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MUD₹A

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EDITORIAL TEAM

Dr Tomy K Kallarakal, **Associate Dean – Deanery of Commerce**

Dr Nithila Vincent, **HOD – Department of Commerce**

Faculty Coordinators

Prof. Sharon Valarmathi

Prof. Pooja Jain

Prof.Haresh

Mudra Core-Committee

AgrajaChhajer

Sharon Lewis

Rajath S Raghav

Mudra Representatives (December Issue)

Visruthi Sharma (6 B.COM H C)

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BRAND MODI: SOCIAL MEDIA MARKETING

VisruthiRamuSharma

6 BCOM H C

After a year of the Modi government, whether a Bharatiya Janata Party supporter or not, one

must applaud the fervour created by their marketing campaign centred on their prime ministerial candidate Narendra Modi. As a Commerce student, there are a lot of interesting things to note about the BJP marketing campaign which I think is hugely responsible for their mandate in the general elections a few months ago. For the first time, Indian election campaigns took to social media. Narendra Modi outlined some of his visions using his very own Twitter handle. In fact, 73% of their election campaigning was through Twitter and Facebook. Gone are the days where rallies in huge public grounds were the only way to reach out to the masses. Our political parties have finally realised the immense potential of Social Media Marketing.

In 2008, when Barack Obama was elected president of the United States, the focal point of his political campaign was social media. He was the first American president to use Social Media Marketing. Brand Obama carried the tagline ‘Yes We Can!’. Similarly, Brand Modi’s very able marketing team created the tagline ‘Ab Ki Baar, Modi Sarkar’ which became synonymous with change. Obama’s team had a strong strategy in place where they understood the aspirations of their voters and appeared to be reaching out to them, giving a feeling of a participatory democracy, using social media. If we look at the Indian voting population, the youth form the majority. Brand Modi understood that and heavily took advantage of it. We always learn about the importance of consumers in today’s buyer centric markets. Brand Modi took this concept very seriously. Most of the campaigners for ‘NaMo’ were youngsters. We had the youth take to the streets to convince everyone they met to vote

for Modi; voting for Modi, to them, meant voting for change. The marketers took advantage of the negative public sentiment towards the Congress and portrayed Modi as everything the Congress was not. By successfully understanding their target market, they were able to achieve results in terms of voter turnout and a record breaking number of first time voters.
Selfies were extremely popular during the campaign and still are. Modi also posted a selfie of him after voting which was a genius move because his picture was exactly like what first time voters had posted: a visual of their ink stained finger. By posting a selfie, Modi created an image of being one with the youth.

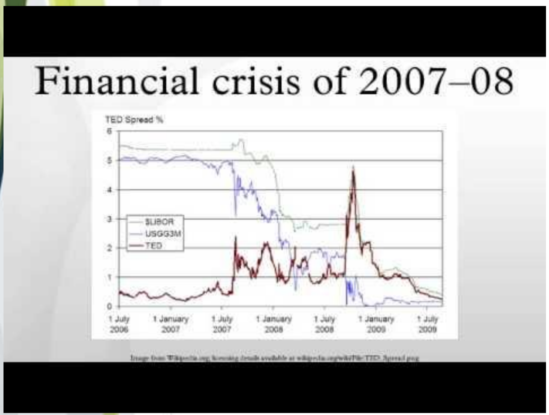
Philip Kotler has said that “The art of marketing is the art of brand building.” This 360 degree marketing campaign spread across all available channels of media around the country, reaching out to the maximum number of ‘consumers’. One could not escape his face, on or offline. Every comment made on the party was turned into a marketing strategy. The ‘chaiwala’ comment can be quoted as the biggest example of this. We had NaMo tea stalls put up with his face on every glass, again a means to connect with the general public. The marketers built this colossal brand with 4 million followers on Twitter and projected it as a brand that is a mirror image of the aspirations of the people, managing to convince majority of us voters that Narendra Modi is right for us. Isn’t that what all marketers aim to do?

