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Editorial



It is my pleasure to bring you the first issue of *IIMB Management Review* (IMR) for the year 2019 and to give you a brief update on the journal and its activities.

The year 2018 saw the journal making steady progress. The number of submissions to the journal are increasing year-on-year, while our rates of rejection continue to be around 90%, with all articles undergoing due review processes. The journal is very well listed and is included in the Australian Business Deans Council (ABDC) Quality Journal List where it is ranked “B”; it is indexed on the abstract and citation database Scopus, and on the Emerging Sources Citation Index (ESCI). The electronic version of the journal, available through ScienceDirect®, has seen an uptick in interest with an increase in full text usage, from around 8700 in 2010 to over 700,000 in 2018. We invite you to view the journal metrics at <https://www.journals.elsevier.com/iimb-management-review/>.

The tenth edition of the IMR Doctoral Conference (IMRDC), the flagship event for doctoral students in Management and associated disciplines, organised by IMR in partnership with the Office of the Fellow Programme in Management, IIMB, was held on January 4th and 5th, 2019. The Conference Chairs for IMRDC 2019 were Professor Debarati Basu (Finance & Accounting) and Professor Shabana Mitra (Centre for Public Policy) of IIM Bangalore. IMRDC 2019 was supported by our corporate partners ICICI Bank, National Stock Exchange of India (NSE), and State Bank of India (SBI). We received 115 full paper submissions from doctoral students in India and overseas, which were taken through a rigorous three-step selection process and finally, 10 papers were selected for presentation. Senior researchers and faculty from eminent schools in India and abroad were invited as discussants to critique the selected papers and provide feedback for further development of the paper.

The Conference also witnessed invited talks and discussions by academic experts. Professor Kannan Raghunandan, Professor and Ryder Eminent Scholar, Florida International University delivered the ICICI Keynote Lecture on Governance and Auditing. Mr. Balakrishnan Madhivanan, Chief Technology & Digital Officer, ICICI Bank, delivered a talk on FinTech at the session aimed at integrating research and practice. A panel discussion was held on “Publishing from India and on India”, the panelists being Professor Anirban Kar, Delhi School of Economics; Professor Dasaratha Rama, Florida International University;

and Professor Anand Venkateswaran, Northeastern University. You will find more details about IMRDC 2019 at <http://www.iimb.ac.in/imr-doctoral-conference>.

The March 2019 issue of the journal contains its regular complement of articles and features. An outline of the contents follows.

An increase in participation by the underrepresented sections of the society in the workforce has led to a demographic diversity in organisations, which is considered advantageous to the organisation. Ramadhar Singh, Naureen Bhullar, and Krithiga Sankaran examine the effects of diversity of race and status in work groups on people about to enter the job market, through a research setting in Singapore, in their paper, “Leader-versus-member and fair-versus-biased categorisations as safeguards against negative effects of demographic diversity on group attraction”. Using two controlled experiments guided by information integration theory and social identity theory, the study finds that negative consequences of demographic diversity and racial diversity in workgroups can be minimised by promoting diversities in leadership roles and fairness reputation.

Traditionally, retailers use various financial metrics to measure the performance of their stores, but the lack of adequate nonfinancial and consumer-centric measures has been felt. In their article, “Retail shopper empowerment: A consumer centric measure for store performance”, Ashis Mishra and Radhika Vishvas start by defining the theoretical construct of consumer empowerment, use the retail context and stakeholders to identify the parameters of the relatively new construct of Retail Shopper Empowerment (RSE) (the parameters of RSE being store environment, store convenience, relevant communication and control over choice set), and subsequently use the scale development process to develop a comprehensive and parsimonious measure for retail shopper empowerment. The findings of the study are based on multiple retail consumer focus groups. The authors submit that the RSE scale and the related findings complement and extend existing theoretical constructs and frameworks viz. retail performance measurement, empowerment, marketing orientation and value co-creation. The RSE score can be used as a nonfinancial, consumer-centric performance measure for retail stores with adequate psychometric properties. It can be used to segment and target the customers, for positioning strategy and to provide a challenging

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competitive edge for the retailer by involvement of the consumers in the retail operations.

In the last decade, small and medium enterprises (SMEs) have grown exponentially in India and are expected to contribute significantly to the growth trajectory of the economy. However, adequacy and appropriateness of financial resources is one of the major challenges faced by the SMEs in India as elsewhere in the world. In their paper, "A study on factors driving the capital structure decisions of small and medium enterprises (SMEs) in India", authors Purnima Rao, Satish Kumar and Vinodh Madhavan aim to find out the major forces that drive the financing decisions of SMEs. According to the findings, the factors driving the capital structure decisions exhibit varied relationships, but the results are biased towards the pecking order theory for SMEs in India. Further, debt forms the major part of financing in manufacturing SMEs, while debt represents a moderate part of capital structure of service SMEs. For both manufacturing and service SMEs utilisation of short-term debt is more prevalent than long term debt.

