 2 billion Pounds from 12 UK Steel Plants spread across U.K. Tata Motors, the largest automotive company is U.K. TCS, once again rendering services to the London financial hub and European Union and Britain together are major sources of its revenue. Bharat Forge has three plants in Germany and one in U.K. rendering the needs of European major automotive companies. Tech Mahindra, serving the Banking and Financial institutions from London, and recently acquired London based firm Fintech. Marksans Pharma, Britain and European Union market account for sixty percent of their sales revenue. For Hikal almost 9 per cent of sale revenues is generated from the European markets.

CONCLUSION

Anti Brexiters claim that the consequences will be huge for the British. U.K's economy and legal system have become intensely integrated with the EU. Untangling those relationships is likely to be culturally and economically disturbing. On the other hand, Brexit supporters have argued that U.K. will be better off in the long run outside the European Union, with sovereignty and control over immigration, economic regulations and to get control of England's own borders. U.K. exit from the European Union would be disturbing but not devastating for other EU nations. The 2008

financial crisis hit Eurozone very badly and the current Syrian refugee crisis have put the EU's broken political institutions under strain. Now the British exit could further depress Europeans' morale and confidence that the concept of EU can sustain over the long run, causing other countries to eye the exits. It creates a colossal gloom of uncertainty over financial markets across the globe particularly for higher risk class assets like stocks, forex. Stock markets may react temporarily and the magnitude is likely to be small especially from the perspective of Indian stock markets. The financial markets will go into risk-off mode for some time, and money will move out of riskier assets to safer ones especially on bullion market. If Brexit becomes a reality, the impact on India are unlikely to be large in magnitude, except few companies that have significant exposure to the EU and U.K. Apart from that, Brexit will also have currency implications meaning that the uncertainty surrounding U.K. and European Union nations will dampen the Sterling and the Euro values. This, in turn, would push capital flows into the dollar, bolster the currency greenback, which as always, has a depressing effect on oil prices. India Inc invests more funds in U.K. and Brexit would jeopardise those investments. According to the industry experts, more than 800 Indian firms now operate in Britain as being based in London provides them with easy access to the rest of Europe. In the event of Brexit, these firms may find it more challenging to directly access EU economy. India doesn't have to concern much, although the currency and stock market may turn little volatile in the short run. India makes more investments in Britain than in the rest of the EU put together. Brexit could endanger those investments in the UK as it may hamper the business operations and bottom line of these corporations.

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Impact of Brexit on Tata Groups

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Abstract

This unique paper examines the impact of Brexit on Tata Group, India. An organization of nineteen units & a big size work force is into uncertainty because of peoples' referendum on political spectrum of UK. The author concludes that uncertainty continues until new equations are established by promulgation of reset trade laws.

Key Words: *Tata, UK, Euro, Trade Laws and uncertainty.*

Overview

Tata one of the world's most trusted groups has more than 100 years of presence in global economy with a well-diversified business. Tata's value system includes five core values — integrity, understanding, excellence, unity and responsibility and global ethical standards which have always supported its business performance. Tata inherits the social commitment which has resulted in great trust and confidence of its stakeholders. The company started in 1907 in Europe, now has grown to 19 companies with a 60000 workforce. Tata has world renowned brands in Europe, like Land Rover, Jaguar, Tetley, Tata steel, TCS etc. Tata stands for its name and its reputation and the trust. They believe in Leadership with Trust. Tata has been the most trusted brand in India for many years. Their transparent policies and ethical principles, fair trade practices have generated high standards of corporate governance.

Tata Limited

Tata's first step of Launch in Britain was in 1907. Tata Limited, incorporated in the UK, is a wholly-owned subsidiary of Tata Sons, the promoter company. Established in 1907, it continues to undertake commercial operations on behalf of Tata companies based in India.

In today's economy, Tata presence in Europe is wide spread and significant. The main focus of Tata has been branding, public affairs, communication and business development. This is done for the whole group as such. They try to par excellence by reaching standards according to Tata Quality Management Services (TQMS), a division of Tata Sons. TQMS also has particular responsibility for innovation across the group, as well as environmental sustainability, with a focus on carbon, water, waste and energy.

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UK businesses of TATAs

The Tata Group has been in the centre of news over the last couple of days after it announced plans to exit its UK steel operations. The Indian conglomerate's UK presence in steel making was established in 2006 with the acquisition of the Corus Group, a London headquartered steelmaker with primary operations across the UK and the Netherlands. The Corus Group was renamed Tata Steel Europe. This is not the only brand the Tata Group has in the UK. The other brands it owns include, Tetley, Jaguar Land Rover, St James Court, Taj 51 Suites and Residences, Bombay Brasserie and Quilon.

Tetley the world's largest manufacturers and distributors of tea, which was acquired by the Tata Group in 2000, is an English beverage manufacturer and sells over 60 branded tea bags and has its manufacturing and distribution business across 40 countries, making it one of the world's largest manufacturers and distributors of tea. It is currently a wholly-owned subsidiary of Tata Global Beverages, which for the financial year ending March 2015 had consolidated revenues of Rs.79.93bn (£841m, €1.07bn, \$1.21bn).

Jaguar Land Rover (JLR) is an iconic British car manufacturer headquartered in Whitley, Coventry, with 26,000-plus employees globally of whom over 25,000 are based in the country. Ford had acquired Jaguar Cars in 1989 and Land Rover from BMW in 2000. The American company had then merged them into a single entity in 2002, before eventually selling them to Tata Motors in 2008. Gross annual revenues of Tata Motors for the year ending March 2015, were Rs.391.2bn.

The other brands of the Indian group consist of hotels and restaurants. St James Court and Taj 51 Buckingham Gate Suites are hotels which are part of the group's hotel business under the brand Taj Group. While St. James Court is a Victorian-style hotel in the heart of central London, the latter is a suite-only, five-star heritage hotel, located close to Buckingham Palace and Mayfair. In total, the Taj Group operates 93 hotels across 55 locations.

The Bombay Brasserie and Quilon, on the other hand, are two of the group's restaurant brands that are both

located in London. While the former has been serving Indian cuisine since 1982, the latter serves south-west coastal Indian cuisine.

Impact of Brexit on Tata's Group

As Britain citizens voted and opted to leave the European Union, the Tata gathering is exploring its UK methodologies as spooked financial specialists sold shares of its organizations. Tata Consultancy Services Ltd (TCS), Tata Motors Ltd and Tata Steel Ltd., are the main Tata organizations that have a critical introduction to Europe, particularly the UK. The result of the British submission developed for a way out from the EU, shares of each of the three organizations dove. TCS fell as much as 4.8% to Rs.2517.10, Tata Motors dropped 12.9%, its steepest fall since 4 September 2009, to Rs.425 and Tata Steel withdrew 10.9% to Rs.297.40. They pared a portion of the misfortunes, with TCS finishing 2.78% lower at Rs.2,570.70, Tata Motors shutting 7.99% down at Rs.449.00 and Tata Steel withdrawing 6.37% to Rs.312.50. Every organization constantly audits its methodology and operations in the light of advancements, and will keep on doing so. Access to business sectors and to a talented workforce will stay imperative contemplations.

Brexit effects on organizations will be guided by how the UK arranges with the EU on movement laws and trade. Nineteen free Tata organizations have a nearness in the UK, with different businesses - Tata Motors and Tata Steel are two organizations with noteworthy income presentation to Europe, particularly the UK.

Brexit to Jaguar Land Rover Automotive Plc., the organization's UK backup that contributes 90% of its benefit, will be felt simply following two years when exchange transactions between the UK and different individuals from the EU close.

Europe contributes generally 50% of Tata Steel's aggregate income. In an offer to cut misfortunes, Tata Steel in March declared its choice to close Tata Steel UK operations. At the season of the declaration, the organization said it had in regards to 7 million tons of steel-production limit in the UK alone. EU is a noteworthy business sector for Tata Steel UK.

Jaguar Land Rover said it doesn't see its operations or venture responsibilities being affected by the UK leaving EU. Europe represents one-fourth of Jaguar Land Rover's deals by volume; the automobile producer additionally sources 35-40% of its part prerequisites from the region. With the way out, merchandise sold to and purchased from the EU may draw in obligations, making Jaguar Land Rover not competitive opposite its German adversaries.

"The Brexit will put Jaguar Land Rover in an ideal circumstance; Jaguar Land Rover trades 80% of its aggregate creation and imports around 30% of the parts it requires. A weaker British pound (GBP) will knock up the organization's fare acknowledge and counterbalance the swelling in its import bill. A frail GBP could make the vehicle creator cost-focused and productive in a large portion of the business sectors it fares to, including China, which is basic both as far as gainfulness and volumes. The effect on Jaguar Land Rover's business (on the off chance that we discount a prompt conclusion driven effect on the economies) is no less than two years away. Moreover, the organization's proposed fabricating unit in Slovakia will fence it against Brexit. JLR has consented to an arrangement with the Slovakian government to assemble another plant with an underlying limit of 150,000 units. Development will begin in 2016 and generation in 2018. Jaguar Land Rover is putting £1 billion in the plant. Value markets and monetary standards around the globe felt the tremors from Brexit.