FINANCIAL CRISIS 2007-08: LOOKING BACK

VisruthiRamu Sharma

6 BCOM H C

Everyone remembers the Financial Crisis of 2007-08. It's not easy to forget an event so dramatic that almost caused the collapse of the entire U.S economy. Before the crisis, just like the lull before the storm, everyone was optimistic about rising housing prices. Banks gave out mortgage loans to everyone but the seas began to stir when people couldn't repay them. More and more mortgaged properties went on sale and we all know what happens when supply increases: prices fall. Now, the problem wasn't just banks running losses. Derivatives came in to play. New securities called Mortgage Backed Securities (MBS) were designed by repackaging these mortgaged loans and they were sold off as AAA rated securities. Like dominoes, when housing prices fell, MBS lost value and along with them the net worth of all those institutions that invested in them came crashing down.



Goldman Sachs was one of the few investment banks who anticipated the crash in the subprime lending market and went in for short selling of mortgage backed securities. They anticipated that these MBS would lose value and sold them initially at high prices, only to buy them back at lower prices in order to make a remarkable profit of roughly $4 billion during the time of crisis.

Below are summary of some key events that defined the crises at the time.

FALL OF BEAR STEARNS

Bear Stearns was a prestigious investment banking firm that was known on Wall Street for being an aggressive bank. They aimed at earning high profits through risky investment decisions. They started two hedge funds that were made up of complex derivatives backed by mortgage loans. During the initial stages of the decline of the housing market, Bear Stearns thought it was temporary but when the decline persisted, both hedge funds collapsed. They made several failed attempts at raising required funds to compensate for their losses. They had just enough funds to manage. Early in 2008, rumours started circulating about their weak financial position and investors started pulling out. With more and more clients pulling out, Bear Stearns saw only two options, either file for bankruptcy or be taken over by JP Morgan. A Bear Stearns share used to fetch $175 but now faced an offer for $2 per share. Many talks and negotiations later, Bear Stearns agreed to the takeover at a final price of $10 per share.

Bear Stearns turned out to be an institution that was not ‘too big to fail’. Lack of supervision lead the bank to taking brazen risks and not maintaining a sufficient stock of capital to back their risks.

JP MORGAN CHASE & CO.: BLAMED FOR CAUSING THE RECESSION

This investment banking giant indulged in ‘fraud’ which is believed to have caused the recession of 2008. JP Morgan sold mortgage backed securities that were based on subprime loans knowing that these securities came with a huge credit risk and that selling them anyway was considered fraud. However, theirs was not the only bank that went in for selling faulty mortgage backed securities. The error on their part or, rather, the reason they are blamed for causing the crisis is because they purchased Bear Stearns and Washington Mutual. Washington Mutual went through problems similar to Bear Stearns as stated above. By purchasing both these struggling firms, JP assumed their liabilities and were responsible for the MBS issued by these two. This made JP Morgan responsible for not only their own misdeeds, but misdeeds of two other such firms. JP Morgan CEO Jamie Dimon negotiated a $13 billion settlement for ‘causing the financial crisis of 2008’.

Since both Goldman Sachs and JP Morgan Chase were involved in selling MBS, both should have been equally penalized. However, the reason Goldman Sachs wasn’t penalized is only because it kept its nose relatively clean during the crisis period.

THE BANKRUPTCY OF LEHMAN BROTHERS

At the time of the mortgage crisis, Lehman Brothers (LB) was the fourth largest investment bank in the world. Their declaration of bankruptcy was a huge blow. There was a gross miscalculation on their part. They heavily invested in mortgage backed securities. Before the collapse of the housing market, LB was earning huge profits. Once the housing market showed signs of weakening, LB still maintained that their earnings would not be affected much by the decline which later proved to be false. Defaults on mortgage loans rose to an all-time high and stock prices of LB fell drastically. When the housing market showed signs of a temporary recovery, LB continued to issue more and more MBS. They had accumulated an $85 billion portfolio. This temporary recovery period could have been used by the firm to get rid of their huge portfolio. This huge portfolio made them more vulnerable to changing market conditions. Their share prices fell by 48% and the fourth quarter loss (2007) was $2.8 billion. Clients of the firm started pulling out and losses rose to $3.8 billion. The only opportunity to save the firm was to enter into a takeover deal. The talks for such a deal fell through and Lehman Brothers filed for bankruptcy on September 15th 2008.

