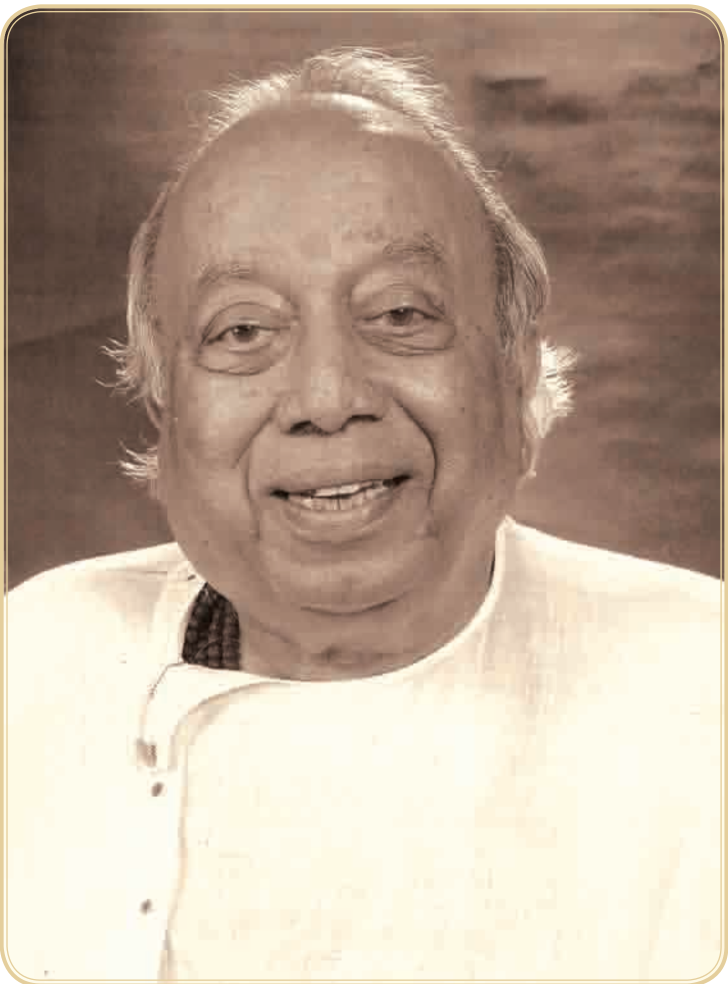
May, 2013

IMI Konnect

End of an Era: Dr. Rama Prasad Goenka (1930 - 2013)

A Tribute from IMI-Kolkata family



We are deeply grieved by the sad demise of Dr. Rama Prasad Goenka, one of the founders and architects of IMI. For us at IMI it is the saddest of the moments. He left behind many pleasant memories of his thought process that we will always cherish at IMI.

He attended Presidency College in his home town in Kolkata and Harvard University in the United States. Dr. RP Goenka was the Chairman of Indian Institute of Technology, Kharagpur. He was the Trustee of the Jawaharlal Nehru Memorial Fund, Indira Gandhi Memorial Trust and Rajiv Gandhi Foundation. Dr. RP Goenka was also the former member of the Rajya Sabha, President FICCI and trustee of several other entities.

Our academic perceptions in the areas of mergers and acquisitions, our work, our thoughts, our perspectives, and, most importantly, a 'never say die' spirit always revolves around him. Our beloved leader was also involved in many social activities and made his mark as a connoisseur of art and culture. IMI-Kolkata draws strength from his love for his hometown.

In the context of Indian business he is actually an icon. The path he followed in creating business led to employment generation and subsequently India's development. His role will be remembered for generations to come as a great institution and nation builder and academic thought-leader.

The passing away of Dr. RP Goenka, a conscientious industrialist, has left behind a void that would be very difficult to fill. May God give peace to his departed soul and strength to the grief-stricken family.

In grief
IMI-Kolkata Family

"He Took the Vow to Do Exceptional Things"

Noted author 'Sankar', Sri Mani Sankar Mukherji, often described as RP Goenka's 'Man Friday' fondly recollects memories with the legendary figure at the Condolence Meeting in IMI-Kolkata on April 18, 2013.

One day when I fully recover from my grief, I should sit down and write about Rama Prasad Goenka, decidedly the most remarkable man I have seen in my life's journey. The world need not be told that R P Goenka was a great businessman. What was more remarkable was that he was an extraordinary human being, rich not only in bank balances, but richer in human values - always keen to understand the world and enjoy the company of the people around him.