Life after Brexit for Tata Group: Opportunity, uncertainty continues

Tata Steel is set to stop close out of its UK steelworks while it evaluates the aftermath of the Brexit vote. The Mumbai-headquartered steel monster had reported arrangements to sell its Port Talbot steelworks in Wales prior this year. Be that as it may, the move has been put on ice as it surveys the aftermath of the Brexit vote. The Indian mammoth will "stop" the deal in the midst of vulnerability over the effect of the choice to leave the EU. The load up is yet to settle on a formal choice yet is under less weight to offer after a hop in steel costs, which has cut misfortunes at the south Wales site.

The organization will apparently slow down the bartering to anticipate the result of a UK government arrangement to cut its 14 billion pound annuity liabilities and also chats on EU exchange bargains. The choice may come as a hit to bidders, including the Indian-source business person. Tata Group had, as of now, been inclining towards holding the plant before the Brexit choice. Potential purchasers of Tata Steel UK have communicated caution about a week ago's vote in favour of Britain to leave the EU, cautioning that Brexit could make the misfortune making operation even less reasonable. Salvage endeavours for the steel business in Port Talbot have gotten to be buried in Brexit stresses, with Tata Steel pulling once again from an offer of its plant while it works out the ramifications of the UK leaving the European Union.

Tata Steel, which has no less than two offers and an administration buyout plan to consider for the site in south Wales, is thought to have stopped the procedure to consider the eventual fate of EU exchange bargains, and the liabilities in the gathering's £14bn annuity plan. Tata, underweight from a worldwide defeat in steel costs as China's import request dwindled, sold off its long-items business in Europe to Greybull Capital and has been looking for a purchaser for whatever is left of its UK operations. Tata Group lost around 30,000 crore as shares of a few backups, including Tata Steel and Tata Motors, fell after UK's choice to leave the European Union. Tata Group works 19 organizations in the UK, utilizing more than 60,000 individuals. It had earned 13.4% of its income from the UK and more than 12% from whatever is left of Europe in FY15. As steel endeavour keeps on timing misfortunes adding up to \$1.33 million a day, the Brexit decision now stands to undermine Jaguar Land Rover (JLR) Automobile a 1 billion pound misfortune a year. JLR, cash turning Tata concern, is relied upon to take a hit from its fare to other European countries.

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Online Social Network Usage for Increased Organizational Performance: Underpinnings Emphasizing Creativity of Employees and Employee-Autonomy-Handling Capability

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Abstract

Some of the features that affect organizational performance have been attempted. These features are more relevant in organizations that are oriented towards innovation. In particular, benefits that accrue from the usage of Online Social Networks (OSN) are looked at in an organizational setting. The different orders of creativity and relationship between weak links and creativity in an organizational context have been elucidated. The complex relationship between OSN usage and an individual's capability to handle autonomy is examined in detail. A formal analysis of this relationship has been presented.

Keywords: *Organization Structures, Online Social Networks, Creativity, Autonomy.*

I. Introduction

Current knowledge-intensive organizations have an enormous need for creativity and innovation. Consequently, this leads to a need for greater autonomy, especially while taking decisions and translating creative ideas into tangible results.

The erstwhile command and control approach to run an organization is no longer valid. It may lead to

disharmony and more importantly erosion of creativity. Such organizations may have lower performance and miss out on utilizing the creative potential of employees.

With the introduction of new tools such as Online Social Networks (OSNs), businesses are rapidly adopting and using them. Adoption of OSNs necessitates provision of autonomy and independence to employees.

The key contribution of this paper is to understand the

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effect of OSN usage on the autonomy of an employee. We also provide a brief on the relationship between OSNs and creativity. This is especially important in today's context because knowledge-intensive organizations are the order of the day.

II. Preliminaries

Current Organization Structures

Organizations of today are "the large, vertically integrated, hierarchical organizations that have persisted throughout the latter half of the twentieth century." [1] Competition has been the major ingredient in its work culture. In order to further self-interest, employees did as they were asked to do, faster and better. Any deviation from the work norm attracted punishment. Such a culture is detrimental and also not sustainable.

"Hierarchical systems arose from models of creating systems with a high degree of certainty and security and delineated boundaries of function, structure, order and logic." [1] Leaders were powerful because they were perceived to have knowledge that had a say in controlling workers' duties. However evolution has taken us to distributed power devoid of command and control, and that seems to be the order of the day.

B. Ties and Relations in a network

Today's organizations are networks of people who have need-based interactions with varying goals to achieve. Weak and strong ties are a part of any network. It has been observed that weak ties enhance creativity [2]. Networks having the right size and also possessing weak strength seem to encourage creativity when its members are allowed to access range of varying social circles. Weak ties are characterized by "social relationships, which are typified by infrequent interaction, short history, and limited emotional closeness." [3].

It has been observed that a network of individuals, like society organizes itself without the need for direction or control from an external agent. The organization refers to an "increase in the structure or order of the system behavior through a dynamic and adaptive process where systems acquire and maintain themselves, without external control. Structure can be spatial, temporal or

functional." [4] Network functioning is more effective if members have an inclination towards autonomy. It is also natural for this inclination to be present because all living beings aspire independence.

C. Networks as Emergent Structures

Interaction among agents or members of a network is random with the help of whatever other agents pass. Natural selection helps in retaining some of these interactions because of synergy. Such stabilized interactions are called bonds, relationships or links. A link connects two agents. A large number of links is a network. Within the network, agents can now be seen as nodes where different links come together. [5] In a social network people are linked through friendship, trust or collaboration.

D. Online Social Networks

Current trends reveal social networks becoming online (OSNs). OSNs allow profiles of individuals to have their own websites. These also allow connections with other members who are friends, acquaintances and contacts, thus creating a virtual network comprised of weak and strong ties. "What OSNs do is to try to map out what exists in the real world. In the world, there's trust. As humans fundamentally parse the world through the people and relationships they have around them, so at its core, what a social network does is map out all of those trust relationships. So this map can be called the social graph, and it's a network of an entirely new kind and has real world implications." [6]

OSNs are more like the real-world social togetherness. They overcome geographical and temporal distances. One can be in touch with different people from various walks of life simultaneously. OSNs can be seen to be complex adaptive systems (CAS) as they evolve. [7]

Most importantly, OSNs encourage broad patterns of independence and interaction without any class distinction or force (gleaned from current adoptions such as Facebook, My Space, LinkedIn, and Mixi). This leads to sharing knowledge, and also sharing discussions. Note that OSNs do not impose constraints. In OSNs the social context gains importance as we get influenced by our closest friends, peers and acquaintances. Thus we see that OSNs breed ties of varying strengths.

An OSN is a self-organizing system in which people are independent and individuality gets expressed uninhibitedly by logging into the OSN with a sense of ownership. Thus an OSN is like an organization that has independence and autonomy leading to holistic individuality of its employees. There is reduction in perceived and real enslavement in an OSN. The emergence of communications and virtual relationships has been observed (3, 4, 5 & 6).

III. Definitions, Notations and Analysis

We provide formal definitions and symbolic representations which enable an analysis of key features that effect organizational performance from the standpoint of creativity and autonomy. Online Social Networks (OSNs) are already being utilized inside organizations for collaboration with employees and outside for marketing, customer service and other purposes, although some organizations still restrict their usage. Here we try to formally associate the benefits of OSN usage in terms of resultant autonomy and creativity. Creativity is valued as one of the most important aspects in many organizations. This creativity can be harnessed by organizations for driving innovation within teams and the organization as a whole.

OSN Usage Level - U

Online Social Network Usage - U can be defined in terms of the following parameters:

i_p , $p = 1..3$, Importance of usage context (discretized values to indicate gross importance levels in the organization)

$t_k = k^{\text{th}}$ occurrence of contiguous time period of usage

$\sum t_k \leq N$, where N is the upper bound on usage time for a single user in an organization.

Then OSN Usage U_j for an individual j

$$U_j = \sum i_{p,j} * t_{k,j}$$

j varies from 1 to n, where n is the cardinality of the members of an organization

$U = \sum U_j / j$, is the mean usage level of the OSN at an organization level

Optimal usage - U_{Opt}

Autonomy Generated - A

The degree to which one may make independent & significant decisions in a job role. Spending more time on OSNs enables creation of a large number of weak ties. Greater weak ties lead to greater creativity as proven in literature [2]. Autonomy helps in getting contents from these weak ties, utilizing the inputs and synthesizing the contents in a member's domain of discourse. As a result of OSN usage to connect with members within an organization, official collaboration and sharing of ideas can also increase.

Forms and orders of Creativity

Lower order of creativity: Identify novelty or something from another domain or field and being able to determine the applicability in the domain of interest and hence expand the domain.

Higher order of creativity: Mapping and explorations in conceptual spaces may lead to the expansion and generation of novel ideas. Sometimes changes in conceptual spaces may lead to radical transformations, and not just expansions, in the constraints that define the next order in the domain or a new domain altogether.

So as a result, autonomy and the existence of weak ties collectively helps move an organization from a lower to a higher order of creativity.

Optimal Usage - U_{opt} is the usage level at which the next order of creativity is reached.

