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MANAGEMENT VISTA

MONTHLY E-NEWSLETTER– AMITY BUSINESS SCHOOL



Management Thought

Good self management

puts me in control ...

Failing to plan, is planning to fail.

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Diversity is a broad term. We often narrow down the scope while defining it specific to the organisation. It should ideally encompass physical abilities, heritage, age, gender, sexual orientation, and gender identity. The impact of diversity (positive or negative) is very obviously seen in the team and organisation at large. These dimensions are important attributes that may even contribute to an employee's performance, team interactions and affect his growth prospects. With such deep rooted impact, today diversity and inclusion program has become a key ingredient in the growth and success story of any organisation. It has several layers yet to be revealed..

The organisation's maturity level plays a big role in embracing diversity with all its characteristics and is generally successful when used with a top-down approach. Diversity as a default must also be factored in while devising employee policies like transfers, promotions, recruitment, training, merit increase exercise. Certain characteristics manifest themselves in the most unexpected situations. For instance manager's preference or bias for hiring people from his own community or sect can topple over the balance in the team. Though done subtly it can stay with the team members for a long time to come as it reflects in the behaviour, demeanour of an individual.

Diversity imparts tremendous benefits to the team in terms of improved morale, team spirit, fresh perspective. It encourages mutual respect and tolerance which goes a long way in inculcating right values and ensures common good and societal development. Chandrashekhar Mukherjee, chief people officer, NSE shares his views on the benefits accrued by the organisation. He encapsulates, 'Diversity adds value to the organisation in the following ways:

- Enhanced and better talent pool
- Enhanced competition among employees which leads to better performance and productivity
- The organisation and its employees understand the diverse culture of its environment better, hence can innovate and create new / better products for various sections of society
- Create an open, flexible and learning organisation, hence leads to better teamwork and promotes a professional work culture in the organisation
- Finally leads to better top line and bottom line

Cross cultural training workshops and sensitizing people helps instilling the desirable values and allows employees to experiment, think out of the box. Improvisational attributes and tactics can generate better ideas than trained professional brains which are generally confined to thinking in a set manner. On the flipside, when mismanaged it can tarnish the image of the organisation and cause irreparable damage. It could result in formation of groups and sub groups and being a non-controllable variable with a deep rooted impact, it can affect the morale of the team at large. The key element here is "**communication**". The planned communication exercise has to adhere to the 3C's namely correct, constant and cautious communication (intent) with the employee base can help attain positive outcomes from diversity.

Diversity concepts have varied aspects and no sacrosanct reference module to give all answers. Best way forward or most suitable approach is formulated basis the situation and peripheral criteria involved. Hiring solely One IT company devised a method by investing in teaching employees about associative thinking and thought they may earn good ROI.

Associative thinking capabilities when boosted or mind is ethnicity and cultural backgrounds. But as soon as they implemented phase II of the same project they extended it to involve intrigued in that direction, output can be multiplied. Initially it worked for them and the team responded positively to having people from different backgrounds, people with special abilities as part of the project. But this move backfired as the team and the infrastructure was not adequately equipped to handle the challenge. This led to the formation of a new module.

Several industries across sectors started forming screening committees or panels with diverse dimensions to allow neutral and non-bias discussion on hiring specially-abled people. Another major area was facilitating them around campuses. A **Disability management module** was launched which aimed at prevention and facilitation for the employees.

- Special software which worked on oral commands were installed on machines for visually impaired lot
- Providing education and early intervention services to prevent or minimize the effects of disability in the workplace
- Assisting employees with disabilities or medical conditions in overcoming work-related restrictions or limitations
- Implementing contract provisions regarding return to work, training existing work force to accommodate the new hires and ensure appropriate allocation of work
- Providing inclined platforms for easy movements of wheel chairs

Another important aspect is gender equality. Most organisations today take pride in claiming "we are an equal opportunity organisation". This claim has to reflect more in actions rather than policy documents. It reflects in various forums and external platforms, company vision, value proposition offering, board formation. In turn, it promotes meritocratic and performance based growth culture. Lot of companies undergo the 'Buzz fetish', especially the young and dynamic start-ups. They want to have the latest hot picks for policies to attract talent and create waves in the market. Mr. Guruvayurappan PV, Vice President and Head – Human Resources, Omega Healthcare shares, 'Equal opportunity policy is not a passing fad; it has its own merit. Lot of times, it helps organisations prevent workplace discrimination from employment actions. Among other things, equal opportunity policy:

- Serves as a guideline for recruiters while sourcing candidates
- Helps HR and line managers while assessing candidates for career progression
- Helps organisations to keep their reputation intact'

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Mutual funds intensify buying amid market turmoil

Equity mutual fund (MF) managers stepped up buying in January despite a sharp correction in the markets. Last month, MFs net bought shares worth Rs 7,000 crore, the most since September, as benchmark indices fell to their lowest level in 20 months.