I first met him in 1984. I was an employee of a company selling rubber goods on Free School Street and RPG acquired it with an NRI partner. I was worried, because in one of my novels there was a sarcastic reference to the statue of Sir Hari Ram Goenka - the elder brother of RP's grandfather Sir Badridas Goenka. Fortunately nothing unpleasant happened and he invited me to have tea with him at Goenka Nivas. That was the beginning of a long association worthy perhaps of a magnum opus.

Over these years, we talked on the telephone, met many a time, travelled together, stayed in the same hotel and perhaps discussed every possible subject on earth – from astrology to yoga, private lives of Moghul emperors to zest for life! He frankly spoke about his childhood, his growing up in a strange joint family on Muktaram Babu Street in North Calcutta, the shocking death of his mother in an air accident in a distant land. He was full of nostalgia and you will not believe it, he took me to Muktarambabu Street, other old places associated with his boyhood and even to the *zenana* bathing ghat which his forefather Ramchandra had built and which he was very keen to restore.

He also spoke of his Presidency College days, his daily tram and bus journeys, his endless College Street Coffee House hours, where some classfriends jokingly would expect him to pay the bill, upsetting his Rs. 50/- monthly allowance from Munimjee.

I used to request him to tell me stories about his first day in Duncan House. On the first day, he missed his mid-day meal, because he was not properly dressed and he had not put on a tie. There were two waiting benches outside the European *burrasahib's* chamber – one for sahibs and one for Indians. He used to narrate his encounter with grandfather Sir Badridas before leaving Goenka Niwas. He gave his grandson two memorable pieces of advice: Do not hide anything from your doctor and banker and never underestimate the sanctity of a verbal commitment – never disown it whatever be the cost. This he never forgot and I have seen him taking the burden of a few crore of rupees, although there was no written commitment.

He also jokingly used to say, "You talk about my Duncan days, my history Honours Degree from Presidency College, my Harvard University diploma, but never about my weaving diploma in Jute Technology from Dundee, Scotland." That was a long story, particularly how he lost his chairmanship of the Indian Jute Mills Association. "Cotton and jute textile was in the family blood", he used to say and we had enough material to write about Dacca Muslin, Paramsukh Dhoti, Ralli Brothers, Manchester Dhoti and Sarees and Basanti Cotton Mills etc.

One day, he told me that his first job was not at Duncans! He never forgot his first assignment as assistant telephone operator at Goenka Niwas. With his grandfather, Sir Badridas, he had gone to Deoghar to attend a marriage ceremony. On return, father Keshav Prasad was furious, because the son had not taken his prior permission. He was immediately posted as a junior telephone operator. This was a humiliation RP never forgot and that one incident had a profound influence on his life – he took the vow to do exceptional things, including passing the matriculation exam three years before schedule.

There is no time today to talk about his remarkable achievements in business. The journey from Muktaram Babu Street to Ceat Mahal to Aurangjeb Road, to Victoria House is too thrilling to be believed. The takeover stories are comparable only to conquests of kingdom in the good old days. With unlimited ambition and very limited resources, he achieved the impossible at a time 'big business' had become a dirty word.

Rama Prasad used to say, "Yes, I have seen some successes, but many failures too. I failed in Balmer Lawrie, Premier Auto, Bombay Dyeing. I could not hold on to Dunlop. I bought Remington, but had to let it go. I could not retain Haldia Petrochemicals."

He would then add, "I have no regrets. Every small failure I experienced was followed by a big success. I believe that whatever God does, he does it for my good."

Another astounding claim, "Unlike the usual media impression, all my takeover bids have been friendly – except one. That was Premier Auto and that was stalled when Mrs Indira Gandhi called me and asked me not to push it ahead. I immediately stopped."

What is the major lesson from these remarkable M&A conquests? "Never make the employees of your target company lose their heart – wherever I enter I go alone with a pair of hands, I do not step into a new company with too many of my old people."

Friends, from a ringside seat I have seen a modest, truthful, god-fearing and bighearted man effortlessly conquer the world. In his later days he became deeply spiritual. I once asked him, what is the biggest position you have held – chairmanship of which organization? He replied – "Membership of the Tirupati Devasthanam Board." What has been your biggest achievement? Which project? His astonishing reply: "Mahalaxmi Temple on Diamond Harbour Road." Please note that it is never called Goenka Temple.

His philosophic queries were endless: "Why have big businesses not reached the hearts of the people?" I confessed I do not know the answer. He replied: "As a PR man you may not know the answer, but as an author you should. Business is yet to prove that like all individuals, if it is so chooses, can also have a soul."

Let me just thank God that we had such a man as our friend, philosopher and guide for such a long time. May his soul rest in peace.