Usage of Social Networks creates weak ties as you get to meet new people from other fields of interest and other domains.

Number of weak ties :

1, 2, ... n

W_{max} - beyond which more weak ties leads to a fall in creativity as intellectual bandwidth of an individual is limited.

It should be noted that W_{max} is a parameter whose value may differ from individual to individual. However the general trend is given in Figure 1.

Weak ties Leads to higher creativity contingent to what has been stated and represented in Figure 1.

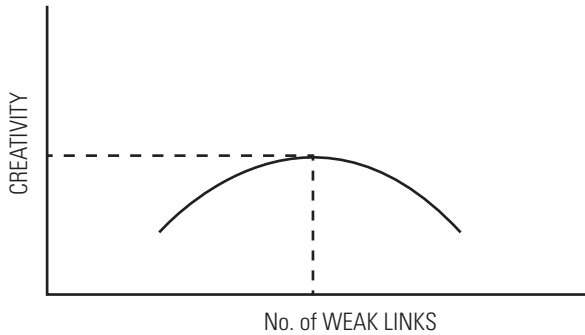


Figure 1. Relationship between creativity and weak links in social networks

Person in a specific role:

- Gets ideas on how activities can be done in a role higher than his current role
- Makes the right connections via OSN usage with people for handling this higher role
- Gains knowledge and skills for this new role by means of social interactions, audio-visual media usage and learning.

He can reach a potential state where his capability or maturity has gone up and he/she is in a position to handle a greater autonomy-driven decision making role (not yet officially granted).

Self-organization, and autonomy itself i.e. the process of autonomous decision making actually leads to a self-imposed reduction in generation of further weak ties and reduced OSN usage due to perceived reduction in creativity by the individual. This essentially leads to an increase in potential autonomy for the individual and consequently for the system and a new stable state may be reached.

Usage of OSN leads to increase in autonomy A in the organization:

This happens due to absence of constraints in terms of how an individual uses the OSN, including the following scenarios:

- Usage for organizational purposes
- Casual usage
- Interactions with existing contacts – official and personal

- Creating new online contacts – official and personal, through online networking
- Viewing of selective content
- Learning about new topics and domains

Greater the OSN usage, greater is the proportion of workplace-time spent autonomously based on the scenarios stated.

Autonomy levels of the individual members is denoted by A_j , where autonomy A_j is determined by autonomy available in pursuing roles, decision-making and execution and varies in a normalized continuous scale of 0 to 1.

$\sum A_j/j = A$, is the average autonomy level in the organization.

Autonomy within the organization asymptotically reaches A_{\max} as U increases as shown below. Note, A_{\max} is less than 1. $A = f(U)$

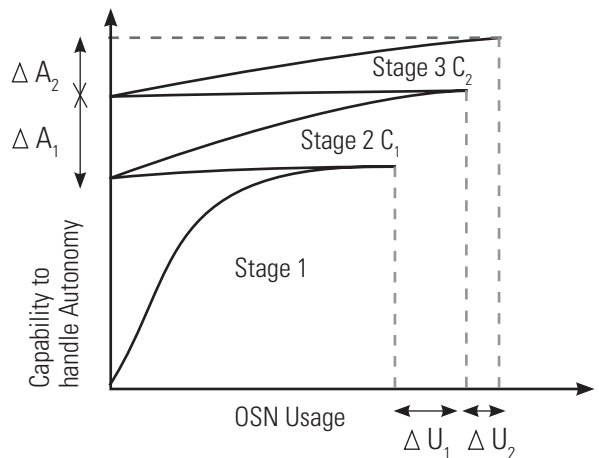


Figure 2. OSN usage effecting autonomy handling capability of organization members

Suboptimal Autonomy (Chaotic or Lack of Autonomy) can be made structured through higher OSN usage level (U) leading to Optimal Autonomy.

As OSN usage increases the capability to handle autonomy also increases exponentially and this beyond a point leads to a reduction in creativity (at C_1) so the individual starts to reduce OSN usage. This in turn reduces the autonomy handling capability by a small amount as shown in the descent in Stage 1 (Figure 2).

This is predicated to happen because a certain level of autonomy handling capability has already been attained.

Again on increasing OSN usage the autonomy handling capability only goes up by a rate lower than the earlier rise (because for the same level of OSN usage the individual has already reached a higher level of autonomy handling capability) and reaches a greater autonomy handling capability (because of his existing capability to handle autonomy feeding into building his further autonomy handling capability). However Stage 2 (Figure 2) reaches a fall in creativity at a level of creativity (C_2) and OSN usage which is greater than at the previous stage. $C_2 > C_1$ is as a result of the individual's existing capability to handle more weak links and a higher usage of OSNs.

Also, observe the gradient of descent is lower than in the previous stage (because of the retention of the autonomy handling capability resulting from increase in OSN usage in the previous stage). The gradient of descent keeps falling until it becomes zero i.e. the descent curve is parallel to the x-axis. At this point the autonomy handling capability and creativity maxima is logarithmically reached which are a part of stable state 2 beyond which the capability ceases to increase. At this point any further reduction or increase in usage of OSN does not affect the autonomy handling capability and the capability is permanently retained.

However if the individual reduces the OSN usage due to some odd reason some autonomy-handling capability does get retained. The gradient of ascent from that point will be a concoction of the gradient at Stage 1 along with the gradient at Stage 2.

Also, $C_3 - C_2 < C_2 - C_1$

In terms of stable states in self-organization theory:

Stable State S1 = (A_1 , U_1 , m)

*Usage Level = U_1 , Capability of handling Autonomy = A_1 ,
 m = average number of weak ties*

At a certain average optimal autonomy

$A_{opt} = A_{next}$

Stable State S2 = (A_2 , U_2 , n)

*Usage Level = U_2 , Capability of handling Autonomy = A_2 ,
 n = average number of weak ties*

Given a U_j if importance of the usage level (U_j) is low, then reduction in usage of the OSN leads to greater reductions in autonomy handling capability. This is because casual usage does result in high autonomy handling capability retainment.

OSN usage U is comprised of importance of usage i and time/period of usage t . Generally the importance of usage (for strategic or higher priority purposes) of an OSN increases with an increase in the capability of handling autonomy. Thus the importance of usage i , is higher at ΔA_2 than that at ΔA_1 .

From Figure 2 we see that $\Delta U_2 < \Delta U_1$. This is because of the following:

ΔU_2 maps to a higher capability level (ΔA_2) as compared to ΔU_1 as observed from the graph. Recall $U_j = \sum_{p,j} i_{p,j} * t_{k,j}$. At a higher capability level, there is an increase in formation and utilization of strong ties vis-a-vis weak ties. We also know that utilization of weak ties leads to higher creativity as compared to utilization of strong ties. Thus a lower quantum of OSN usage ΔU_2 (as compared to ΔU_1) leads to a point where creativity starts falling. This quantum of usage continues to reduce until it reaches a minima or possibly zero.

IV. Summary and Conclusions

The primary contribution of this paper is the analysis of the effect of OSN usage on the autonomy of members of an organization. No relationship personal or otherwise is a step function in the real world. It is always a gradual process. Same is the case with autonomy in any organization; and autonomy is never granted one shot. Hence this analysis is done stage-by-stage. Even within a stage, rationale is there for gradual development.

It should be borne in mind that any capability of an individual does not blossom overnight. Same is the case with an individual's capability to handle autonomy. This again favors the approach we have adopted. Further we also map the stages in our analysis to stable states of self-organization theory. In order to understand creativity we make use of observations made on OSNs.

The contribution is more relevant to today's society

that is being more and more driven by OSNs. While it may be true that autonomy can generate chaos, it is also important to bear in mind that greater creativity gets generated in chaotic states taking the area to higher orders. It should not be forgotten that beyond an optimal autonomy creativity starts tapering. This may lead to a different approach to self-management. Thus OSNs may be devices that may take organizations in a direction of greater autonomy and consequently higher creativity that happens to be the key of solving current complex problems in any area.

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Women Leadership - A Study of Select Women Leaders in the IT Sector in Bangalore city

Rohini G. Shetty*

Introduction

With globalization and rapidly increasing number of women constituting the workforce, women power is growing exponentially in all spheres of business. The changing scenario of employment for women in a globalized economy has given ample opportunities for women to showcase their talent as successful leaders. Women are transforming the tenets of business through their leadership acumen ensuring organizational growth and strategic success. There has been a steady increase in women's participation and involvement in leadership activities in business all across the globe, bringing with it a whole new perspective to the role of women as leaders and a change in the current thought process of corporates

This research study attempts to capture the essence of success of women leaders in the ever changing scenario of employment of women in a highly globalized economy. It challenges to think beyond numbers and examines what women actually do and aspire to do within and outside organizations. It seeks to confirm the view held by many gender scholars that women do bring a different perspective when compared to men in leadership positions and this precisely could be

the reason attributed to their success. Is this success related to the Emotional Quotient and Volition Quotient of women leaders and do these two components help them in achieving organizational effectiveness? Does family and home influence women leaders in carrying out their responsibilities at the work place and vice-versa. This study makes an attempt to capture the essence of women leadership success and the influencing factors for this success in the Information Technology sector.