MF buying was seen tapering in the three months to December. Fund managers continued with their cautious stance during the beginning of last month. But they were seen accumulating shares as the 30-share Sensex slipped below the 25,000-mark.

Fund managers poured in a massive Rs 2,000 crore in stocks as the Sensex tested the 24,000 levels. This was at a time when their foreign counterparts took off over Rs 11,000 crore from stocks in January. In the past, too, fund managers turned aggressive buyers after bouts of sharp correction, terming it a 'buy on dips' strategy. At one point of time, the indices had lost almost 9 per cent of their value in January.

S Naren, chief investment officer (CIO) of ICICI Prudential Mutual Fund, says, "The recent correction in the markets due to current selling by FIIs coupled with our belief that crude oil prices may bottom out in the near term presented us with a good buying opportunity in equities according to our investing framework." Before this, in the quarter ending December, the average monthly net investment by equity fund managers were to the tune of Rs 4,700 crore against Rs 8,200 crore for the first half of FY16. This was despite the fact that overall net inflows from investors during the quarter was over Rs 16,000 crore against fund managers' net investment of Rs 14,000 crore, leading to a slight surge in cash levels in portfolios.

Interestingly, the uptick in buying momentum came at a time when industry executives are feeling the initial pinch of slowing down of investors' flows in the equity segment. It had also led to a slight rise in cash levels in the equity portfolio in recent months. Officials say that the cash buildup of the previous months may have been used to infuse funds in stocks during January.

Vijaya Bank plans to raise Rs 1, 000 crore capital in Q4

Lender plans to raise equal amounts through equity infusion from the government and through bonds

Mumbai February 8, 2016

Government-owned Vijaya Bank plans to raise Rs 1,000 crore in this quarter, for capital adequacy norms and business growth. Of this, the Bengaluru-based lender expects the government to give Rs 500 crore as equity.

The government has not infused equity in two years. The bank has presented five-year plans for capital requirements to the government, said Kishore Kumar Sansi, managing director and chief executive officer. Another Rs 500 crore will be raised via tier-I and Basel-III-compliant bonds. It has already raised Rs 450 crore through tier-II bonds. The capital adequacy under Basel-III rules was 10.65 per cent at end-December, with the tier-I ratio at 7.8 per cent and tier-II at 2.85 per cent.

It had surprised on Friday by reporting 40.7 per cent growth in net profit at Rs 52.6 crore for the quarter ended December 2015. On Friday, its share price had closed 16 per cent higher at Rs 34.3 on the BSE exchange.

Sansi said reworking the liabilities profile, containing of non-performing loans and a push for recoveries contributed to the performance.

The emphasis has been on consolidating the balance sheet, reflected in growth of only two-odd per cent (year-on-year) in deposits to Rs 125,475 crore. Credit rose 13.3 per cent in 12 months to Rs 89,696 crore. The credit to deposit ratio went from 63 per cent to 71 per cent, Sansi said. On controlling of bad loans, he said they'd categorised some assets as impaired loans in the previous quarter and made provisions. Gross slippages in the December quarter were Rs 730 crore. Upgradations were Rs 329 crore, resulting in net slippage of around Rs 400 crore.

The gross non-performing assets (NPAs) ratio as on end-December was 4.32 per cent, up from 2.92 per cent a year before. The net NPA ratio was 2.98 per cent, from 1.89 per cent. The provision coverage ratio was 58.07 per cent. The total of restructured assets was Rs 5,226 crore. He said the bank was trying to contain stressed assets at the end-December level seen. An assessment was on and a clearer picture would emerge in 10 days.

Google moves \$12 bn via low-tax 'Dutch sandwich'

Reuters | Amsterdam/London February 19, 2016

Google moved euro 10.7 billion euros (\$12 billion) through the Netherlands to Bermuda in 2014, as part of a structure which allows it to earn most of its foreign income tax free.

Accounts for Google Netherlands Holdings published on Thursday show the unit transferred almost all its revenue, mainly royalties from an Irish affiliate through which most non-US revenue is channelled, to a Bermuda-based, Irish-registered affiliate called Google Ireland Holdings.