TAKEOVER OF MERRILL LYNCH BY BANK OF AMERICA

Another banking failure that occurred in the 2008 crisis was that of Merrill Lynch, a scenario very similar to the one undergone by Lehman Brothers. Bank of America (BoA) took the risky decision to take over Merrill Lynch. A deal was negotiated between the two parties that provided $20 billion in direct aid and $118 billion to cover up for any possible bad debts of Merrill Lynch. The decision was made with as little publicity as possible. Unfortunately, even the shareholders of both parties were not informed of this huge deal that would affect their positions radically. Many criticise the BoA for not waiting till the financial markets stabilized after Lehman Brothers announced bankruptcy before they finalized the deal with Merrill Lynch. BoA announced that it would be taking over Merrill Lynch on 15th September 2008, the same day that Lehman Brothers filed for bankruptcy. The takeover helped save Merrill Lynch from bankruptcy.

The years of 2007-2008 were tumultuous for the global economy. It's been more than 7 years and the battle scars still remain. In India today we are seeing similar waves of optimism about economic performance in the future. Are we going to reach these expected heights? We'll just have to wait and watch.

THE CHANGING FACE OF COMMERCE

Jessica Simon

6 BCOM H C

E-commerce is an activity that many of us come across in our daily lives. Be it in the newspaper or as a subject we study. It is an activity that almost everyone engages in. In today's business world commerce predominantly exists in an electronic form. So what exactly is e-commerce? Electronic commerce, commonly known as e-commerce, is trading in products and services using computer networks, such as the internet. As simple as that! When we buy something from sites such as Flipkart or Ebay we are engaging in e-commerce. So why is it exactly that we see so many e-commerce transactions occurring? In India, online shopping of physical goods will grow to 8.5 billion dollars by 2016 and the number of Indian online shoppers will be more than double, that is, up to 40 million individuals. One of the reasons why there is an increase in online sales is because the number of internet users all over the world and even in India is seeing a considerable increase. Internet is more accessible hence making e-commerce more attractive. As e- commerce sites gain more trust, users begin to order more online. Individuals observe the increasing popularity of sites such as Amazon and begin to trust them more, and as a result order more frequently. Some sites such as Flipkart make shopping online more convenient as well with features such as cash on delivery. It is this convenience factor that plays a major role in the growth of electronic commerce. People do not have to leave the comfort of their homes to go purchase what they require. Mobile shopping is also witnessing immense growth. Mobile shopping infrastructure is increasing: smart phones, mobile connectivity, websites and apps. Smartphone shopping is the fastest growing segment of online shoppers in the world. After conquering the PC market we see advertisements promoting shopping via applications every day.

Not only do we have e-Commerce websites for retail but manufacturers also turn to them for raw material contracts and the like. Everything is moving online and with social media in the mix, the speed at which this is happening is rapid. It doesn't seem like 'offline' is going to be in our dictionaries for very long.

THE SPICEJET SAGA

NamanHingorani
6 BCOM H C

From on board Holi celebrations and playing rock songs on flights, to resignations and cancellations of 2,000 flights in two months, SpiceJet has been through an extremely nasty ride after looking like they were on the path of recovery. Even by the standards of uncertainty in the aviation industry, the string of events which led to SpiceJet's downfall are definitely much greater in terms of impact. What exactly went down? How did they land at where they're standing right now?

It is all began when SpiceJet decided to start deferring their tax payments. Since his acquisition of SpiceJet in 2010, Kalanithi Maran had invested more than Rs.1500 crores,

much more than what SEBI permits. His infusions continued, with the belief that the airline would find an investor. In June 2013, Maran decided to stop investing, and the management then decided to defer their tax dues such as service tax payments and tax deducted at source, using this money as working capital. All this was illegal, but by then, the management was already in talks with the American private equity firm- TPG Capital and Indigo Partners (not to be confused with the Indian airline Indigo).

The PE firms signed a letter of intent to invest $200 million in SpiceJet. But on August 29th, the Central Bureau of Investigation (CBI) filed cases of corruption and criminal misconduct on Maran. The PE funds backed out, as their regulations did not allow them to deal with persons and companies accused of criminal misconduct. This news reached the tax authorities, who came very hard on them. Between August and November, SpiceJet were forced to pay 15 months' dues worth Rs.380 crores, for which their creditors and lessors suffered. SpiceJet couldn't hold on to them and had to return nine planes between October and November. A reduced fleet meant cancellation of flights, and the effects were two-fold; not only did they have fewer seats to sell, but they also had to carry the burden of accommodating passengers from cancelled flights.