Concept of Leadership

Leadership is considered the world's oldest preoccupation and has always been associated with legends & myths and larger than life stories. It evokes wide spread fascination among people. Harvard Business Review has published 500 plus articles since 1923, yet research on leadership remains and will continue to remain a fertile domain.

The concept of leadership remains a Pandora's Box. The much needed clarity on leadership is missing mainly because of its broad conceptualization. Certain traits are important to become leaders, however, mere possession of these traits are not enough and sufficient guidance to become effective and successful leaders.

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These traits need to be integrated into a bigger and broader idea base along with a deep understanding of the core characteristics of leadership to gain better insight about the meaning of leadership and what goes into it to be effective and successful.

Women, Work and Family

Feminization of employment is one of the most impressive developments of modernization in the last few decades. (Beck, 1986, Rubery et al., 1999) Women do a tight rope walk balancing family responsibilities, handling domestic chores in addition to managing a career and yet manage to succeed on both the personal and professional fronts. Present day women have caught up with men in education, training and employment. With more and more women getting employed, the spotlight has turned on to women leaders.

Women play a pivotal role in society and it is essential to enable them to adjust and overcome hurdles faced to avoid all kinds of adversities both at home and work to succeed as leaders. Given the situation, it is imperative to understand the nuances of women leaders in particular and the factors that make them successful. How women leaders succeed is of great interest and calls for an empirical enquiry to know and understand the trials and tribulations they undergo trying to balance their work, non-work and family responsibilities.

Women Leadership

The scenario for women leaders in India's corporate world, though small in number is changing for the better as the gender divide narrows and the glass ceiling is slowly disintegrating. There is a paucity of women leaders and women in senior management positions who could be taking up leadership positions later and thus it is the right time to address the issue of women leadership and encourage and support women to take up leadership roles. Across the globe, there are very few women corporate board members and the number varies from one to four across IT firms. Interestingly, from a social standpoint of view more women are desired in top management as they do affect positively the firm profitability. Women leadership is a delicate balancing act but women are capable of building an inclusive, collaborative and transformational work environment with leadership styles that are highly

effective and encourage individuals and organizations to flourish. However, the dilemma women face in straddling the two worlds of work and home for achieving success in leadership positions is to be given a thought and better understood in addition to the impact of Emotional Quotient (EQ) and Volition Quotient (VQ) in relation to Organizational effectiveness (OE), Decision making skills and Personal quality leading to success of a woman leader in IT. More specifically, there is a need to unzip the "success imperatives" of women leadership in the corporate world particularly in the IT sector where one finds a growing number of women being employed where they do exhibit the potential for excellent performance in leadership roles.

Kaleidoscope of Emotional Quotient, Volition Quotient and Organizational Effectiveness

For centuries, scientists have believed in the hardware powers of the brain without much significance being attached to the software powers of the heart. Only in the last decade or two, the realization on the importance of emotions has dawned. What provides an individual with the competitive advantage to succeed in organizations? Is it great intellectual ability or something to do with emotional intelligence and volition competencies? Studies reveal that intelligence may help reach the top but to stay put there and succeed one definitely needs a high level of EQ and VQ. So, it is good to be book smart but even better to be heart smart. Hence it is considered important to build on one's EQ and VQ to ensure good relationships and improve performance, both being essential ingredients for success.

Emotional Quotient - The concept of emotional intelligence (EI) brings a unique depth to the understanding of human intelligence and consensus is emerging that EI is a high voltage skill to be adapted in leadership to succeed. Daniel Goleman (2001) defines EI as the ability to recognize and to control one's own emotions and those of others. EI has been identified as a potentially significant construct in identifying relationship scales and decision making ability leading to organizational success. High EI leads to optimistic work attitudes and behavior which in turn leads to higher satisfaction and job performance along with team playing behavior of employees. EI of a leader

relates positively to trust and commitment in an organization and is known to up leadership success.

Volition Quotient - It is the ability or will of an individual to take the right decision with limited inputs or lack of inputs. Volition is essentially an intrinsic function, recognition thereof or knowing the indomitable will of the person and exercising the same for discovering the will of an individual. Everyone needs to convey feelings, desires and wishes to express their latent potential and volition is a latent human function that cannot be valued unless it is revealed. Volition means a sequence of mental actions that leads to making a decision. Volition includes components such as cognition, emotion, motivation, environment and influencing others, all of which have a distinct effect on managerial and leadership behaviors and are considered essential for leadership success.

Organizational Effectiveness - Leadership is not about "one-type-fits-all". Business or elsewhere, there is no doubt that a leader impacts and influences organizational effectiveness. James G. Bohn indicates that leadership or the way leaders behave has a direct relationship to overall perceptions of organizational effectiveness and how organizations will perform. Employees place faith and trust in their leader's capabilities, expecting the leader to provide a compelling vision of where the organization is heading; consistency in pursuing and achieving goals; clear & concise communication; team building and orchestration and a solid track record of excellent performance. Leaders, must thus have the ability to formulate a vision, plan for action, build and organize teams for implementation and help the organization to be effective.

Methodology

This research study is being carried out for four main reasons as the researcher wishes to enquire and understand the nuances of leadership of women in the IT sector -

One, by the year ending 2014, women included in the target group of research must have spent close to three or more years and above in the IT sector, and thus have had enough or adequate time on the job with

relevant experience to clearly articulate the underlying factors that led to their achievements as leaders - leadership style adopted, ideals, vision and challenges encountered in addition to the familial support received from the home front and last but not least a clear cut view of their future in the organization/sector.

Two, Women and Leadership together brings grace to the table top along with a range of challenges that are to be addressed to be effective and successful. There is a need to explore when and how women exercise power and what blocks their way to reach success after an informed and in depth analysis of the state of women on the personal and professional front.

Three, to know whether EQ and VQ have an impact on success of women leaders and to find what VQ offers to successful leadership in the face of the perils of exhibited bias and observed stereotypes and the present thoughts on the importance of women leadership and the "bang on & sure shot" strategies that enable women to succeed and reach the top.

Four, to know the imperatives of organizational effectiveness and thereby success of women leaders with the impact of family on their work place success. As mentioned earlier, though success influences further success, failure is perceived to be a precursor for more to happen. The environment, people, relationships, roles, styles, organizational & family nuances and the peer group may altogether make a composite influence on the performance of a woman leader which needs to be researched in-depth.

Research Objectives - Research has been published about women leadership and their leadership styles in abundance, but this study specifically focuses on the personal qualities or attributes of women leaders and the EQ and VQ competences in addition to the familial impact on effectiveness and success of women leaders. This study includes a demographic analysis and an assessment of the EQ and VQ of women leaders from some of the top companies of the IT sector in Bangalore city. The research objectives are crystallized as follow -

1. To identify and analyze the Demographic Variables leading to success of women leaders in Information Technology sector;

2. To identify and analyze the Psychographic Variables leading to success of women leaders in Information Technology sector;
3. To measure the Emotional Quotient and Volition Quotient of the target group &
4. To examine the relationship between Women leadership and Organizational effectiveness leading to excellent performance.

Background - The review of literature has enabled carve out the grey areas connected with studies on leadership. Most of the studies on leadership have concentrated only on male leaders and irrational conclusions have been drawn as though leadership is associated with only one gender. The gender effect can be measured by the fact that successful leaders have been able to succeed not only because of the decision making qualities they possess but also due to the support they may have received from their close associates and at times, even their family members. The review of literature pointed out the fact that no study has been done so far on the demographics and psychographics of women leaders. There are many women who have been successful and acknowledged as effective leaders and yet no in depth study has been done about their personality, leadership style and the camaraderie that led to their success both at the organizational and family level.

The present study enumerates design for research in this area in the backdrop of the problem statement and the review done of the various studies. The workplace success of a woman may be influenced by family environment and the vice-versa also could be true. Although success influences further success, failure is perceived to be a precursor for more to happen. The environment, people, relationships, roles, styles, organizational & family nuances and the peer group may altogether make a composite influence on the performance of a woman leader. The design of the study has the back drop of all possible influences that may lead a woman leader to succeed. Performance is a function of leadership relationships, structure, roles, regulations and effectiveness besides pro-activity, up gradation of technology, quality and ability of the human resources. This function is an endogenous setting. The exogenous

setting in case of women leaders is peripherally close to the family in the Indian context.

The role of women in the family as a wife, mother, daughter, sister and other social relationships influence her personality. In addition to this, a woman leader as an individual is perceived to be an entity consisting of three inseparable components - Intelligence; Emotion and Volition. The psychographic aspects of a woman are exhibited in terms of Values, Culture, Morale, Life style etc. The critical aspect of the personality is the assessment and evaluation of Emotion, Volition and Life style. The present study considers all the critical aspects associated with leadership and women leadership in particular. Thus, an operationally defined woman leader is the centrifugal point of this study. The study intends to analyze, describe and elucidate the role of women leaders and the factors that lead to their success. Utmost care has been taken not to glorify success. The purpose is also very clear in not having a gender biased view or a feminist orientation as conceived in the western world.

