



# TAPMI Research Newsletter


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**T. A. PAI MANAGEMENT INSTITUTE**



TAPMI has been in the process of encouraging greater intellectual contributions from faculty for some time now. This in tune with the idea of TAPMI emerging as a top class business school not only in imparting education but also fostering development of research initiatives. The TAPMI research newsletter helps in disseminating the faculty research outputs. I am sure that this newsletter will provide you with opportunities to understand and interact with the contributors on their research themes and thus forge research collaborations. This edition of the newsletter covers the period June to August 2011.

With kind regards,

**A. Sivakumar**  
Assoc Dean Research





## Articles in Journals

### Papers published

#### A. Sivakumar & Jan P. L. Schoormans (2011):

Franchisee Selection for Social Franchising Success, *Journal of Nonprofit & Public Sector Marketing*, 23:3, 213-225

Franchisee selection is a major input for franchising success. In this article, we argue that franchisee selection criteria do not differ between social and commercial franchising. They may be even more relevant for obtaining social franchising success. We discuss criteria for franchisee selection and present details of our multiple case study research to support the argument. Our study finds that evolved social franchisors do adopt similar selection criteria as commercial franchisees. In addition, constraints faced with franchisee selection among commercial franchisors are reflected also among social franchisors. We contribute to franchising literature by extending commercial franchisee selection criteria to social franchisee selection. A major managerial implication of this research is that existing franchising professionals could easily assist new social franchisors in developing their social franchisees. Future research could be study criteria weights and methodology adopted for making final selection. A new research direction could involve studying if selection criteria would differ based on (a) social cause and (b) franchisee location

#### Ramanacharyulu A.V.(2011)

"Globalisation and Indian Businesses" - *Domain, The Journal of Management Research*, Vol.3, Issue.2

India chose to embrace globalization when the country took radical measures to revive its economy in 1991. The country took a series of decisions to open the markets and thus push economic reforms in almost all walks of life. The present day scenario doesn't stop at expanding of Indian businesses into world markets, but offers a unique opportunity to build business models in both "for-profit" and "not-for-profit" sectors, working on issues of sustainability, climate and human development.

#### Sivakumar & Jan Schoormans (2011)

"Sustainable Rural Healthcare and Social Franchisee Selection - An India study" *Journal of Medical Marketing*. 11 (3) 230-236

Geographical isolation, unavailable healthcare professionals, and insufficient government investments in healthcare severely constrain health services access in rural Bottom of the Pyramid markets. Social franchising offers a solution to this issue. It combines commercial franchising principles with social marketing to offer a sustainable business model for expanding healthcare access. Clinical franchising within social franchising is crucial in providing medical services. In this article, we put forth an argument for considering franchisee selection as a key ingredient in clinical franchising success. An exploratory study in India on social franchising among social enterprises and its results are also presented.



## Accepted Research Publications

**Mukherjee, S. And Mahakud, J. (forthcoming)** "Testing Trade-off and Pecking Order Theories of Corporate Capital Structure: Evidence from India"- *Journal of Management Research*.

The objective of the paper is to find out whether the trade-off and pecking order theory are mutually exclusive or complimentary in determining the optimal capital structure of the Indian manufacturing companies during the period of 1993-94 to 2007-08. This study specifies a partial adjustment model and uses the Generalized Method of Moments (GMM) technique to examine the role of financial deficit, and other firm specific variables such as size of the firm, profitability, non debt tax shield and tangibility for the determination of target

capital structure. We find the evidence that the trade-off and pecking order theories are complimentary to each other to determine the capital structure and therefore, companies' financing behavior is best explained by the modified pecking order theory. We also find that Indian manufacturing companies do have target leverage ratios and the adjustment speed towards the target has been varying between 40 to 43 percent across various definitions of leverage.

**Mukherjee, S. And Mahakud, J. (forthcoming)** "Historical Market-to-Book Ratio and Corporate Capital Structure: Evidence from India"- *Global Business Review* (Sage).



This paper tries to identify the nature of historical market to book ratio i.e., whether it can be used as a market timing proxy or growth opportunity proxy and to find out its impact on capital structure and the adjustment speed to target capital structure. Using a panel data analysis we find the evidence that the historical market-to-book ratio has been a better proxy for growth opportunity than market timing and it plays a significant role for determination of capital structure for Indian manufacturing companies. We also find that Indian manufacturing companies do have target capital structure and the speed of adjustment to this target capital structure has been around 40 per cent, but the historical market-to-book ratio does not have significant impact on the speed of adjustment.

**Sanal T. S., Sreekumaran Nair N & Prabha Adhikari (forthcoming)**, "Factors associated with poor control of type 2 diabetes mellitus- A systematic review and Meta analysis" - *Journal of Diabetology*.

Diabetes was estimated to be responsible for 3.96 million adult deaths per year at global level. By 2025 the diabetes patients in India is estimated to be 70 million. Even though there is a well-defined treatment for type 2 diabetes, in majority of the patients the disease is poorly controlled.