Cash inflows decreased by 90% and there was panic all around. The aviation ministry then intervened and asked airports to allow SpiceJet 15 days to make their payments. They made the same request to the oil companies, but they didn't agree. Due to the refusal of oil retailers to supply order on credit, SpiceJet had to suspend its fleet. Flights only took off when SpiceJet paid the money.

SpiceJet looks to raise money through short terms loans until funding is received by Ajay Singh (co-founder of the airline), J.P. Morgan Chase and Co., and a few investment fund managers in the airline. Till then SpiceJet will have to somehow pull through. Can they? Only time will tell.

FINANCIAL RISK MANAGEMENT SIMPLIFIED

RUSHALEE DAS
4 BCOM H C

We reside in a world where managing risks cannot be taught to us through textbooks and lectures. We tend to believe that risks can be mitigated by studying past records and forecasting extreme events that might occur in the near future. Due to recent global trends in financial markets, new types of risks (namely operational, business and systemic risks) have come into existence. Homogeneity of both risk assessments and risk control objectives pose a threat to stability in the financial markets. The main concern for the front and middle office functions of a financial institution is risk management.

In recent years, financial risk management has become very vital for fund managers in the volatile financial markets. Financial risk management can be divided into four basic processes which simplify the system. These four basic processes are: Identification, Assessment, Monitoring and Reporting, and Control. With the help of these processes we can examine current trends and derive further changes that would occur in the future of financial risk management:

Identification: The current method uses completely different frameworks for various categories of risks to locate the identified risks. Dependencies between known risks are not properly reported by risk assessment and aggregation techniques. Identification of risks and its proper categorisation becomes vital for the entire system to work efficiently. Ignoring business and systemic risks can prove to be unpleasant in the future. Additionally, operational risks are likely to grow in the future as a result of their increased dependency on technology. Thus, when analysing the current trends one must be aware of the future aspects of each risk before deciding the importance of each risk.

Assessment: The most demanding task is to supply relevant data for assessing operational risks. This is tackled by efficient operational risk management framework. Since historic data is available for assessment, it is important to check its validity. Subjective data has improved and amplified our assessments of credit, market risks and operational risks.

Monitoring and Reporting: Enterprises like fund management require monitoring and reporting as it is essential for them to take risks, but also to be acquainted with the consequences of the risks taken. We become aware of the variations in the solvency ratios by real time monitoring. Good risk management at the firm level can result in increased systemic risk.

Control: Being aware of risk cannot guarantee risk reduction. Only by the means of risk control strategies can the risk consequences be controlled. It must be noted here that monitoring and reporting of risks must be exclusive of the decisions made for controlling risks. The course of risk control must be considered similar to traditional management. Business models should be made on the basis of risk control, and a theoretical framework for decision making must be designed incorporating major costs and benefits.

Models of markets, credit and operational Value-at-Risk (VaR) must be updated by proper study and analysis. It must be done in such a way that the risk model is of a simplified version. To avoid model risk and errors in parameter estimates, the data must be complete, accurate and up-to-date. To conclude one can say that good risk management evolves into good management. If risks are assessed accurately and such assessments are complete, the stability of the financial system in the future can be achieved easily.

ALTERNATIVE INVESTMENTS –HEDGE FUNDS

Joseph Joy
4 BCOM H C

When we think of investing money, we often think of shares, stocks and bonds. These are common investment vehicles which come to mind. However there exist certain investment avenues which may not be available or accessible to the general public. They may be accessible only to institutions accredited or high net-worth individuals (HNIs). Such tools are known as alternative investment vehicles and one such vehicle is a **hedge fund**.

A hedge fund is similar to a mutual fund in the sense that they are both collective investment funds that pool in capital from a group of people and then invest them in a variety of assets. However, the similarity ends there. Hedge funds are not accessible to regular investors due to their complexity, lack of regulation and lack of liquidity. Also the funds are very large and therefore not viable as an investment opportunity to a normal investor.

A common distinction between a mutual fund and a hedge fund is that their use of **leverage** is not capped by regulators. Leverage is nothing but using borrowed funds to make investments, earn greater returns and then pay back the initial amount while making a gain. Private equity funds differentiate themselves from hedge funds as they invest in relatively liquid assets.

But then the question arises, what is a hedge fund?