Research Gap - There are several studies on leadership. The range of studies are between several basic theories and testifications of these theories in real life. Several formulations of leadership are mainly concerned with the characteristics, types, formats and manifestations. Many theories move from transactional format to manifestation of leadership. While all these are applicable in real life, such studies are conducted only on leadership provided by men in particular. There are no studies on women leaders in various sectors as to how they coordinate their activities both at home and the workplace. The situation calls for a dual or composite leadership making home as important as the workplace. In Indian conditions, women leaders (not employees) treat the workplace on par with their place of living. The real question is that quality of leadership, that makes the organization and home, both places of growth, development and thereby prosperity. i.e., the traits and features of women leadership would be addressed in a sector (Information Sector) which exhibits signs of well-defined living and yet shows elements of discomfort as well.

There are sketchy attempts made to research success

of leaders more so women leaders who are now in the business landscape. Interestingly no study has been done on leadership manifestation based on relationships of IQ, EQ and VQ. All these critical coefficients have not been analyzed with respect to one to one relationship while some studies have been done on IQ with relationship to performance and EQ in relationship to performance, no studies are attempted on the role of VQ which can make an impact on performance. The grey area is much more evident in the women leadership landscape. The present study aims to examine the relationships between IQ, EQ and VQ and the relationships between these coefficients to performance of the organization and its reflection on family and camaraderie. The sector identified for the study is IT and the target group is Women Leaders. The universe of the study is Bangalore city which is the IT hub of India.

Problem Statement - Women, Indian women in particular, are enabling faster development of the economy. The study intends to examine the how's and why's of successful women leaders. The demographics & psychographics are likely to influence the success of women leaders in the work place as well as at home. The role of the organization, influence of the family & the peer group are researched in great detail. The goal is to demonstrate and share organized knowledge with the community and bring in more attention to the problems and highly valued methods of women leaders with the help of the results of the study. The intention is not to create problems and conflicting situations with the research investigation. The aim is not to strongly support feminism or deny and ignore differences between man and woman. The purpose is to evaluate the changing situation and role of women leaders in our society and economy. There are a number of assumptions, misconceptions and speculations about women leadership. The study seeks to either prove, confirm, deny or reject the existing misconceptions/assumptions/ speculations on women and women leadership. This study is innovative because it attempts to document and analyze women's perceptions besides the conceptualization of successful leadership and what "Making a Difference" actually means for women in leadership positions in the IT sector.

Purpose:

- To evaluate changing situations and role of women leaders in our society and economy.
- Seek clarification on illogical conclusions on women leaders and leadership without due justification.
- Seek to either prove, confirm or deny, reject existing misconceptions / assumptions/ speculations.

Goals:

- To demonstrate and share organized knowledge with the community.
- To call attention to problems, challenges and highly valued methods of Women Leaders with the help of the results of the study.

Intentions:

- The author has no intentions of creating problems and conflicting situations with the Research investigation.
- The study clearly does not aim to provide support to feminism or be in denial or ignore the inherent gender differences.

Data Collection Tools & Instrument Development:

The instruments of research were derived in four phases. A detailed check list was prepared based on the scope of research. The prepared checklist was validated and completed after several rounds of discussions with industry and fellow researchers. The instruments were designed in four stages.

In the first stage, a questionnaire was developed covering the Demographics and Psychographics of the target group. As many as sixty five variables were identified and the questionnaire was kept ready for the pilot study.

The IQ instrument was withdrawn and women executives were requested to make a selfassessment of their IQ level i.e., Notional IQ.

The second phase aimed at developing a questionnaire to assess the Emotional Intelligence of women leaders. It was found that there were numerous standard Emotional Intelligence questionnaires available. A standard and validated questionnaire on Emotional Intelligence assessment was finally selected for the

study which had fifty statement batteries covering all the five dimensions of Emotional Intelligence namely, Self-awareness; Self-regulation; Self - motivation; Social awareness and Social skills or Relationship Management. The selected instrument was used for the pilot study.

The third phase aimed at developing a questionnaire for measuring Volition. Several probes suggested that Volition Quotient Assessment has been attempted for measurement in clinical trials. {Source: Simon Forstmeier, Heinz Rueddel (2007)}. It was clear that there was no instrument to measure Volition Quotient under normal circumstances i.e. in a societal environment. The Volition instrument was developed for twenty five variables with seventy five statement batteries covering all aspects of volition. Three statements for each variable was developed for assessing the volition quotient of the individual woman leader.

The fourth phase aimed at developing an instrument for measuring the Organizational Effectiveness. Effectiveness that is viewed from the goal attainment approach of leaders, in particular, for women leaders. Ten dimensions were identified all purporting to measure

Personal and Organizational effectiveness of Women Leaders. Each of the ten dimensions had three statements all adding up to thirty statement batteries.

All statements were meant to examine the stability and consistency of the result in the pilot study. Fine tuning of Demographics, VQ and OE instruments for final field study done with requisite additions and deletions as per results of the two pilot studies done. IQ instrument withdrawn after the first pilot study and a notional IQ assessment by self was introduced in the Demographics and Psychographics instrument. A standard Emotional Quotient instrument that was found suitable was identified for assessment of EQ of women leaders; Final Demographics & Psychographics instrument VQ instrument and Organizational Effectiveness instrument were developed by the researcher. All the instruments developed and identified for the survey were checked for reliability.

Final instrument used for the field survey

It consists of four parts -

Part 1. Demographics & Psychographics Questionnaire. (DP 65 items)

Part 2. Standard Emotional Intelligence Questionnaire. (EQ 50 items)

Part 3. Volition Quotient Questionnaire. (VQ 75 items)

Part 4. Organizational Effectiveness Questionnaire. (OE 30 items)

The first part covers all the Demographics and Psychographic variables of women leaders. The second part is the instrument on EQ which is standardized and accepted for universal application as developed by Linac, UK. The VQ instrument has been developed to apply it under normal conditions of human psyche. There are only two studies wherein VQ is developed and tested under clinical conditions. The VQ instrument was pilot tested and appropriate corrections, editing and reformation of statements have been done. The Organization Effectiveness instrument was developed with a battery of ten components with three sub statements to check on the OE of women leaders. The field study for data collection was undertaken between mid-October 2014 and mid-February 2015 with sample size of 156 women leaders derived based on population size and drawn exclusively from the listed top IT firms of Bangalore city.

The Target Group or Respondents -

The Centrifugal point of this study is the operationally defined woman leader in the IT sector.

- Select Women Leaders working in IT & IT related firms of Bangalore with adequate tenure on the job i.e., more than three years of work experience.
- Well Qualified and experienced on the job; acquisition of skills in decision making and problem solving through education and training.
- Employed and Empowered in a position to take decisions in the areas of finance, human resource management, technology and all managerial decisions involving strategies, actions and other functional exercises.

The field study for data collection was undertaken

with sample of 156 women leaders drawn exclusively from the IT firms of Bangalore city. A Master Sheet for the mathematical computation of "n" prepared with fourteen criteria ranging from the year the IT firm was established, its market share in the sector to revenues and the % of women employees in the work force are taken into consideration.

Data Analysis and Interpretation

- **Data treatment; Reliability Analysis: Cronbach's a; Identification of outliers.**

- > Outliers identified.
- > Examined all inconsistencies.
- > Deleted incomplete data sets.
- > Zeroed in on 156 samples.

- **Conceptual Relationship Analysis:** Demographics Vs. Emotional Quotient; Volition Quotient; Organizational effectiveness and Emotional Quotient & Volition Quotient

- **Listing of Tables** - One way; two way and multiple way tables.

- **Testing Hypotheses:** List of hypotheses; Sub hypotheses

FACTOR ANALYSIS

I. Factor Analysis of Emotional Quotient - Factor Analysis is done for the assessment of Emotional Intelligence to enable checking of the EQ effectiveness of women leaders in IT. The analysis has a KMO measure of sampling adequacy at 0.882 with x2value of 5465.9 with results of high strength implications and as many as 12 factors that have been identified under Emotional Intelligence. These include the dimensions such as Self awareness; Self-regulation; Self-motivation; Social awareness and Social skills (Relationship Management). These 12 factors contribute to capturing 72.508 % of variations explained. It is noticed that all these dimensions together make an impact on the overall performance of the women leaders.

II. Factor Analysis of Volition Quotient - As many as 26 variables have been identified to examine some aspects of volition of a personality. These aspects range from Attention Focus to Conviction and Courage. In

order to get the consistency of results each variable is reflected through three statements which are validated in the pilot study. The K M O and Bartlett's test of sampling adequacy is as high as 0.903 for a sample size of n = 156. This is further substantiated by x2 value of 12491.980 which is statistically significant at 0% level. The number of factors identified within these 25 variables are 15 in number covering 78.866% of the variations and those considered have an Eigen value of more than 1.0. The scree plot diagram is indicative of the influence of the first factor which captures 41.806 % of the total variation of all the 25 variables.