The tax strategy is known to accountants as the "double Irish, Dutch Sandwich". It allows Google, now part of holding company Alphabet Inc, to avoid triggering US income taxes or European withholding taxes on the funds, which represent the bulk of the group's overseas profits. Corporate tax avoidance has risen to the top of the political agenda in Europe in recent years and Google in particular has been under pressure for the low tax it pays on profits generated from sales in the continent. Last week Google was called to testify to a UK parliamentary committee about a £130 million (\$186 million) back tax bill, agreed with the British tax authority in January that the Opposition Labour party described as "derisory". The deal brought Google's total British tax bill for 2005 to 2015 to around £200 million, whereas its UK revenue amounted to £24 billion. Google Netherlands Holdings NV, which has no employees, had a Dutch tax bill of just euro 2.8 million, its accounts showed.

Stocks extend weekly gain before Budget

Bloomberg | Mumbai February 22, 2016

Indian stocks climbed, with the benchmark gauge extending last week's advance, before the important Budget session of Parliament begins on Tuesday.

Hindustan Unilever, the largest personal-products company, rallied the most in 13 months. Sun Pharmaceutical Industries rose to become the best-performing stock on the S&P BSE Sensex this year. Reliance Industries, the owner of the world's largest refining complex, climbed for a second day. ITC slid to near a three-year low amid concern the government may raise taxes on tobacco products.

The Sensex added 0.3 per cent, or 79.64 points, to close at 23,788.79, extending last week's 3.2 per cent rally, which was the steepest in four months. Investors are looking ahead to the Budget on Monday for clarity on the government's plan to lower the corporate tax rate and phase out tax breaks.

Junior finance minister Jayant Sinha said over the weekend his ministry was working on a forward-looking Budget that would ensure India was a safe "haven of stability" amid the global turmoil. "India is growing at seven per cent when the rest of the world is searching for growth and negative interest rates prevail in Europe and Japan," Vikram Kotak, managing partner at Crest Capital & Investment Pvt, told Bloomberg TV India.

"The budget must focus on boosting expenditure to get growth back on track, instead of focusing only on fiscal consolidation. Higher growth itself will take care of the fiscal deficit."

Budget Deficit

Economists surveyed by Bloomberg expect Finance Minister Arun Jaitley to meet the fiscal deficit target for the year ending March 31, while slightly pushing back next year's goal to 3.6 percent of gross domestic product. Stock markets would overlook the widening in the budget gap up to 3.8 percent if the funds are used for public spending, Kotak said.

Hindustan Unilever surged 4.1 percent, the most since Jan. 21, 2015 and the best performer on the Sensex on Monday. Dabur India Ltd. added 1.7 percent. Britannia Industries Ltd. advanced 2.8 percent to take gains in the past year to 36 percent.

Jaitley is expected to make a decision on whether to implement the planned \$15 billion salary hike for government employees, which would affect consumer goods companies.

"Investors are speculating that the government will announce measures to boost consumption," Arun Kejriwal, a director at Kejriwal Research & Investment Pvt. in Mumbai, said by phone. "The finance minister is likely to announce the increase in pension for retired army men and salary increases for federal employees. Such steps would be good for consumer stocks."

Sun Pharmaceutical increased 2.1 percent to its highest level since Oct. 30. Reliance gained 1.9 percent, extending last week's 4.2 percent advance.

Maruti Suzuki India Ltd. tumbled 1.6 percent in a third day of declines after unrest in Haryana state forced the nation's top carmaker to close some plants. A disruption to component supplies amid demonstrations over caste rights led to a weekend halt in output at its Manesar and Gurgaon factories that jointly produce about 5,000 vehicles a day.

ITC fell 1.5 percent. NTPC Ltd., India's biggest power producer, slid 2.2 percent. Adani Ports & Special Economic Zone Ltd. declined for a third day. Overseas investors sold a net \$43 million of Indian stocks on Feb. 17, taking this year's outflow to \$2.5 billion. They bought \$3.3 billion of shares last year, the smallest in four years.

The Sensex has retreated 9 percent this year and trades at 14.9 times its estimated 12-month earnings, versus a multiple of 10.9 for the MSCI Emerging Markets Index.

Industrial Visit Report (21-22/01/2016)
Hindustan Coca Cola Beverages Pvt. Ltd. & Saras Dairy Jaipur

The students of the sixth semester of the courses B.B.A and B.Com, headed by Dr. Rohit Singh Tomar, Dr. Tripti Tripathi and Ms. Astha Joshi, went for an industrial visit to Hindustan Coca Cola Beverages Pvt. Ltd. & Saras Dairy Jaipur, situated at Jaipur, Rajasthan.