The Objective of the study was to find out the factors responsible for poor control of diabetes. The study used systematic review and meta analysis as methodologies.

Patient, treatment and disease related factors of diabetes

were extracted by searching databases and journals from 1980 to October 2010.. Where ever feasible meta analysis was performed by pooling the results. Mantel - Haensel Odds Ratios, standardized mean differences and 95% Confidence Intervals of estimates were calculated for Meta analysis. Body mass index presence of coronary heart disease, non-adherence to diet, exercise, medication, glucose monitoring were factors associated with poor control of diabetes. Neuropathy, retinopathy, renal failure and neurological disorders were the complications of poor control.

**Vishwanath S.R. (forthcoming)**, "The Information Content of Grey market Prices of Indian IPOs"- *International Research Journal of Applied Finance*.

Earlier studies find that high grey market prices in Europe are a good predictor of first-day aftermarket prices, while low grey market prices are not and document long-run price reversal following high grey market prices. This is attributed to investor optimism and sentiment. We find that 1) grey market prices, retail subscription, and underpricing are all explained by fundamentals 2) grey market prices contain useful information relating to IPO subscription, underpricing and long run performance 3) informed investors can undertake arbitrage between grey and IPO markets. Our study shows that despite arbitrage opportunities grey market investors are not sentiment investors.

## Cases Published

- **Vijaya V. & Ajit Chakravarti(2011)**, "Beyond Protocol"- Humming Words Publishers, Faridabad.
- **Vishwanath S.R. (2011)**, "Hindustan Unilever Ltd", - Asian Case Research Journal.

## Special Mention

### Selected as Reviewer for Journals/Conferences

- **Sabuj Kumar Mandal** has been selected to review a paper for *South Asian Journal of Management (SAJM)*.
- **Sankalpa Bhattacharjee** has been selected to review a paper for *European Journal of Operations Research (EJOR)*.
- **Sivakumar** has been selected as a reviewer for Ninth International Symposium on Tools and Methods of Competitive Engineering (TMCE 2012) Karlsruhe, Germany, 7 - 11 May, 2012

## Books and Book Chapters

- **Sabuj Kumar Mandal (2011)**, "Demand side aspect of energy security problem : A study of Indian cement Industry - India and Russia" - *Academic Foundation, New Delhi*.
- **Sivakumar (2011)** chapter on "Sustainable Distribution" - *Cases & Readings in Sustainable Marketing: A Strategic Approach to Social Responsibility* by Michael Jay Polonsky and Clare D'Souza and Mehdi Taghian" - *Tilde Publishing Tilde University Press*.
- **Pal A., Biswas A. and Ajith Kumar J. (forthcoming)**, "Challenges to e-Governance Projects in Public Health Care in India", *Proceedings of the 7th International Conference on e-Government - Taylor and Francis*.

## National / International Conferences - Paper selected /accepted / presented/ attended for conferences

- **Jaba Mukherjee Gupta**, "Effect of Economic Downturn on Conflict Management in Indian Organizations" - 1st International Conference on Emerging paradigms in Business and Social Sciences, Middlesex University, UK., Dubai Campus, November 2011.
- **Mukherjee, S. and Mahakud, J.**, "Determinants of Adjustment Speed to Target Capital Structure : Evidence from Indian Manufacturing Firms", IEEE International Conference on Economics and Finance Research, Singapore, February 2011.
- **Narayan Rao S.**, "Earnings Management: Study of Indian Initial Public Offerings (IPOs) and their Post-Listing Performance" - 41st Annual Conference of Financial Management Association International ,USA, October 2011.
- **Natarajan R.C.** - AACSB International Conference & Annual meeting 2011, Newyork, USA, April 2011.
- **Rishi Kesava Ram Velure** - Inclusive Healthcare Management for Sustainable Development, Bangalore, August 2011.
- **Vishwanath S. R.**, "Satyam Computer Services Ltd" - North American Case Research Association Annual Meeting, Texas, October 2011.

## Workshop Attended

- **Srivatsa H.S.** "Structural Equation Modeling" - Center for the Advancement of Research Methods and Analysis, Indian Institute of Management, Bangalore June 2011.
- **Ramanacharyulu A.V.**, "Workshop on Incubating Grassroots Innovations" - National Innovations Foundation, Indian Institute of Management, Ahmedabad, April 2011.
- **Sanal T.S.** "Case Writing Workshop" - BIMTECH Campus, Greater Noida, May 2011.





## Research Seminars held at TAPMI



**March 23, 2011**

Speaker

**Prof. Sabuj Kumar Mandal**

TAPMI, Manipal.

### **Does Win-Win opportunity always result in pollution abatement? : Evidence from Indian cement industry.**

The objective of the study is two folds. Firstly, to examine the existence of any win-win opportunity - reduced pollution with higher level of output - for Indian cement firms complying with environmental regulation and secondly, to verify whether this win-win opportunity, if existing, can actually lead to pollution abatement. Applying a directional distance function and using plant level data for the period 1999-00 to 2004-05, the study shows that a win-win opportunity do exist for Indian cement firms, but that may not induce the firms for pollution abatement due to the possibility of greater feasible expansion of output in case of non-abatement. Implications of the empirical findings under alternative regulatory structures are also discussed.