'Sankar'

Silent Prayers

***Mr. Sumantra Banerjee**, Managing Director, RP-Sanjeev Goenka Group*

We meet today on a very sad circumstance. Our respected and beloved Chairman Dr. RP Goenka is no more. For those of us who have been with the group for a long time, he touched our lives and created a bond that just doesn't happen anymore in the corporate world. A person of immense intellect and human insight, he put together a business portfolio in a short period of 10-12 years that has grown and today is a 30 thousand crore empire now divided under the capable hands of Harsh and Sanjeev Goenka.

Mr. Goenka's skills for acquisition were legendary. Long before M&As became a vogue in India RP Sahaab acquired a string of companies – CEAT, Dunlop, Harrison, Spencer's, Saregama, Zensor, CESC.

While the business world stands up today and salutes his business acumen, for those of us who had the privilege of working closely with him when he was active, the man always surpassed the business leader in him. The word 'inclusive' is commonly used in the business world today. Much before the word became fashionable RP Sahaab practiced it. He reached out to people from all walks of life and with each he had his special connect. I will remember RP Sahaab as 'The Man' – not as my chairman, not as my business leader. Surely he was all that. But I will remember him as the man he was and how much I learnt from him and what a big role model he was. I have not seen anybody who wore the mantle of wealth and power with so much humility. That I think is a lesson for all of us.

***Mr. RK Jha**, President Corporate Affairs, RP-Sanjeev Goenka Group*

RP Sahaab was not only RPG by name but also with qualities of 'responding', 'performing' and 'growing'. So far as 'responding' is concerned his humanity was par excellence. Once, I went to see him in Goenka Niwas for some meeting. He ordered for tea and snacks. The bearer came and tried to serve him first. He immediately reprimanded the bearer and told him, "Take it away. Don't you know that the guest should be served first?" The person came back after five minutes and served me first and then to RP Sahaab. I felt so proud of myself that I am working for such a wonderful personality. In 'performing' I will just tell you what he told me, "If you want to perform nobody can stop you and God will help you in that". In 'growing' I need not emphasize that he was a takeover tycoon and always thought of growth.

***Mr. Subhasis Mitra,** Executive Director, Group Company Secretary*

Let me share with you my experience with Late Mr. RP Goenka. It started from 1989. In my earlier days, I used to observe that he had a unique ability to look at me very closely. He didn't talk much. Later on, when he came to know me a little more he used to hold my wrist without speaking a word. Sometimes he would ask, "How are you doing?" Surprisingly, that short sentence, that close look had some bit of warmth that no one could possibly miss.

In 1991 there was an investors' meet in Taj Bengal. In that gathering Mr. Vasista Basu asked a question, "What is more enjoyable – generating power or distributing power?" RP Sahaab came out in reply with one sentence, "You can distribute power only when you generate it". There was pin-drop silence. No more explanation was required.

In CESC board meetings I have never seen any person cooler than him. I used to sit right next to him. In one of the stormy board meetings, at the height of excitement he tapped my hand and asked, "From where did you get these *samosas*?"

Until about five to six years ago, before every AGM I used to visit Goenka Niwas to appraise him about the contents of the notice and other technicalities. In one such meeting I was asked to sit in his library. I was amazed to see his collection of Bengali books there. The books were not only well-kept but one could make out that he was constantly in touch with them.

Indian Economy: The Real Sector

By Dr. Paramita Mukherjee

Amidst the arguments and counter-arguments on whether India's GDP growth will go down or not, the annual average growth rate in the blocks of five years in the last three decades show that India now is far ahead compared to the previous growth rates, from a meager 4.8% in 1990-91 — 1994-95 to 8.8% during 2005-06 — 2009-10 [Figure 1[1]].

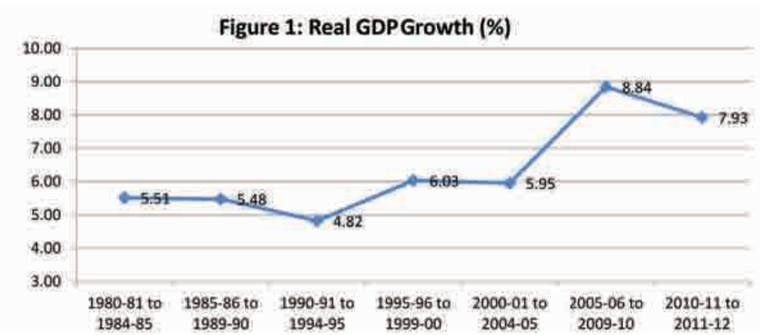


Figure 1: Real GDP Growth (%)