On 21/01/2016 Industrial Visit for Saras Dairy Jaipur was organized where all the students were made to see and understand the different stages in the production of milk products the company was established in March 1975 and Jaipur Zila Dugdh Utpadak Sahakari Sangh Ltd., Jaipur (popularly known as Jaipur Dairy) was registered under Cooperative Act 1965 to work in then Jaipur District. Jaipur Dairy sells its milk & milk products through a network of over 5200 retail outlets spread over Jaipur city and nearby 100 towns. Jaipur Dairy was among the first 8 dairies to be selected by NDDB for countrywide launch of Mnemonic symbol campaign. Now they have shifted to their symbol to make the brand more prominent in Rajasthan. The students were then made to visit that part of the plant where various products were being produced. The different stages of the production like preparation of curd, ghee, cheese were all explained to the students.

On the next day i.e 22/01/2016 an industrial visit for Hindustan Coca Cola Beverages Pvt. Ltd. was organized. HCCBPL is the largest bottling partner of The Coca-Cola Company in India. It is a part of The Coca-Cola Company's Bottling Investments Group (BIG) and responsible for the manufacture, package, sale and distribution of beverages under the trademarks of The Coca-Cola Company. Students were made aware about different stages in the production of their products in detail. The process of manufacture includes key components like extensive treatment of the raw water, preparation of the syrup, the container preparation process, filling, inspection, coding and filling the bottles into cases. The finished product is then dispatched to the warehouse before it departs on to its final destination i.e. the consumer through a network of depots, distributors and retailers. The waste water is processed through an elaborate waste water processing system to ensure the output water conforms to the world class standards. All in all, it was an amazing learning session for the students, for which we thank the management of Hindustan Coca Cola Beverages Pvt. Ltd. & Saras Dairy Jaipur.



WHAT MAKES A SUCCESSFUL ENTREPRENEUR

To be successful entrepreneur one should “MIND HIS OWN BUSINESS”. Developing entrepreneurial skills is also very important if you are in a job role where you are expected to develop a business, or “take things forward” more generally. It’s very easy to get lost trying to compare ourselves with others. It’s also very easy to get lost trying to rate ourselves against our peers or even rate ourselves around society when it comes to success. It’s actually very depressing at times and inconclusive as you often get side tracked comparing apples to guava.

In our quest for success, we often look for some sort of thinking system to gauge how well we are doing and unfortunately decide to use other as the measure. It is often an inaccurate scale as so many factors come into play, so many that it makes it unfair to compare yourself with others on any level.

There are so many circumstances that dictate success it makes it impossible to mind multiple people which have identical circumstances to compare us to. Since we cannot compare ourselves to others, we must become our own competition and strive for perfection daily in order to move forward. The REAL point here is why do we worry about what others are doing if we ultimately should not compare ourselves to them. Answer to this is jealousy and should end immediately.

If you are the one who often find yourself worrying about what others are doing, how they are doing it, where their wealth comes from, then start minding your own business and instead focus your energy on yourself and your work which will get you there, not finding out if your neighbor is in the Mafia or indeed a real estate guru.

The best way to check if you are yourself is to ask yourself if you often form conclusions when faced with an individual who has attained a higher level of monetary success. Do you often find yourself guessing that perhaps this person was given wealth from past generations or that they are involved in activities that have led to financial success?

We should rather focus our efforts and energy on our own growth and not criticize other people whose success level is above ours. If you find yourself in such a negative position where a friend or a relative seems to feel the way, then identify them as one whose lack of effort and lack of motivation is ultimately going to be the reason for their failure, and separate yourself instantly from them.

“BE WHAT YOU ARE, TRY NOT TO WASTE YOUR TIME AND MIND YOUR OWN BUSINESS”

DHEERAJ PARASHAR
MDP Infra structure Pvt. Ltd.

Management Day celebration organized by Amity Business School

February 19, 2016: Management is not only practiced in an organization and business entities but it plays an important role in our daily lives and is practiced by every individual in some or the other way. To commemorate “National Management Day”, a grand plethora of activities was conducted by Amity Business School, AUMP with amazing zeal. Many students came up to volunteer their services for the event enthusiastically, varying from decoration to the organization of the events that received overwhelming response.