**June 22, 2011**

Speaker

**Prof. Ajith Kumar J**

TAPMI, Manipal.

### **Will razors sell if consumers no longer use blades? Exploring a paradoxical property of organizational knowledge.**

If consumers stop using blades, will razors that are used to mount the blades, sell? Can carefully nurtured knowledge that is so beneficial to the organization and is the fuel for its success, ever be harmful to it? I address these seemingly unrelated questions during this seminar. I draw upon a review of academic literature and a study of a set of organizations, based on published material, to illustrate how knowledge has a double-edged paradoxical nature, and the use of simplified and polarized notions is inadequate to correctly understand its role in the organization. Realizations from this study have implications for the management of knowledge and organizational learning, and organizational strategy.



**March 30, 2011**

Speaker

**Prof. K. Thomas Chandy**

Leavey School of Business,  
Santa Clara University,  
Santa Clara, CA, USA

### **Nature vs. Nurture: Does an environment of corruption change the way you think?**

There is an ongoing debate in the social sciences regarding the degree to which biology and the natural sciences can play a role in understanding and explaining human cognition and behavior. We combine social science theories of behavior with natural science approaches in our study of the way individuals perceive a specific ethical issue: the violation of a social contract. Our study is cross-cultural and our theoretical development and analysis is framed within the context of the level of corruption in the social environment.

Evolutionary psychologists argue that individuals are hardwired to detect cheaters in social exchanges. Social scientists posit that culture plays a great role in how issues are perceived and, thus, on the extent to which cheaters are recognized. We seek to discover whether culture influences an individual's neuro-cognitive abilities to notice when a conditional rule has been broken.

Using a test instrument based on the evolutionary psychology approach, we examined over 500 individuals from the United States and India in terms of their ability to detect rule violations in

both familiar and unfamiliar cultural situations. Our results show that culture is indeed a factor moderating an individual's neuro-cognitive ability to recognize cheaters. This finding has implications for global businesses, particularly in the areas of governance and policy.



**July 13, 2011**

Speaker

**Prof. Ramanacharyulu A. V.**

TAPMI, Manipal.

### **Inclusive Growth - Challenges and Opportunities in the current times**

Inclusive Growth, a term used synonymously with "broad-based growth", "shared growth" and "pro-poor growth", is a

development philosophy and a policy commitment by the state and responsible civil society at large, striving to address the issues of poverty reduction and economic development. The focus of policy and field action was and is in the domain of economic development. The initiatives continue to address the participation of marginalized sections of the society - both in urban and rural areas - in economic action, leading to their inclusion in economic action as well as resultant benefits, with an emphasis on pace of economic growth. The last decade has seen the shift gradually moving to the larger issues of the "pattern" of growth and subsequently, the early years of this decade, addressing the issues of long term sustainability of growth through research, public action, and policy changes.

The issues of economic sustainability of growth have become overwhelmed by the issues of social and environmental inclusion/exclusion, resulting in re-visiting the approaches for inclusive growth. In the present proposal, it is attempted to look at and address the challenges of social inclusion through

addressing the issues of environment.

The idea revolves around promoting and popularizing "low carbon-intensive" technologies that help achieve inclusive growth - and lead to social acceptance and economic resilience of poor. Although this forum may not allow me to detail all the approaches and tools available for such interventions, few exemplary concepts such as EM technologies; biochar as an effective energy alternative for poor; stewardship certification in the area of pesticides formulation and manufacture; e-waste management as a business proposition at micro SME level industrial action are worthwhile to mention.

These and several other path-breaking technologies and business models would help derive results that help integrated inclusion of such targeted sections of the society as would supplement and compliment the conventional intervention models for economic inclusion.

## About TAPMI

The T. A. Pai Management Institute (TAPMI) located in the international university town of Manipal (Karnataka), is among the leading management institutes in India, and is reputed for its academic rigor and faculty-student interaction. Founded by the visionary, Late Shri T. A. Pai, TAPMI's mission is to provide much needed impetus to the task of building professional management capability in the country. In the process, it has also played a role in strengthening the existing educational and health infrastructure of Manipal.

Since its founding in 1984, TAPMI received recognition and respect amongst the well-known industrial houses and academic institutions in India for the quality of its education. In early 2009, its 25th year running, TAPMI took a landmark step in its history by shifting its operations to a new scenic 42-acre residential campus in Manipal.

TAPMI has the unique distinction of launching India's first Post Graduate Programme for e-Governance in April 2009 in association with NISG, Hyderabad supported by Department of Information Technology, Government of India, New Delhi.

TAPMI is also engaged in:

- Executive Education Programmes (EEP)
- Faculty Development Programmes
- Programmes for SMEs
- Research, Training and Consultancy



T. A. PAI Management Institute





## Research & Publications

### Faculty Team

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**Prof. Vinay Asthana**

**Prof. Ajith Kumar**

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