In the last decade, the major contribution to the heightened growth was, undoubtedly, from the services sector followed by industry. As the share of agriculture in India's GDP has declined gradually, the contribution of this sector to India's GDP was also the least [Figure 2]. It should be noted that the services sector expanded quickly in the second half of the 2000s. Among the top 15 countries with highest overall GDP in 2011, India ranked 10th in services GDP and during 2001 to 2011, the increase in share of services in GDP is the highest for India (8.1 percentage points) followed by Spain.[2]

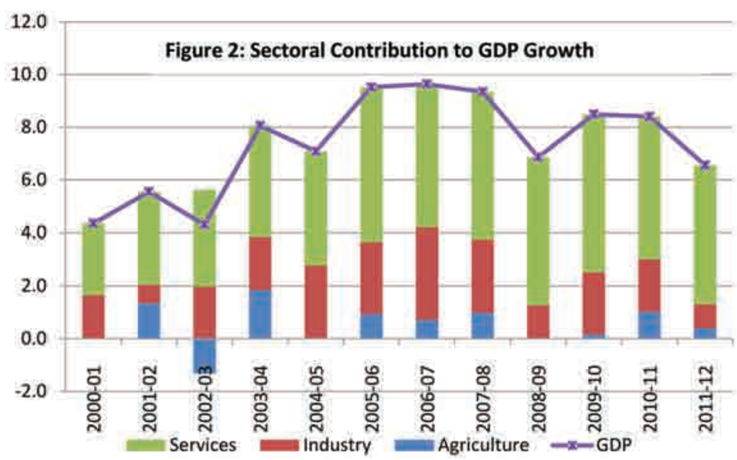


Figure 2: Sectoral Contribution to GDP Growth

If we look at the trend of industrial production in the last fifteen years, the highest growing sector was the manufacturing sector, followed by electricity [Figure 3]. In the recent past industrial growth

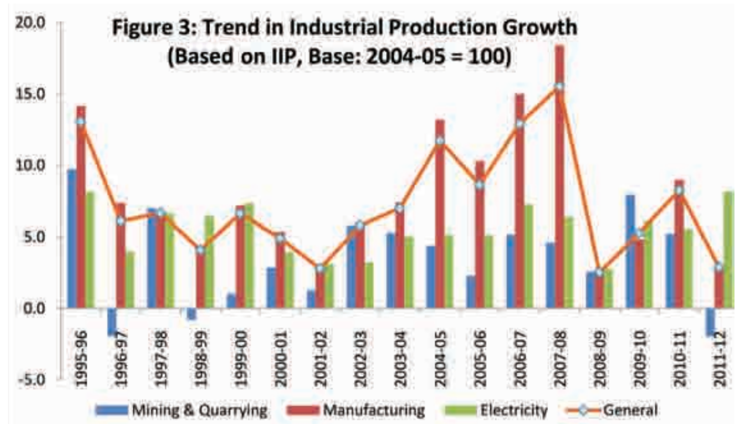


Figure 3: Trend in Industrial Production Growth (Based on IIP, Base: 2004-05 = 100)

has moderated and this decline is largely attributed to sluggish growth of investment, pressed margins of the corporate sector, deceleration in the rate of growth of credit and the unstable global economic recovery [Economic Survey, 2012-13].

The widely discussed gap between rate of savings and investment in India (measured by ratio of savings to GDP and ratio of investment to GDP) reveals that barring very few exceptions, investment exceeded savings most of the times, both before and after liberalization in India [Figure 4]. This implies that the investment was also

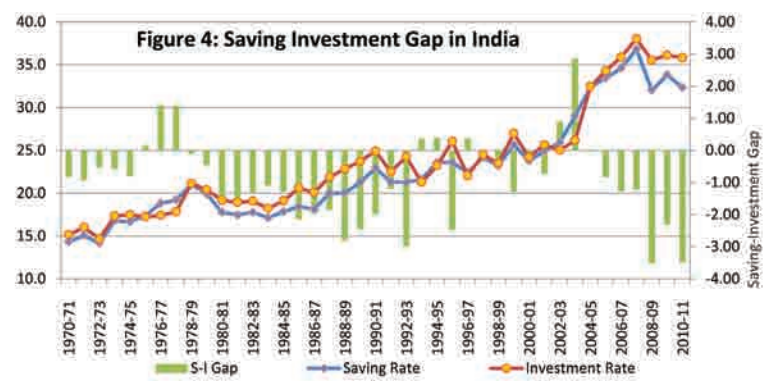


Figure 4: Saving Investment Gap in India

funded by foreign investors through capital flows, apart from the domestic investors. The negative saving-investment gap is indicative of the deficit in current account as well.