Non-performing assets (NPA) of banks are a major concern today. In the paper, "An analysis of NPAs of Indian banks: Using a comprehensive framework of 31 financial ratios", authors Jaslene Kaur Bawa, SK Mitra, Vinay Goyal, and Sankarshan Basu aim to extend the literature on NPAs by creating a comprehensive framework where they consider 31 financial ratios that represent determinants under operational capability, business development capacity, liquidity, capital adequacy, profitability, and solvency of banks, and study the effect of these ratios on NPAs. The study finds a negative significant relationship between intermediation cost ratio, return on assets and NPAs. Asset growth, lagged NPAs, total liabilities by total assets are positively related to NPAs.

The motivation for the paper "Back to normal? A study of the behaviour of volatility in the Indian stock market" for Lakshmi Viswanathan and S Maheswaran lay in studying the structure of volatility in stock returns in the Indian stock market in general and in particular, the impact of the global financial crisis of 2008 on the volatility of the Indian stock market. In the ordinary course, the level of volatility before and after the event of interest would be compared, but in this study the authors attempt to go beyond this and try to understand what structural change there has been in volatility. They propose a new statistic called the Vol Ratio, which allows them to infer the behaviour of the volatility of volatility (Vol of vol) at various horizons. They make use of the insights emerging from the mixture of distribution hypothesis for derivation of the statistic. The authors find that, subsequent to the global financial crisis, the volatility of volatility does not die down or takes a very long time to do so in the Nifty index. By way of contrast, prior to the crisis, the Vol of vol exhibits a rapid decline with respect to the horizon. This suggests that there has been a fundamental change in the structure of volatility in the Indian stock market due to the global financial crisis.

In the paper, "Efficacy of industry factors for corporate default prediction", Khushbu Agrawal and Yogesh Maheshwari use a sensitivity variable (industry beta) which captures the impact of industry factors on a firm's vulnerability to default. The results show that on an average, the defaulting firms have significantly higher industry beta as compared to the non-defaulting firms, which indicates that defaulting firms are more sensitive to industry factors as compared to non-defaulting firms. The dispersion of the variable

(as measured by the standard deviation) is also higher for the defaulting firms. The industry beta is found to be statistically significant in predicting defaults. It has a positive relationship with the probability of default implying that higher sensitivity to industry factors leads to an increased probability of default. The findings of the study have important implications for lending as well as investment decisions.

Selecting the right supplier is a complex issue for any firm, more so for public firms that have to function within the boundaries of public procurement rules and regulations, subject to constant scrutiny. In their paper, "Supplier selection of an Indian heavy locomotive manufacturer: An integrated approach using Taguchi loss function, TOPSIS, and AHP", Sidhartha S Padhi, Rajnish Kumar, and Asutosh Sarkar attempt to integrate the relative advantages of multi criteria decision making (MCDM) techniques into a quantifiable supplier evaluation (or selection) model for a public firm that manufactures heavy locomotives in India. They apply the proposed model to two real life cases of an Indian manufacturing firm and perform sensitivity analysis to verify the credibility of the model. Supplier evaluation and selection can be made objective using the suggested model. This would give purchase managers the authority to override an offer which is lowest in price as other criteria will play a significant role in getting the best supplier.

Digital accessibility can level the playing field for persons with disability and allow for productivity and inclusion through participation in educational, economic, and political spheres, but there are several barriers to such accessibility. The Round Table on "Digital accessibility: Challenges and opportunities" by Mukta Kulkarni focusses on outlining barriers to digital accessibility, the solutions, and the possible next steps to ensure digital accessibility. It begins with an overview of Web accessibility standards and guidelines, followed by barriers to accessibility, including the limitations posed by the institutional context and the technology context, and the state of accessibility in India. After framing the context, the article reports on the round table discussion on "Best practices in digital accessibility" in which key stakeholders participated, including players from government and industry, and those working on accessibility solutions in workspaces and the education sector. The invited panellists included Meenu Bhambhani, VP and head of CSR at Mphasis; Ashutosh Chadha, Group Director, Government Affairs and Public Policy, Microsoft India; Rakesh Paladugula, founder of Maxability, and Srinivasu Chakravarthula, lead for accessibility at Informatica. The discussion covered issues such as the specific barriers that hinder digital accessibility which include government initiatives and overall mindsets; specific accessibility solutions and their focus on education, employability, and technology-aided inclusion; and concrete ways of awareness generation including working alongside stakeholders towards accessibility solutions.

This issue also carries a book review by Muthu Mathirajan of the book "Business Analytics: The Science of Data-Driven Decision Making" authored by U. Dinesh Kumar and published by Wiley.

I hope you find the articles useful and interesting.

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