The word hedge is a metaphor for placing of limits on risk. Hedge funds initially used to hedge specific investments against the risk of market fluctuations by **shorting** the market and that's how they got their name. Shorting refers to selling off investments and subsequently repurchasing them. If during this period, the prices fall, the short seller will benefit as the amount received on sale is much greater than the repurchase price.

Eliminating risks is a major characteristic of a hedge fund. The main reason why investors are often attracted to hedge funds is that they offer **absolute returns**. This means that they promise to achieve a positive return on investments regardless of the condition of the market.

Hedge funds are usually open-ended and allow additions and withdrawals by investors. This means that they have variable capital which may rise or fall as per investor trends. The value of the fund is as per the **net asset value (NAV)** of the underlying investments.

Another interesting feature of a hedge fund is the interest of the manager in the hedge fund. The manager usually receives an annual management fee and a performance fee. The performance fee is directly related to the performance of the hedge fund, which means that the higher the increase in the NAV of the fund, the greater will be the manager's performance fee. The manager often invests some of his own money in the hedge fund to show his stake in the fund and to ensure that his interests are in line with the fund.

We discussed earlier that hedge funds offer absolute returns. How do they do this?

They use an advanced investing strategy called **hedging.** Hedging is basically minimising or eliminating risk. The basic concept behind hedging can be understood with a simple example. Many of us often take a life insurance or health insurance plan which offers protection in case of occurrence of an event, thereby reducing uncertainty and risk. Hedging works in a similar manner.

Hedging is basically an investment taken out to limit the risk of another investment. Say for example, you want to invest in Flipkart, a rising name in the e-commerce industry. You believe that the company will do well in the future and hope to make gains. The e-commerce industry however is highly volatile. As a result, prices are susceptible to change due to **industrial risk.** You can reduce the risk by going **long** on shares of Flipkart while **shorting** its competitor Amazon. Going long means buying shares and holding on to them hoping prices will rise, whereas going short is selling them hoping prices will fall and repurchasing them at a lower price through sales proceeds.

So if the industry goes up you will make a profit on Flipkart but a loss on Amazon but hopefully have a modest overall gain. If the industry goes down you will make a loss on Flipkart but a gain on Amazon.

So basically what it does is that your overall profit is minimised in favour of less industrial risk.

Markets are changing, they are becoming more technologically driven and new investment vehicles are on the rise. We have emerged from a quote driven exchange like NASDAQ to a modern order driven one like NYSE. The use of derivatives like futures, options and swaps are on the rise. There exists a need to properly understand and embrace these changes.

Knowledge is power and change is the only thing that is constant. Hence let us make an effort to stay updated.

NON-CORE ASSETS

Nehir Fleming

4 BCOM H C

What are non-core assets?

Non-core assets may be defined as those assets which are not essential or it is no longer of any use to a company, and do not influence the success of any business organization. Non-core assets are not crucial to the continued success of a business but can provide a valuable contribution to the business.

For example, a real-estate investment trust would consider its real estate holdings as a core asset because the holdings are of major use to the real estate trust. However, holdings in real estate would obviously be a non-core asset for an oil company.

The positive and negative aspects of non-core assets are as follows.

Positives:

1. **Paying down of bank debt**: Companies and organizations use non-core assets to clear and get rid of their debt. They sell their non-core assets and use the money received from the sale to pay banks, lenders and entities they may have borrowed from at any particular point of time. Therefore, companies use their non-core assets as a way to pay off their debtors.
2. **Useful in situations when extra cash is required**: Various organizations carry out the sale of non-core assets in order to gain an extra amount of cash. They use this cash to perform tasks and projects in which the capital requirements are high.

   For example, if a company has insufficient funds to carry out a particular project, that company may sell its non-core assets in the market in order to acquire the remaining amounts of cash needed to perform the task or project at hand.

Negatives:

1. **No buyers**: If a non-core asset is in the market for a very long period of time without attracting any buyers, not only does its value drop but if it ends up going unsold then the firm owning the respective non-core asset ends up getting no money due to their inability to sell their non-core asset to any entity.

2. **Limits the usage of performing assets**: At any particular instance when any organization is unable sell its non-core assets, not only does will the organization be unable to generate extra funds for its functioning, but it also means that the non-core assets which have gone unsold limit the overall functioning and usage of the performing assets of the company.

"Financial ministry tells the public sector banks to get rid of non-core assets." – The Economic Times.