It should be noted that the household savings dominate the domestic savings (around 23% in 2010-11). Also, the corporate saving (7.9% in 2010-11) falls short of corporate investment (12.1% in 2010-11). Though there are controversies regarding the impact of saving on investment as evidences are mixed, this should be carefully examined as this is closely linked to economic growth.

[1] *All figures are based on data sourced from RBI Handbook of Statistics on Indian Economy, 2012.* | [2] *The Economic Survey, Ministry of Finance, 2012-13.* | [3] *Refer to investment rate in Figure 4.* | [4] *India's current account deficit, in the fourth quarter of 2012, stands at 32.63 USD Billion. Historically, barring very few exceptions, current account experienced deficit consistently until 2012.*

Branding : How to Turn Affordable to Adorable

By Dr. Himadri Roychaudhuri

Often we avoid things that are cheap. Research tells us that other things remaining the same (the academicians are rather wary about uncertainties), price is the *only* indicator of quality. No doubt when we make choices, we look at the price accordingly and the brand managers know it very well. There is always a tightrope walking for them, when they decide on Strategic Brand Planning (SBP) and relate it to pricing decisions. Political correctness has made us replace the word 'cheap' with 'affordable' or still better 'value pricing', but concerns remain.

One of the landmark efforts in branding started more than a hundred years back in Germany. At that time, the 'Made in Germany' tag was associated with run-down quality, cheap workmanship and bad design (!). The then German government started their efforts in designing better products and companies like AEG and Bosch initiated the practice of what we now know as branding. They came up with consistent communication messages evident in their message articulation, theme colour, or logo. The rest, as the saying goes, is history. Turning a 'cheap' brand around is difficult but not an impossible act. Over the years, the art of branding has evolved into a serious science and, of course, a business. Tremendous effort has been given to understand the social and the psychological impact of branding.

Research in branding suggests one critical thing that the brand's core value must relate to its user i.e. there should be one unbreakable self-brand connect. The stronger it is the higher is the brand's equity or consumers' inclination to stick to the brand. Even the so-called cheaper brands can profitably make the most out of this. One must understand that people always like to make and strengthen social bonds. They find ways to make these relationships more meaningful and sometimes personal. Thus, a ride in a steam engine could be 'boring' or a 'journey' in the time machine. Defunct products often stage a comeback e.g. Saregama's effort into bringing back old turntables is worth mentioning here. This gives rise to what is currently being termed as 'experiential branding' where it is proposed that the consumer experience is at sensory, affective, behavioural and cognitive levels. The psychological processes turn the brands virtually into a pseudo human being with commensurate characteristics like personality. A positive brand-experience results in satisfaction and loyalty. This is an extremely important insight that research has developed in recent times.

These lessons can now be put into SBP of non-luxury brands. Although luxury segments are sometimes said to be difficult to manage but they have the advantage of being positioned around the exclusivity platform, but the 'Janta' brands always have the odds of being too commonplace.

Wisdom lies in downplaying the importance of price. Building a relevant and meaningful brand image can change and even energize a brand in this sector. It is always good to discuss a case in this point. In India, Indigo practised this and in the UK it is EasyJet or even AirAsia. Air travel is always seen as an expensive affair and is preserved for the rich and the famous. Although, cheap air tickets are liberating but the brand question always remains. The challenge of taking it close to the consumers is daunting. One has to take a call on the value vs. volume decisions and in the airlines industry it is the corporate traveller vs. the holiday makers. The former are more finicky about certain quality standards and for them 'time is money'. A clever 'time' positioning seriously tones down the 'cheap' element and a unique, active personality comes forth. In its design of consumer touch-points the airlines exhibit energy, activity and friendliness. One can find no better illustration of theoretically conceived brand-personality dimensions like sincerity, commitment, sophistication, and competence than Indigo. The common man tag is effortlessly surmounted yet without alienating those first time flyers. Indigo has successfully appealed to the mass market and quite expectedly, their market share now stands at 27%, the single largest in the Indian airlines industry.

As we mentioned earlier, brand relations are transferred into personal meanings, Indigo is another example as 'timeliness' is converted into 'reliability'. The disadvantage of being cheap is conveniently defeated and the brand evolves into a value brand, in its true sense. Add to it, consistent message design. No one can possibly be mistaken in identifying Indigo even if one indifferently glances through an air-hostess recruitment ad. Kudos to their efforts to be meticulous to the degree of even using a consistent and unique font design. Air Asia, on the other hand and till date, delivers the excitement of a foreign travel to the infrequent and the first time international flyers. The price here remains the key yet enough excitement also surrounds this brand to create meaningful brand-experience.