Six events were organized in this gala celebration, namely: Rangoli, Face painting, Best out of Waste, Ad Mad show, Spark Plug and Treasure Hunt, with as many as 12 teams in each event. All the students of 1st, 4th and 6th semesters of the courses B.B.A, B.A.(Eco), M.B.A., B.Com (H) marked their presence in all the events as participants and volunteers. While the volunteers exhibited their utmost sense of responsibility, the participants were all through a step forward in exhibiting their talents and various qualities of team work from coordination to cooperation respectively. And, it went as usual, that the faculty members from the Head of the Institution, Dr. Anil Vashisht to each and Professor were all extremely zealous and kept motivating the students from the beginning till the end.

All this talent was exhibited to be explored and encouraged by the Honorable judges for the events: Dr. Y.P. Singh, HoI, ASAP and Dr. Iti Roy Chowdhury HoI, ASL/ASCENT, Mr. Amanpreet Randhawa, Assistant Director HR and Mr. Rajat Pathak, Director- Corporate Resource Center and Admissions also for the intricately organized talents to be brought under the notice of some special guests for the event, the chief guest being Lt. General V.K. Sharma, AVSM Retd., Vice Chancellor, AUMP and other guests being Dr. M.P. Kaushik, Pro Vice Chancellor, AUMP and HODs and HOIs of other departments. The results were then declared shortly after a meticulous examination of all the posters and collages that were displayed on parallel wires on the walls of the corridor.



Contingent liability - a liability that only needs to be paid if a particular event or circumstance occurs.

Disbursements - money that is paid out by a business.

Encumbered - an encumbered asset is one that is currently being used as security or collateral for a loan.

Fringe benefits - non-monetary benefits such as company cars and mobile phones, included as part of a salary package.

Margin call - when the value of a property or asset falls below a certain LVR. For higher risk loans such as margin loans, the lender will request further payment to bring the LVR back to the agreed percentage.

Overdrawn account - a credit account that has exceeded its credit limit or a bank account that has had more than the remaining balance withdrawn.

Repossess - the process of a bank or other lender taking ownership of property/assets for the purpose of paying off a loan in default.

Stocktaking - a regular process involving a physical count of merchandise and supplies actually held by a business, completed to verify stock records and accounts.

Superannuation - money set aside for retirement, that must be paid into a complying superannuation fund.

Venture Capital - capital invested in a start-up business that is thought to have excellent growth prospects but does not have access to capital markets because it is a private company.

Test your knowledge

#1008

1. The parliament of which country became the first to run entirely on solar power?
2. Which country ranks first in production of Natural Gas?
3. On which day is the International Human Rights Day celebrated?
4. The famous classical dance 'Kathkali' is practiced in which state?
5. Which is the deepest point of Pacific Ocean ?

ANSWERS: 1007

1. Sikkim
2. Jallikattu
3. Crop Insurance and AgriMarket Mobile
4. 3 Years
5. Mr Guenter Butschek



Ramesh Babu, the barber who owns a Rolls Royce

Leonard Willoughby said, “As you begin to live according to your own guidance and your own daring everything changes completely.” Ramesh Babu, the barber who became a millionaire, did exactly this when he was shaping his dazzling destiny. Stories of personal perseverance, the ones where heroes overcome severe obstacles and achieve dizzying heights of success, have been around since the beginning of time but they never get old. They inspire us and inflame our passions, making us believe we too can follow suit.

Ramesh Babu bought a Maruti Van with his meagre savings in 1994. By 2004, he had a fledgling car rental business with seven regular cars. In 2014 he had a fleet of 200 cars. What is even more extraordinary is the 75 luxury cars on the fleet- a range of Mercedes, BMW's, Audi's, five and ten seater luxury vans and, his ultimate pride, a Rolls Royce.

Building a successful business:

From 1994 onward He seriously got into the car rental business. The first company He rented it out to was Intel because that's where Nandini akka was working and she helped in arranging it. Gradually, He started adding more cars to the fleet. Till 2004, He only had about five to six cars. He was focused on getting the saloon business off the ground, so this was not his priority. The business was not doing well as the competition at this level was intense. Everyone had small cars. He thought of getting into luxury cars because that is something that no one else was doing.

On Taking Risks:

When He was buying his first luxury car, in 2004, everyone told him that he was making a big mistake. Forty lakhs in 2004 for a car, even a luxury car, was a very big deal. He was extremely apprehensive, but simply had to take the chance. He told himself that he would sell off the car if worse came to worst. Fortunately for him, the risk paid off remarkably. No other car rental service had luxury cars of this stature. There were ones who had purchased second hand models and the conditions of those cars were far from pristine. He was the first person in Bangalore to invest in a brand new luxury car and it did very well.

FEEDBACK AND SUGGESTION FORM

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