III. Factor Analysis & Correlation Analysis of Organizational Effectiveness

- The influence of women executives on organizational effectiveness is examined in the context of ten dimensional variables. The variables are with reference to organizational environment and Vision, Values, Culture, Morale, Communication, Working relationships, Family, Motivation, People Management and Leadership. All these will influence the performance of the organization. This requires an assessment of value base of women leaders with reference to value base of the organization. The sample adequacy test measured by K M O measure of sampling adequacy is as high as 0.926. The adequacy of the sample test by Bartlett's test of Sphericity which is statistically significant at 0% level for a value of x at 5255.336. The principal component method was used to capture the no. of factors with appropriate extraction level. The analysis has led to identification of six factor components with a minimum Eigen value 1.00. All the six factor components has captured 80.320% of the explained variation across 30 variables.

REGRESSION ANALYSIS

1. Relationship of Demographics with Emotional Quotient Variables of Women Leaders Assessment of Emotional Quotient

- Employees deal with a variety of emotions, be it at home or in the organization. It is very important to manage emotions at the work place as it has ramifications of how people operate there. Emotion Quotient refers to the emotional awareness and emotional management skills which enables balance one's emotions and manage the emotions of others. The EQ assessment is done on the basis of 5

dimensions - Self-Awareness, Self-Regulation, Self-Motivation, Social-Awareness and Social skills or Relationship Management. Emotional Intelligence is largely learnt and continues to develop as one grows and is generally conditioned by experiences in life.

1. EQ with Age of Respondent - The EQ variables are regressed on age. The regression model indicates a high multiple correlation coefficient $R=0.684$. In essence, age enables acquisition of experience, self-development, meeting requirements at the organizational level, pursuing goals, leading by example and to recognize the need for change and remove barriers wherever necessary in an organizational setting.

2. EQ with Education level of Respondent - The level of education of respondent and emotional variables have a strong relationship. The linear regression model has multiple coefficient $R = 0.704$. The best way to lead in organizations is to lead by example. People and situations can be handled with diplomacy and tact, and a climate of cooperation and friendliness can be arrived at with levels of education one has acquired.

3. EQ with Notional IQ of Respondent - The summary of results for establishing relationship between EQ and Notional IQ suggest that there is no statistically significant relationship between IQ and Notional IQ. Since Notional IQ is consistent for relationship the influence of some more variables may have been hidden. A detail study of relationship between actual IQ and EQ would facilitate recognition of some more EQ variables.

4. EQ with Experience of Respondent - There is a strong relationship between experience and EQ of the respondent. The R^2 value at 0.440 is an indication of the strength of relationship. Women executives seek ways to increase customer satisfaction and loyalty and the best way to lead in organizations as is known is to lead by example. The results highlight acquisition of special traits of EQ because of experience.

5. EQ with Total Annual Household Income or TAHI - The economic position in terms of TAHI influences EQ. This relationship is highly statistically significant. Any family with economic comforts would make efforts for keeping family environment, calm and

composed. Further, women executives exhibit concern for others and are sensitive enough to patiently listen to others and understand their viewpoint and strive to make other employees feel good, thereby increasing the morale of the workforce.

6. EQ with Educational level of Mother - The education level of mother and the EQ level of executive are correlated but not statistically significant. Women executives recognize the need for change and help to remove barriers encountered to bring about the needed change. The influence of the mother on executives to maintain extensive informal networks is observed and this helps in gathering information for better decision making thereby lead better.

7. EQ with Education Level of Father-in-law - The relationship between the executive and father-in-law exists but is not statistically significant. The social skill of recognizing the need for change and an attempt to remove barriers is drawn from the father-in-law of the woman executive.

8. EQ with Education Level of Mother-in-law - The impact mother-in-law makes on the daughter-in-law (woman executive) is substantial. The relationship is statistically significant. The value system of women executives in terms of building trust, reliability, ethics and authenticity are drawn from the mother-in-law. The trait of leading by example is influenced by the mother-in-law which is further supplemented by the recognition for the need to change and removal of barriers. The influence of the mother-in-law is great in providing a cooperative climate and promoting a friendly environment.

II. Relationship of Demographics with Volition Quotient Variables - Assessment of Volition Quotient - Volition is an ability or will of an individual to take the right decision with limited inputs. VQ is that number which recognizes the strength of the person dealing with issues of transactions, relationships and beyond in the presence of part or scanty information. Volition is more intrapersonal and is demonstrated in critical situations wherein success becomes a reality and moves to competitive and unexpected situations.

1VQ with Education Level of Respondent - The

influence of volition variables on the level of education of respondents suggest strong multiple correlation. The process of thoughtfulness is achieved by education. This will further enable decision making and reassessment of the decisions. The ability to recapitulate at the right time can be acquired by continuous learning. Sequencing of thoughts, activities and action is the result of acquisition of higher education.

2. VQ with Notional IQ of Respondent - The volition variables are regressed on notional IQ. The interpretation of this relationship is done with care because the notional values that we have derived are from the respondents. The relationship is statistically strong. This implies that family environment will help improve volition which will effectively be supplemented by IQ. The leadership at home will have profound influence at the workplace. The executive would visualize the organization where she works as an extended family wherein parenting, counselling, creation of harmony, environment for expression and all such will enable the functioning of the organization.

3. VQ with Experience (Years) of Respondent - People learn and acquire by experience. Experience and volition are highly associated. People learn, simulate and acquire traits of problem solving on the basis of the feel they have experienced at the workplace and home. There will be continuous assessment of learning while working and this will appropriately be reflected in managing problems. Thus, volition as a trait is acquired overtime and through experience.

4. VQ with Total Annual Household Income - The entire model is statistically significant however, observations are slightly auto correlated. Women executives develop better concentration on collecting relevant information and focus on tasks given. Acquisition of volition would lead to higher levels of self-activation. The ability to control one's self is more pronounced. The best way to acquire volition is by consolidating experience at home and the workplace and learn from them.

5. VQ with Education Level of Mother - The relationship between VQ and education level of mother suggests strong multiple correlation coefficient. Interestingly, the model is strongly statistically

significant but the errors are not auto correlated enabling us to support the interpretation of the model with D-W statistic. The strength of the relationship is with the way women executives face tasks at the workplace. The intensity of tasks will make them more activated. Though, the influence of the mother is strong, executives will not make changes so easily but can still perform in the workplace by promoting a collaborative leadership culture. All the traits of the mother are reflected on the basis of moral values such as trust and integrity. In essence an educated mother will help the daughter to acquire VQ by value based behavior, learning and help in solving problems at the workplace

6. Education level of Father-in-law - The impact of the father-in-law in acquiring VQ is not statistically significant as a model. The errors however are not auto correlated. The model of ANOVA is acceptable. Father-in-law will make influence on concentrating on work at the workplace and to facilitate perseverance on any issue that may come up. He is a proxy for the father of a woman executive and will facilitate the regulation of emotions and hence completion of task. The family environment will make the presence of both parents-in-law relax at home and the father-in-law in particular will help relaxation. Socialization in terms of joining community groups and facilitating strong leadership is influenced mainly by the father-in-law. The study suggests that the father-in-law and mother influence the executive because of the high credentials they would have acquired in their academics and career.

7. VQ with Education Level of Mother-in-law - There is no statistical relationship between educational level of Mother-in-law and the respondents. The multiple correlation between these two variables are high. The concept of involvement in achieving vision is derived from the efforts to get adjusted at home. Persistent communication with employees is similar to the relationship in communication with mother-in-law at home. The similarity is pronounced in a work situation. Efforts to build working relationships is in structuring a collaborative environment as reflected at the workplace. Clear evidences were available with reference to the effectiveness of women leaders drawn from home and the mother-in-law.

III. Relationship of Demographics with Organizational Effectiveness - Assessment of Organizational Effectiveness of Women Leaders

Organizational effectiveness constitutes the efficiency with which an organization is able to meet its objectives to produce a desired effect or an organization that is productive without any waste. Organizational effectiveness is about each employee doing everything well. In simple words, it is the capacity of an organization to produce desired results with minimum expenditure of energy, time, money, human and material resources, however the desired effect will depend on the goals of the organization.

1. OE with Age of Respondent - There is evidence of no relationship between age and organizational effectiveness. i.e., as age progresses amongst the group of women executives one cannot expect OE to improve. Although EQ & VQ improve with experience, age is a subtle factor not associated with it. There are, however, specific variables impacted by age. The mother makes an impact and influences indirectly on OE. There is strong influence in the formative ages which will make a person responsive at the workplace.

2. OE with Notional IQ of Respondent - There is a statistical relationship between Notional IQ and OE and it is strong. The observations are however, auto correlated on the lower side. The effectiveness of relationship with reference to IQ is in articulation of values of the organization. A woman executive believes that she is responsible for building a culture of performance. The ability to think right and making things happen is because of IQ. Motivation is another factor associated with IQ. Positive thinking and encouraging right behavior will make an organization more effective.

3. OE with Experience (Years) of Respondent - Experience is the best teacher, the more the experience an executive acquires, the more effective she becomes. All the OE variables manifest by experience. Sharing methods of performance with employees will lead to better performance. This openness lifts up the morale of employees in several ways. Organizational goal directed behavior coupled with motivation helps in achieving targets. Thus the variables which are acquired

through experience are in articulation of values, regular communication, building up of collaborative environment and organizational goal directed behavior.