Lately the finance ministry asked public sector banks and state run banks to prepare a list of non-core assets they hold, look into their timely disposal, and devise a method in order to get rid of them, which the ministry expects would help raise all of Rs. 20000 Crore.

The effects of this move:

1. **Matching capital requirements**: The ministry expressed that it would be easier to meet capital requirements for bigger firms undertaking big projects by selling their non-core assets and using the returns to perform bigger tasks.
2. **Reduction in overall debt**: The cash received from the sale of non-core assets are put into use by companies in order to pay banks and creditors that they have borrowed funds from.
3. **Loan Recoveries**: To improve the loan recovery system, the ministry wants lenders to also push their defaulting borrowers to take the same route: sell assets that aren't core to their businesses and use the money to good effect.

The ministry has indicated to the public sector banks that it wants them to raise capital from the market or through other internal means, instead of running to the Government every time their capital adequacy is under stress. Ministry of State for Finance, Jayant Sinha has categorically told bankers to dispose all of their non-core assets, including investments in insurance and merchant advisory businesses.

Most public sector banks have insurance ventures or capital advisory firms, besides holding stake in financial institutions such as stock exchanges. For example, SBI holds a 10.19% stake in the National Stock Exchange, in which IDBI Bank owns

4.9% and IFCI owns 5.9%. While most banks have agreed to pare down such stakes, they haven't done so yet citing unattractive valuations.

Banks have time and time again approached the Government seeking financial support to improve their capital adequacy and push loan growth. The Government infused Rs. 6,990 crore in 9 of the nation's 27 state-run banks in the fiscal year 2014-2015 and Rs. 14,000 crore the years before. For the current fiscal year, it has budgeted Rs. 7,900 crore, but banks have been seeking more. The Ministry's latest stance shows that the Government wants banks to stand on their own feet by tweaking their business priorities, better managing stressed assets and raising funds on their own.

An official from the Finance Ministry said, "Banks should do business according to their capital base. They should focus on niche segments and differentiate themselves to survive."

The Ministry also wants defaulting borrowers to sell assets that are not performing or are non-core to their main business, and infuse the money in the core operations for deleveraging. The ministry expects this to help reduce bad loans in the books of banks and the need for debt restructuring. There were around 350 cases totalling to Rs. 4 lakh crore under corporate debt restructuring as on March 31, 2015.

After an annual performance review of state-run banks last week, Finance Minister Arun Jaitely said there was "merit" in the case presented by them for additional capital and that the Government would look into it.

Apart from India, Barclays Bank had decided to create a "Bad Bank" to house non-core assets as it continues to revive its investments in the banking arm. However, the news of this plan followed the resignation of the most senior former Lehman Brothers' manager left at Barclays.
I think it is safe to say that non-core assets hold more bad than good for an organization.

ETHICS

Jasmine Sandhu
2 BCOM HC

What are ethics? In a dynamic world like ours, the meaning of the word keeps changing. For a few it may be the good side of the fine line dividing right and wrong, but since these terms are also based on individual perception, this definition does not help.

So is it the acceptable societal norms that make the elderly approve of youngsters? Or corporate social responsibility that makes NGOs less likely to target the big market players?

It's probably safe to say that in this continuously changing world, "ethics" may have a constantly changing meaning as well, or to quite a few, no meaning at all; and perhaps for the best too. With a million things occupying the precious space in one's mind today, are ethics even a priority?

Some would argue that ethics don't need their own niche in the list of things to keep in mind for decision making but are infact the binding thread in all of one's actions. Be it an individual, a firm, or a country as a whole.

My opinion would thus be this, keeping all these perspectives in mind. To not do wrong to another person or entity and be fair in all negotiations, be it social, political or even financial, is what I define as ethical. More importantly, not tolerating wrong done to oneself in the aforementioned arenas and elsewhere, also falls within the boundaries of ethical behaviour.

Thus eliminating fear of an exterior power and the law by replacing it with a conscience to detect and correct any wrongdoings, is what defines this complicated word for me; because even though ethics may not define us, they are a huge part of who we are, what we stand for, and sometimes, more importantly, against.

THE INTRICACIES OF HUMAN RESOURCE MANAGEMENT

Meera Sastry
2 BCOM HC

The organization and coordination of the activities of a business in order to achieve defined objectives is termed as the process of management. Management is often included as a factor of production along with, machines, materials, and money. On a more practical approach though, the vast field of management is divided into several aspects as pertaining to a business. You have your marketing, financial, corporate, human resource etc. management all of which work together to make a business what it is. This article is going to focus on the aspects and mechanisms of human resource management.