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Personality Measurement Inventory – Revisited

By Dr. Devjani Chatterjee

There are many models in the literature of organizational behaviour and psychology to assess human personality. Among them, the 'Five Factor Model' commonly known as FFM, the NEO-Personality Inventory-Revised (NEO–PI–R) and Myers-Briggs Type Indicator (MBTI) are frequently used tools.

Over the past decade, the FFM based on the 'Big Five Factors' has become a dominant paradigm in personality psychology, yet most attention have been given to the Big Five Factors themselves neglecting the specific traits that define these factors, i.e., the facets. Short descriptions of the five personality traits are, Neuroticism (N) - general tendency to experience negative effects such as fear, sadness, embarrassment; Extraversion (E) - general tendency to be outgoing; Openness-to-Experience (O) - general tendency to be curious about inner and outer worlds; Agreeableness (A) - general tendency to be altruistic; and Conscientiousness (C) - general tendency to be able to resist impulses and temptation.

Revised NEO Personality Inventory (NEO-PI-R) is another popular and commonly used tool, which is designed to assess the five factors (of FFM) of personality. The original version of the measurement was the Neuroticism-Extroversion-Openness Inventory (NEO-I). This only measured three of the Big Five personality traits, e.g., N, E and O. It was later revised to include all the five traits and renamed 'Revised NEO Personality Inventory' (NEO-PI-R), and includes factors A and C. The NEO–PI–R is a 240-item questionnaire that assesses 30 specific traits (or facets), 6 for each of the five basic personality dimensions collectively known as 'OCEAN/NEOAC'.

Carl Jung in 1923 has documented different dimensions to evaluate personality based on the assumption that people use distinctive heuristics to gather and process data. According to the perception-information processing model proposed by Jung, people use two types of perception modes, i.e., sensing (S) and intuition (N); whereas they process information in two modes; i.e., thinking (T) and feeling (F). Based on these modes, he proposed four personality types: sensing-thinking (ST), intuition-thinking (NT), sensing-feeling (ST) and intuition-feeling (NF). MBTI is another scale to measure personality types, and has evolved from Jung's personality types. MBTI has been developed in order to make the theory of Jung's personality types more understandable and usable in people's life. According to this theory, people prefer either sensing (S) or intuition (N) for perception and thinking (T) or feeling (F) for judgment, similar to Jung's theory. In addition two more bipolar dimensions are developed here; Extraversion (E) and introversion (I) as orientation to life, and judgment (J) or perception (P) as orientation to the outer world, which forms a major contribution by Myers and McCaulley to the theory of psychological types. When the four different bipolar dimensions are combined 16 MBTI types can be identified (for example ESTJ or INFP).

Contrary to the general belief that each of the above discussed personality measurement tools (PMT) are hugely different from each other, several studies have found that many of them actually complement each other and also have common traits between them. Correlational analyses show that four of the MBTI indices did measure aspects of four of the Big-Five factors and these MBTI indices show impressive evidence of convergence with FFM dimensions. Like, EI is correlated with Extraversion, SN with Openness, and FT with Agreeableness and JP with conscientiousness. The primary difference between the MBTI and FFM is that the former theory assumes that personality hangs on a four dimensional framework and dimension scores fall along a bimodal distribution, whereas the later theory assumes a five dimensional framework and scores on each dimension will fall along a normal distribution.

In addition, there also seems to be an alignment of the MBTI and NEO-PI-R dimensions, e.g., extrovert/introvert, sensing/intuition, feeling/thinking, and judging/perceiving scales of the MBTI correspond to the E, O, A and C of the NEO-PI-R. SN index is highly correlated with Openness to Experience, and the JP scale seems to measure an aspect of Conscientiousness. Lastly, it is also found that Neuroticism is correlated to both EI and FT. Thus it has become evident that some or all of these same five dimensions recur in MBTI in some way.

In conclusion we can say that the PMTs discussed here are correlated to each other in many ways, but generally under different dimensions having the same underlying constructs. Hence, it can be said that FFM evolves from MBTI rather radically departing from it, and MBTI, on the other hand, is also an extension to Jung's theory. NEO-PI-R has the same dimensions as FFM, only that they also put stress on the facets of each trait, which the FFM have missed. Therefore, one can evaluate other's personality using any of the tools above, but choosing the tool prudently which exactly measures the dimension(s) he want to assess.