4. OE with Total Annual Household Income of the Respondent - Money matters but not always. The realization of vision can happen only by grooming new leaders within an organizational setting. This should be supplemented by motivation exercises to facilitate goal directed behavior. The involvement of leadership with employees will make things move forward and happen. The effectiveness of an organization with reference to income is in grooming leadership to encouraging goal directed behavior and the involvement of leaders. Since money makes an influence on behavior of employees it will help groom leaders for future of the organization. Better income and great motivation would lead to better performance. Money alone will not lead to success but leadership will lead to be effectiveness of the organization.

5. OE with Educational Level of Father - A reasonably strong correlation exists between educational level of father and the woman executive interestingly, women executives inherit their values from father. This factor helps in impacting people for performance tasks. The values that the organization sets is on the basis of demonstrated values of the women executives at the workplace. Further demonstration of values will make the leader a "People person". This will lead to recognizing people as assets.

6. OE with Education Level of Mother - The education level of mother makes an impact but not as strong as that of the father in case of the woman executive. Parents in general help shape up work and leadership behavior amongst women executives. The clarity of vision and involving people to realize the vision will have its roots in the parents, more so with the mother. The education level of the mother does influence the woman executives. The articulation of values and the importance of it; the concept of family as a strong foundation for individual stability; engaging people to achieve the firm's objectives and facilitating them to change and the intrapersonal aspects are all drawn strongly by the mother while performance oriented task behavior is drawn from the father.

7. OE with Educational Level of Father-in-law - The father-in-law of respondent makes a strong influence on the daughter-in-law. He influences the executive on clarity of vision and facilitates achievement of organizational goals. Further, the values of an executive will get consolidated with influence of father-in-law. The importance of values in bringing about harmony in relationships is strongly evident. The ability to transform an organization and its environment will be because of strong influence of father-in-law.

8. OE with Education Level of Mother-in-law - Interestingly, in the Indian context, although strong multiple relationships exist between daughters-in-law and education level of mothers-in-law, the ANOVA model is not statistically significant. The inherited value of a "*Special Dislike*" for the mother-in-law could be one of the reasons for this complex relationship. Executives strongly believe in family orientation and consider it as the foundation for individual stability and success. It is noted that the strength of the family values is mostly emulated from parents and father-in-law by the women executives.

IV. Relationship between Demographics and EQ; VQ Assessment of Demographics and EQ; VQ of Women Leaders The simultaneous influence of emotional and volition variables on demographics is analyzed. This analysis pertains to those EQ & VQ variables which have made significant impact estimated earlier independently of EQ and VQ variables. The selection of the variables of EQ & VQ was based on $\alpha=0.15$ for pair-wise comparisons. The general hypothesis that is stated is that - EQ & VQ variables together influences the demographic variables at high levels of significance.

1. EQ & VQ with Age - The influence of EQ, VQ on age is statistically significant and all EQ & VQ variables are multiply statistically correlated. Although the relationship is significantly auto correlated on the lower side, the EQ, VQ variables are acquired as age progresses. The level of concentration and the ability to judge under changing situation are mainly acquired with age. In essence it is sequential documentation of emotions and happenings that will make a woman executive effective. Age has a positive impact on some of the EQ and VQ variables to be acquired.

2. EQ, VQ with Education level of Respondent - Formal education which is called the base education to qualify for a job and learning while on the job can be termed as education. Ultimately the purpose of education is to acquire learn and use it in the workplace and in life. The results show strong evidence of EQ & VQ being acquired by learning and helps in decision making. Further, education will help assess the correctness of the decisions made. It can be concluded that emotions and volition are acquired through education and can be managed effectively in the workplace.

3. EQ, VQ with Notional IQ - As the target group was not interested in making an assessment of IQ, the notional IQ of each woman executive was collected and analyzed. The analysis is done with care because of the self-inflated value recorded by the respondents. The overall model is reasonably multiply correlated. The explanation power of the model is poor however, it is compatible to linearity. As such, it is recorded that the relationship between EQ, VQ and the notional IQ is not established. Statistically strong relationships, however, exist between notional IQ and EQ of readiness to seize opportunities. The higher the EQ, the better the seizing of opportunities in the work place. Further, increase in concentration is acquired by people with higher EQ and that aspect is the focus on work which leads to better performance because of the IQ level.

4. EQ, VQ with Experience - Acquisition of emotional variables and variables associated with volition is a function of time. A woman executive acquires learning overtime and this will be consolidated in shaping up the personality for decision-making. The results of the study show a high correlation between EQ & VQ and experience. An executive who is more experienced will have better EQ & VQ. The variables are strongly multiply correlated. The emotions are appropriately managed along with the VQ variables i.e. an executive with appropriate blend of EQ & VQ can be successful because of the regulating and resetting of the mind to facilitate right decision making at the right time.

5. EQ, VQ with Total Annual Household Income (TAHI) - People with good annual household income are in a comfort zone in terms of the standard of living. There is a subtle relationship between income and

quality of life. People with high EQ & VQ along with high income improve quality of life by making efforts to regulate their emotions. The Indian family system supports such activities to help women executives regulate emotions at home and this will have its influence on behavior at the work place.

6. EQ, VQ with Education level of Father - The higher the level of education of the father, higher will be the influence and impact on the daughter. Women executives are generally influenced by the education level of the father. The results indicate that they acquire EQ and VQ over time by making the father her role model. As the father is a role model, the women executives think beyond the level within which they are expected to operate, means and ends match with women executive. Voluntary persuasion can happen under high levels of selfmotivation of the executive. The emotional and volition management of women executives are strongly associated with the educational level of the father.

7. EQ, VQ with Education level of Mother - No statistical evidence is observed in the influence of education level of the mother on acquisition of EQ and VQ of woman executive. The ANOVA model is not strongly statistically significant. There are, however, some traits which will influence the personality of a woman executive. The way women executives reflect on unpopular views without affecting harmony is generally derived from the mother. Parents generally influence their children and the educational levels of parents who do influence much more, make women executives do that much more in an organizational setting.

8. EQ, VQ with Education level of Father-in-law - The father-in-law does make a greater influence on the daughter-in-law than the parents do. The multiple regression model clearly evidences statistical significance on the influence of education of the father-in-law on the daughter-in-law. The ability to quickly react after a setback and initiate a correction process are mainly the influence of the education level of the father-in-law along with the internalization of core values by the group in supporting decisions. The tenacity to pursue goals beyond expected levels and persistence

of goals are mainly influenced by the parents- in-law .The best way of self-regulation by overcoming emotional stress and the ability to pursue roles and responsibilities are mainly from the father-in-law based on the model of behavior at home. The pleasant ways of voicing views is effectively communicated by levels of communication acquired at home.

9. EQ, VQ with Education level of Mother-in-law - Mothers-in-Law are considered at war & at command at home in Indian households. The relationship although appearing as discomforting, the influence of mother-in-law at work place of a women executive cannot be ignored. There is a statistically strong relationship between EQ, VQ & educational level of mother-in-law. Four emotional variables & three volitional variables have made significant impact. Mothers-in-law make their daughters-in-law learn from experience in addition to reflecting their own experiences. The ability to make decisions thinking of new ideas to solve problems in the context of new information are acquired in association with the mother-inlaw. The problem facing capability is assured influence of the mother-in-law.

3. Key Findings of the Research Study

The research findings of the study consists of a detail analysis of demographic and psychographic variables. The relationship between response variables such as IQ, EQ & VQ have been analyzed & conclusions drawn after testing relevant hypotheses. ANOVA & Multiple Regression Techniques have been used with care. The robustness of the tests enabled the researcher to draw relative strengths & extract implications in the context of the study.

Some of the important findings of the study are as follows -

- The general profile of respondents are briefed thus: Average Age of women leaders is 28 years; Designations range from Team leads,Tech heads, Project leaders, Senior Report Analysts, Directors to VP's ; 82.7% are in age group 20-40 years; 2/3 married; average notional IQ is 132.5; 1/2 are post gradutes,1/3; TAIH is Rs.12 lakhs; Average Salary is Rs.7.5 lakhs; an average of at least two dependents at home & education levels of Parents & In laws are generally graduate & above.