Human resource management is quite obviously the managing of human resources in an organisation but it's so much more than just that. Let's look at the definition and then let's look at the interpretation. Human resource management is a function within the organization which has a set of policies and practices involved in carrying out the aspects of managing position, including recruitment , screening , training , designing / defining work and apprising. It can be simply understood as supervising and administering an employee's journey from the beginning of his job till the very end. Various steps of HRM kick in at various points of an employee's career.

In the beginning you have recruitment and the selection procedure. Once the employee starts working there is training and development which takes place. You also have day to day functioning issues like compensation, safety and various benefits and also addressing employees' grievances and suggestions .At the end of the working cycle, there are appraisals which take place to ascertain the employee's position in the organisation whereupon they might be promoted. Finally if and when the employee leaves the organisation there is an exit interview along with various other formalities involving compensation and benefits which are dealt with. The HRM department is there every step of the way in an employee's career and is maintained for the benefit of both the organisation and the employee. It's there to harmonise the effort of the employer and the employee so that the organisation can reach its maximum potential and also the people in the organisation can satisfy and achieve their own personal goals.

Let's go back in time. HRM didn't exist as a proper part of an organisation. Earlier on before the industrial revolution or for the matter even for a part of the industrial revolution, human resource was treated as a mere input for production like machinery or capital. People were made to work for more than 16 hours a day sometimes in not so healthy environments for amounts which would not even qualify for minimum wage today. Slowly but surely though change began to take place. Most organizations introduced the Personnel Management. The personnel department had large responsibilities. The First World War accelerated change in the development of personnel management, with women being recruited in large numbers to fill the gaps left by men going to fight. During the Second World War, the Government saw specialist personnel management as part of the drive for greater efficiency.

In the 1960s and 70s employment started to develop significantly keeping in mind the importance of catering to peoples need alongside development in the field of personnel techniques developed using theories from the social sciences about motivation and organisational behaviour; selection testing became more widely used, and management training expanded. Around the mid-80s, the term 'human resource management' arrived from the USA. The term 'human resources' is an was the perfect term because on one hand it seemed to suggest that employees were an asset or resource-like machines, but at the same time HR also emphasised on employee commitment and motivation.

Though HRM still follows the basic principles that were developed centuries ago, it has evolved in many more ways than possibly imaginable. When you ask the HR professional of any company to define his or her role within the company, you'll generally get a variety of answers. It seems that human resources in an organisation have a huge number of responsibilities that adapt for different types of industries and organizations. HR managers today are a key part of an organization's senior management team, helping determine the company's overall business strategy. They partner with operations departments to align the goals of employees with those of the organization and facilitate creativity and innovation rather than simply train workers to perform a function the traditional way. Human resources or employees as a whole are treated in a much better fashion and no stone is left unturned in ensuring that they are in fact completely satisfied at their jobs. An important aspect to be considered is that nowadays the young generation has a lot of opportunities regarding job options and they do want to have a challenging and interesting job rather than a sit at a desk, 9-5 job. This also might result in their talent being burned out faster than they anticipated resulting in low job productivity and function. It is setting up a perfect balance between the employer and the employee and the set goals of the organisation that the HRM department constantly tries to maintain.

LARGEST TECH ACQUISITION IN HISTORY

Sudarshan M

2 BCOM H C

Dell Acquiring EMC Corporation (2015)

What is EMC?

EMC Corporation (stylized as EMC²) is an American multinational corporation headquartered in Hopkinton, Massachusetts, United States. It was founded in 1979, by software engineers Richard Egan and Roger Marino (the E and M in EMC). EMC sells data storage, information security, virtualization, analytics, cloud computing and other products and services that enable businesses to store, manage, protect, and analyse data. EMC's target markets include large companies and small- and medium-sized businesses across various vertical markets

EMC has over 70,000 employees and is the world's largest provider of data storage systems by market share, competing against NetApp, IBM, Hewlett-Packard, and Hitachi Data Systems (arranged in descending order of external data storage market share).

Acquisition by Dell, Inc.