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Gold – The Dethroned Monarch

By Ms. Anindita Chatterjee

The phenomenal rise in the gold price over one decade in India and the world market has been a consequence of the recent subprime crisis in USA in the latter half of 2007 followed by the Eurozone crisis and the world–wide recession in 2008. In an environment of uncertainty and economic turmoil when stock markets across the world nose-dived, gold emerged as the only haven where the governments and the individual as well as the institutional investors would put their money on as a hedge against economic downturn and high inflation. Despite being a non-interest bearing asset what made purchase of gold attractive was its negligible physical depreciation, easy convertibility to cash by selling it and most importantly, its reputation as a risk-free asset compared to other asset classes.

The Gold Bubble

Post 2008, the gold rush became ostensible. In the March quarter 2011, the average gold price sky-rocketed to USD 1,385 an ounce, rising by 1 percent compared with the average price in the December quarter 2010 and the gold rush continued till October 2012 when the price further climbed to USD 1791.75. Thereafter the gold price fluctuated within a range of USD 1,645 – 1,720 till February 2013.

The financial crisis also witnessed growing use of gold Exchange Traded Funds (ETFs) among retail and institutional investors to gain easy access to asset classes and benchmarks. There has been more than 2,000 tonnes of gold held in physical bullion ETFs principally by investors who have used funds to hedge against inflation. ETFs became a major presence in the physical gold markets and the leading sources of demand in the year 2012.

In India, the scenario reflected the global trend. While in February 2003 the price of 10 gm gold was Rs. 5,509 it surged to Rs 12,559 in March 2008 – a 127% hike. The summit was reached in December 2012 when gold price stood at Rs. 32,000 per 10 gm.

The decade long upward rally of gold price, gold related equities and ETFs placed the commodity market in a commanding position compared to the world financial market. Apparently the world was about to witness the second "Gold Mania" after the 1980s.

The Bubble Bursts

Come April 2013. The gold investors world-wide were shocked with the unbelievable crash in the price of the yellow metal. In the first week of the month the price in the international market slipped by USD 84 to USD 1,477. In the London market the gold fell to USD 1,386.39, which is lowest in last two years. Till April 24 gold price registered a 14% drop from January 2013 to stand at USD 1,435.31.

The gold futures slumped to a seven month low in February. Gold futures for April delivery fell 0.4 percent to close at USD 1,572.80 an ounce on the COMEX in New York, the lowest settlement since July 18, 2012. US gold futures, which sometimes dictate spot gold prices, slipped more than 1 per cent after investors dumped holdings of gold-backed exchange-traded funds.

According to Barclays, since the start of the current year, selling by physical gold-backed ETFs totaled 140 tonnes by mid-March, which was equal to almost half of all the gold ETFs bought last year. The holdings of SPDR Gold Trust, the world's largest gold-backed ETF, fell by 0.73 per cent to 1,145.92 tonnes from 1,154.34 tonnes in mid-April, 2013. Holdings of global gold ETFs are currently at their lowest since late 2011.

The global downward trend influenced the gold market in India as well. During the third week of April, 2013 the price of 24 carat 10 gm gold skidded by Rs. 1,250. It further fell by Rs. 75 to stand at Rs. 27,600, lowest in last 15 months. The landslide continued as on April 20 the price plummeted to Rs. 26,475, another 4.07% drop.

The Downturn was Inevitable

Like all other economic bubbles - which generally lack sound economic foundations but are formed out of some uncertainty, insecurity or expectation in the investor psyche - the gold bubble was bound to burst sooner or later. The reasons are not difficult to gauge:

First: The US economy has started showing signs of recovery. The Dow Jones stock market has registered an all-time high. This has boosted investor confidence in the financial markets and they are now gradually shifting from low-risk havens to high-risk assets.

Second: There is an apprehension that to protect its debt-ridden economy Cyprus may sell off some of its gold reserves and other European counties like Italy, Greece and Spain may follow suit. This will result in an excess supply of gold in the world market.

Third: For several years gold has benefitted from negative correlation against the dollar. Strengthening of dollar in the last week of February, 2013 has been detrimental to gold.

Fourth: Japan is a significant purchaser of gold for industrial use. The recent slowdown in the Japanese economy resulting in a falling yen against US dollar has been another cause of concern for the gold marketers.

Fifth: The government of India, the world's single largest source of demand of gold, is attempting to curtail the demand to put a check on the swelling current account deficit.

Following the simple rule of economics the lower price of gold has enhanced purchase of gold to some extent. The growth in the Chinese economy and high purchasing power of its middle class is also expected to lift the demand for gold. But how far that can save the yellow metal from losing its significance in the commodity market remains a question, since in recent years western financial investors have been the most important contributor to gold demand. Given the current state of the world economy it can be claimed that the king has lost his throne. However, it will continue to be revered as a precious metal for centuries to come.