- Working relationship with Boss is Harmony, Camaraderie, Cohesion & Submission in that order; while working relationship with Peer Group is Harmony & Camaraderie. The working relationship with the Bottom-line employees is Proactive (41%) & Responsive (34.1%).
- Maximum influencer on self is Family 40%, Experience 32.1% & Peer group 20.5%.
- Assessment of Perception of Boss: 49.4% say good, 23.7% claim very good & 4.5 % Excellent; Assessment of Peer Group: Nine out of ten can be relied upon; Assessment of Bottom line: One out of four is 'very good', one out of two 'good' & one out of five 'moderate'.
- Assessment of Performance & Goal Orientation-Team Achievement: 47.4% say 'very good', 37.5% say 'good'; Assessment of Performance & Goal Orientation-Personal Achievement: 80.8% claim 'good', 11.5% are moderate.
- Cooperation : Male Bosses are more cooperative, four out five peer group members are cooperative, male bottom-line people are more cooperative, male peer group are more cooperative(80%) & bottom line irrespective are more cooperative; Female bosses are not cooperative, peer group less cooperative & bottom line less cooperative.
- Social Values: 51.3% are 'good' at emulating social values,' 33% are "very good"; Learnt & Acquired Values from Organization to Family: 84.6% are 'very much'.
- Participation in ethnic group: 37.8% in a moderate way, one out of every three frequently; Participation in other Ethnic group: 39.1% of the participants in a 'good way' 10% in a social group.
- Interest in Festivals & Religious functions: More participation in their own ethnic group than that groups of others; One out of two participate in family functions.
- Liking for Western Culture & Wear: Likes western wear but not, generally, western culture.
- Interest in Arts: Out of two moderately interested, one out of four more interested & high interest in Art & Music.
- Formal Organization Activities: Every three out of four people participate; Participation in Public Activities: one out of two will participate.
- EQ: Higher self-aware, regulated, self-motivated, socially aware, better social skills & relationships.
- Volition: Task oriented, Attention, self-activation, self-corrective & critical (50%); cope well with failure, four out of five have strong family culture.
- Values of the Family are blended with organizational values.
- EQ & VQ: The relationship between EQ & VQ strongly established.
- OE: The foundations of organizational effectiveness are strongly associated with vision, values, culture and morale.
- OE: There is statistically highly significant correlation between women leadership and management of people in an organizational setting. It can be concluded that organizational effectiveness is high because of Vision, Values and Culture.

3.2 Policies -

- A strong policy oriented towards women and family needs to be designed. This policy should support the organizational environment.
- The policy of equal opportunity for women in all leadership positions need to be formulated.
- The contribution of women to the organization must be recognized in a social setting; a special policy of recognition needs to be drawn up.
- An extended version of women and family policy need to be extended to the spouse.
- Special career planning policy may be drawn up in the context of assessment of EQ & VQ of women executives.

3.3 Strategies -

- Since acceptance of a woman leader is not an issue in the Indian context, critical facilities need to be provided.
- A strategy of providing equal opportunities in their career need to be exercised.

- The strategy of work at home needs to be implemented under critical family situations.
- The said strategy must be extended to Spouse, Children, Parents and Parents-in-law in the context of an undivided or unified family.
- There should be a regular workshop and training service to take care of health and career of woman executives.

3.4 Suggested Actions -

- Every Organization in the Indian Context must evolve an action plan to facilitate effectiveness of Women Leaders.
- A unified meet of family members in organizational context needs to be organized. This is a deviant form of outbound sessions being conducted now.
- The spouse and children are to be recognized as extended family of organization to have a soothing effect at home.
- The concept of family wellness can be drawn to enable women executives be at home and in the organization.
- Training programs need to be evolved to eliminate Rajasic qualities of a leader and move towards a more Satvic behavior.
- An outlook program can be designed for introspection and self-correction.
- A training need that is evident from research is about allocation efficiency of time given to organization and family. Time wellness program can be designed and tailored to the needs of different categories of leadership.
- The stress on women leaders in the IT sector is similar to the stress experienced by women executives in governmental and non-governmental organizations including the Defence forces. Suggested actions can be appropriately fitted to the requirements of women executives.
- Stress buster programs can be designed to prevent emotional problems and increase volitional competency.

4. Conclusions

We are in the midst of a great revolution at present, when we talk of the women in leadership roles. Most women know the significance of how to listen, collaborate and influence changes besides building excellent relationships and taking the right decisions. Women Leaders in the IT sector aspire to set new trends, exercise influence, navigate required changes and build on new strategies for value addition with contributions to impact their families, communities and organizations. Research has shown that women bring a special brand of leadership which translates to superior financial performance, robust organizational growth and long-term sustainability. In keeping pace with the changes across the levels of leadership hierarchy, women leaders in IT pave the way for economic empowerment and development. Most women leaders think of long term consequences, drawbacks and benefits of the decisions they take in the organization. They are generally humility personified and strive for fairness besides taking responsibility and demonstrating integrity. They serve as role models for all their followers by internalizing values and translating it to actions. Women leaders “walk the talk”, because of which the level of trust, respect and likability generated amongst their followers increases. With this Indian women as leaders in the IT sector have turned the tide and have come a long way.

BOOK REVIEW

PUBLIC DEBT SUSTAINABILITY & FISCAL RULES: SOME EXPERIENCES - B.S. SREEKANTARADHYA; SOUTHERN ECONOMIST PUBLICATION, 2016, PP1-188+x

Reviewer: N.S. VISWANATH*

Public debt is no body's debt. The book under review is an essay on the public debt. It makes out a case for its sustainability and rules that govern it. The rise of public debt over time makes it a temporal phenomenon and the generations that come later will have to face it. The factors governing public issues are many and yet few thoughts have been dispersed across academicians and certainly not with the governing political leadership. In a context where public debt issues came up for a thought oriented solution, the present book, may serve a fore runner. The author with short and penetrative discussion on the temporal trends in public debt in USA, Japan, UK, EURO and India, issues of fiscal imbalances, debt-GDP ratio, law governing the debt issues and budget and fiscal responsibility marks out areas of solutions for convergence.

Development cannot be attempted without systematic planning of public projects. Huge sums of money have to be borrowed, budgets need be got approved and resultant efforts of fruits of development have to be evaluated for distributive benefits. Fiscal balances and controls may enable better results with taxation and public consolidation of revenues. The question always remains as to how to strike at restricting the debt without affecting growth. Fiscal Rules have been formed in all the countries depending on the contexts yielding mixed results. The experiences of USA, UK, Japan, and India show mixed results. The legislation in India of Fiscal responsibility and Budget Management Act (FRBMA) is a weapon to juggle with targets, performance and

sporadic situations. The author has made an account of EURO experience. The governance of several tiny countries under one currency for the last two decades, the role of IMF, and signals received from budgetary deficits are highlighted. The fiscal rules in terms of debt-GDP ratio and The Growth and Stability Act have been detailed with mixed experiences across EURO Union. The six and two pack rules did not show expected results. The deviant political governance across EURO countries made the difference.

The federal surplus/deficit and Debt-GDP ratios across US demonstrated staggering trend for the last five decades. Similar yet different in the context are the in Japan, in UK and in India. The problem across these countries are the same but not the solutions attempted at by them. The author elucidates with command of economic logic how fiscal discipline controls can be exercised through budget and operations of laws. The debt levels balancing, comparison of reasons, fiscal rules and legal strength leading structural rigidity have all been brought out with prudence. The question still remains as to why Governments of these countries are not learning from their experiences. A politico-economic thought process may lead to an awareness and reach. People alone cannot participate unless parliamentary public accountability is established. The author triggers many questions for further examination. This is a welcome edition for reading and for further contribution of action oriented thoughts.

* Director and Principal, M.P. Birla Institute of Management, Bengaluru.

BOOK REVIEW

GOD'S OWN KITCHEN - The Inspiring Story of Akshaya Patra - A Social Enterprise Run by Monks & CEOs: RASHMI BANSAL

Westland Ltd., 61, II Floor, Silverline Building, Alpakkam Main Road,
Maduravoyal, Chennai 600 095, 2016

Reviewer: N.S. Viswanath*

This is another, eighth one-from a prolific writer-of success from India. The other publications were well received. The present work is not of a just social enterprise but of an institution for building social capital in a land of karma bhoomi-India. The Akshaya Patra Foundation in India (TAPF) is the World's best organization in child and youth sector because of its 'impact, innovation and performance'. The author has documented in style the story of TAPF which is serving 1.6 million children through 27 kitchens in 11 States of India. The drama has unfolded due to support of various people in the roles of 'Founders, The A-Team, Start Up Kitchen Crew, The Professionals, Innovators, Well Wishers and more importantly Public Leaders'! The writing is simple, lucid and attractive. It makes you read through faster than a good novel or a short story! The photos over 50+ in number will make an indelible impact. The chapter names are sanskritized and are named-Bhakti Yoga, Aarambh, Vichaar, Sankalpa, Vighnato name a few. Each chapter connects you to a positive thought and takes a reader to further knowledge, to improve upon one's own perception. The narratives are well connected from Aarambh (Chapter1)

to Bhavishya (Chapter 27)-i.e., from the Beginning to the Future! The author uses language in a creative way. An example- "In economics, there demand, there is supply and there are 'market forces'. But the Chief Economist is invisible and omnipresent. The Force behind all forces." Who will not get attracted to such a language?! Acceptance, expansion, variation, and so on are the common words for people. Such words are used to imprint the way Akshaya Patra is moving forward! The 'People's President' Dr. A.P.J. Abdul Kalam visited the temple, June 7, 2003 and gave out the idea of a variant of Akshaya Patra - 'now Vidya'. The Vidya Akshaya Patra began! The book is a must read for all students, scholars, administrators and men and women in public life. The author deserves the best reward when she finds later the book has induced many to begin social enterprises. The book is printed at Manipal Technologies Ltd. The book will be another best seller for the best to happen in future for the society. Akshaya Patra has influenced people in several ways. One such was that it is now a theme of research. A doctoral work on Akshaya Patra has been rewarded!

* Director and Principal, M.P. Birla Institute of Management, Bengaluru.



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