In the largest tech deal in history by far, Dell and partners MSD Partners and Silver Lake agreed to buy EMC in January 2015, for $67 billion or $33.15 a share. The purchase price of $33.15 a share is 28 percent above EMC's closing level on Oct. 7, and makes the deal far larger than the $37 billion that Avago paid for Broadcom in May 2014.

What makes this deal even more interesting is that Dell, with a valuation of around $25 billion, was by far the smaller fish at approximately half the size of EMC. Which means that EMC was acquired by a company of half its size?

The biggest part of EMC by far is VMware, which was included in the deal and will continue to be a separately publicly traded company, but EMC will go private and become part of Dell ending the company's long history as a publicly traded company.

What does Dell look to achieve?

The two combined companies made Dell and EMC the world's largest privately controlled, integrated Technology Company. Dell, Inc. is leading the newly formed organization and long-time EMC CEO Joe Tucci retired. Michael Dell is currently running the combined organization.

Dell has been looking to move away from the server business, which has grown commoditized in recent years and get deeper into enterprise with private cloud computing and storage where it could compete with IBM, HP and other traditional vendors, as well as Pure Storage and newer vendors.

Conclusion

For EMC, it gives Tucci a way to retire on a high note after more than 15 years as the company's leader, leaving shareholders with the maximum value they could have possibly hoped for.

The deal is expected to close in mid-2016 and is of course subject to regulatory approval. It also remains to be seen once this deal closes whether Dell will sell off some of the pieces of EMC, particularly VMware, to help pay for it.

QUIZ FOR THE MONTH

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2 BCOM H C

Q1) Which Indian Co. has the largest number of followers in Facebook as well as in LinkedIn making it No.1 in terms of social media appeal.

a) NESTLE
b) HALDIRAM
c) MTR
d) CAFE COFFEE DAY

Q2) An Industrialist who is a great dog lover and have invested in the online pet supplies chain DOGSPOT.in.

a) RATAN TATA
b) ADITYA BIRLA
c) SUNIL MITTAL
d) SAJJAN JINDAL

Q3)The chain started its first store in 1984 in a 900 sq.ft outlet in Los Angeles. How do we know this brand today?

a) SPLASH
b) FOREVER 21
c) LEVIS
d) SISLEY

Q4)The search engine acquired by Microsoft has become the core of Microsoft Bing?

a) BYTE TAXI
b) CAIS
c) POWERSET
d) GIGAMEDIA

Q5) Which Indian businessman is believed to have helped set up the meeting between Modi and Nawaz Sharif

a) RATAN TATA

b) ADITYA BIRLA
c) ANIL AMBANI
d) SAJJAN JINDAL

Q6) Steven Spielberg and Jeff Skoll have launched Amblin entertainment with a third partner. Who is the third partner?

a) MUKESH AMBANI
b) NARRAYAN MURTHY
c) ANIL AMBANI
d) NAVIN JINDAL

Q7) Name this Chinese businessman who heads Fosun group and is often called as the Warren Buffet of China. He has gone missing

a) JACK MA
b) LEI JUN
c) GUO GUANGCHANG
d) WANG JIANLIN

Q8) Which Indian company will be the first issuer of Corporate Masala Bond?

a) HDFC LTD.
b) ICICI LTD
c) BANK OF BARODA
d) STATE BANK OF INDIA

Q9) Which 138 years old newspaper launched its Mumbai edition in November 2015?

a) THE HINDU
b) TIMES OF INDIA
c) TELEGRAPH
d) DNA

Q10) Which hotel chain has Marriott acquired to become the largest hotel chain in the world?

a) ROSEWOOD
b) STARWOOD
c) FAIRMONT
d) RAFFLES

ANSWERS TO THE PREVIOUS QUIZ OF THE MONTH

1. Kalashnikov Concern.
2. Red chips stocks are the stocks of mainland China companies incorporated outside mainland China and listed in Hong Kong and are controlled, either directly or indirectly, by the central, provincial or municipal governments of the Peoples' Republic of China but listed in Hong Kong to allow overseas investment in the companies.
3. List of companies significant to the Dot Com Bubble
4. Baskin Robbins. 31 flavours.
5. The fight scene from The Matrix Reloaded.
6. Don Draper, Mad Men.
7. BID
8. X- United FC of Manchester. Y- Manchester United. Incident- For the takeover of Manchester United by Malcolm Glazer.
9. YanisVaroufakis.
10. Bosch.