Research

Dr. Rachana Chattopadhyay, Assistant Professor of IMI-Kolkata presented a research article in 3rd IIMA International Conference on "Advanced Data Analysis, Business Analytics and Intelligence" during April 13–14, 2013.

She was one of the invited speakers in the session "Applied Analytics for Management".

Title of the presentation was "Use of Forced Distribution System in Appraising Employee's Performance: Its Problem and Solutions". The presentation dealt with the major disadvantages of application of forced distribution system (FDS) in association with employee's performance appraisal.

The study mentioned that FDS determines the relative positions of the employees involved in similar work by comparing them against one another. Based on the performance they are allotted grades. Practically, it has been observed that a relatively low performer of a high performing team may be better than the best performer in an average performing team. But it is not possible for any FDS to incorporate the work quality of the team; it can only identify the relative position of the team member and according to the organizational policy consequences will be determined.

In her presentation Dr. Chattopadhyay proposed a simple modification over the serious limitations of the use of FDS. Instead of considering only the present performance of the employee, the proposed model has the scope to incorporate the potential of the employee by using the previous year's performance grades. Extensive simulative studies were performed on the proposed model and it was observed that modification algorithm is performing uniformly better than the existing one over different schemes of employee allocations.

Publication

Book: Dr. Gopal Das has published a book titled *Retail sales promotion and consumer behavior: An Indian perspective*. It has been a publication of Lambert Academic Publishing, Germany with ISBN – 978-3-659-36958-2 in April 2013.

The book talks about the adoption of a liberalized retail trade policy for rapid economic development by the Indian government that has brought about dramatic prosperity in the Indian organized retail industry. This development in Indian retail environment has attracted both domestic as well as international retail players to invest in India. As a result, the Indian retail market is becoming competitive. With the objectives to arrest more footfalls, increase sales figures and market share, retailers are developing and implementing new and innovative sales promotional tools. This book tries to investigate how retail sales promotion influences retail sales figures and Indian consumer behavior.

Paper: A paper titled "The effect of pleasure and arousal on satisfaction and word-mouth-communications: An empirical study of Indian banking sector", by Dr. Gopal Das (2013) has been accepted for publication in Vikalpa: The Journal for Decision Makers - An IIM-A Publication. The objective of this research is to investigate the effect of pleasure and arousal on satisfaction and word-of-mouth (WOM). The conceptual model and hypotheses of the study finds its basis in the premise that satisfaction and WOM are influenced by pleasure and arousal. A study of 310 customers of Indian banking industry has helped us to take a decision on acceptance/rejection of the hypotheses. Results indicate that pleasure has significant positive and negative impacts on satisfaction and WOM respectively. On the other hand, arousal has significant negative and positive impact on satisfaction and WOM respectively.

Award

Dr. Gopal Das has received Prof. Dipak C Jain award of IIM Bangalore, the highest research award of IIM Bangalore for the paper titled, "Impact of Store Personality Antecedents on Store Personality Dimensions: An Empirical Study". This paper explores the impact of store personality antecedents on store personality dimensions. Questionnaire was used to collect data from busy shopping malls with systematic sampling. The impact of store personality antecedents on store personality dimensions was explored using stepwise regression analysis. Results revealed that different sets of store personality antecedents affect various department store personality dimensions differently.

Forthcoming Events

MDP

Energy Sector Finance

Date: 16, 17, 18 May, 2013

Programme Directors: Dr. Paramita Mukherjee &
Dr. Sarojakshya Chatterjee

Energy, coal, electricity and oil & gas are important factors for economic growth and development. There is a mutual dependence between energy sector and growth. Given the ever-increasing energy needs, investment in this sector has assumed crucial importance. Energy Finance provides the connection between the business strategy and financing strategy of the energy sector firms.

This programme aims at preparing executives to understand, quantify, monitor, and manage the financial risks created by variables like volatile energy prices, foreign exchange rates, and interest rates. The programme, by explaining how to evaluate projects in energy sector using the techniques of financial accounting and project financing and by use of case studies on evaluation of sector-specific projects and cost information based decision making, will make candidates well-versed with the latest techniques of project evaluation.

The programme is meant for senior operations executives and finance executives.

Editor: Dr. Buroshiva Dasgupta (b.dasgupta@imi-k.edu.in)
Asst. Editors: Dr. Mohua Banerjee (m.banerjee@imi-k.edu.in)
Ms. Anindita Chatterjee (a.chatterjee@imi-k.edu.in)

International Management Institute Kolkata
2/4C, Judges Court Road, Alipore, Kolkata 700027
Telephone: +91 33 6652 9664. website: www.imi-k.edu.in