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Corporate Debt Restructuring (CDR) and its Impact on Firms' Stock Market Performance: A Study of Pre- and Post-CDR Share-price Movements[†]

Anupam Rastogi* and Smita Mazumdar**

The Corporate Debt Restructuring (CDR) mechanism aims to restructure debt of viable companies facing distress due to internal or external factors. The restructuring process is expected to involve sacrifice by all stakeholders, particularly equity holders and lenders. Equity holders sense a good bargain when their perceived sacrifice is much lesser than the costs that the lenders are expected to bear. Thus, excess abnormal returns around the event date would indicate that equity holders have obtained a better deal in the negotiation at the expense of lenders. This study provides evidence that equity holders get excess positive returns post-announcement of admission of a firm to CDR. The market thus perceives admission to CDR as an indicator of better return on equity capital.

Key Words: Abnormal Returns, Announcement Effect, Corporate Debt Restructuring (CDR), Event Study, Stock Returns

Workplace Bullying: A Review and Future Research Directions

Arpana Rai* and Upasna A Agarwal**

Workplace bullying is a heavily researched topic in management research and is well examined in terms of its prevalence, antecedents, and outcomes. The other aspects of the bullying phenomenon, especially its process, theoretical underpinnings, underlying and intervening mechanisms have not received as much research attention. This study aims to provide a review on these less studied aspects of workplace bullying. The review is organized under the following five sub-themes: (i) bullying and similar other negative workplace phenomena; (ii) conceptualization; (iii) process; (iv) theories; and (v) mediators and moderators of bullying. Based on the extensive review of extant literature, future research directions in the domain of workplace bullying, such as the requirement of a universal definition, the need for better theoretical understanding, the requirement to examine antecedents and outcomes of workplace bullying at different levels, the role of gender, and the assessment of workplace bullying in a temporal context, among others, have been outlined.

Key Words: Conflict, Hostility, Incivility, Negative Workplace Phenomena, Workplace Bullying

Facilitation of Entrepreneurship: The Role of Institutions and the Institutional Environment[†]

Gunjan Kumar* and Saundarjya Borbora**

The basic idea of an institution (formal and/or informal) may be conceived as an aggregate structure that has an influence on the individuals. Entrepreneurship is observed to be dependent on institutions for its performance. Constraining and enabling functions of institutions impose certain frameworks and structure the incentives which promote or limit entrepreneurial activities. Therefore, for better results the focus should be on institutional reform rather than on increasing inputs. But, there is no one set of institutions that suit all societies and the efficacy of an institutional set-up is influenced on the availability and quality of several complementary factors. The purpose of this paper is to bring together different threads of research and provide an overview of the institutional framework for entrepreneurship. The authors have carried out an extensive literature review, combining the views of old institutional economists with recent literature, and have attempted to provide an institutional framework for entrepreneurship by clustering the various institutional variables related to entrepreneurship development under four categories: (i) opportunity-related variables; (ii) security-related variables; (iii) efficiency-related variables; and (iv) variables related to the social and political environment. The authors hope that this framework would provide a better understanding of the importance of the role of institutions for entrepreneurship development.

Key Words: Efficiency, Entrepreneurship, Institutions, Opportunity, Security

An Examination of the Relationship between Intellectual Capital Efficiency and Financial Performance

Raman Deep Singh* and Karam Pal Narwal**

The purpose of the present study empirically examines the relationship between intellectual capital and traditional financial performance measures, i.e., profitability, productivity, and market valuation of companies in the Indian electronic industry. The Value Added Intellectual Coefficient (VAIC™) model has been used to measure the intellectual capital efficiency of the companies in this study. The results of the panel regression analysis revealed that intellectual capital could predict the financial performance of the company. The study evinced that individually, human capital was individually found to have a significant relationship with profitability and market valuation; whereas structural capital, which is an important element of intellectual capital did not have any significant contribution in improving the financial performance of the organization. The results further divulged that physical capital was highly regarded in improving the productivity and profitability of the companies. The findings also provide some insights into Indian capital market, in that Indian investors and shareholders seemed to give more importance to human capital resources than traditional physical resources while deciding about their investments.

Key Words: Electronics Industry, Intellectual Capital, Productivity, Profitability, Market Valuation

Dynamic Forecasting: Efficacy of Rolling Symmetric and Asymmetric GARCH Models

Shalini Talwar*

Volatility structure of a financial time series is an interesting issue for investors. Most of the research related to volatility forecasting appears to be piecemeal, focusing only on some part of the problem. The author has attempted to overcome this constraint by providing a comprehensive approach to volatility modeling, incorporating comparison of alternative models, rolling data windows, best-fit as well as forecast evaluation measures, additional regressors and different error densities. The time-varying volatility of the Jakarta Stock Exchange Composite Index (JCI) was studied in detail using GARCH models based on dollar-denominated daily data for a period from January 2009 through April 2015, with and without exogenous triggers. The results showed that the EGARCH model using Student's t -distribution was the best among the estimated models for forecasting the futures values and variance of JCI. The results also confirmed the inadequacy of the GARCH (1,1) model in effectively modeling the temporal behavior of financial time series' volatility.

Key Words: Conditional Volatility, EGARCH, GARCH, Leverage Effect, TARCH

Career Progression of Indian Women Bank Managers: An Integrated 3P Model

Tania Saritova Rath*, Madhuchhanda Mohanty** and Bibhuti Bhusan Pradhan***

Literature on the subject of career progression of women managers in general and in banking sector in particular highlights different factors in their environment, as well as in their personal and inter-personal domains that propel or prevent their career progression. The factors cited are mostly external to the women managers. Empirical evidence suggests that in spite of propellers at their side, some women may prefer stagnation to progression and vice-versa. This paper explores the dimension of preference along with the propelling and preventing factors influencing the career progression for women bank managers in India. The major contributions of this paper are two-fold: firstly, the paper provides a consolidated and comprehensive literature review on the factors determining career progression of women managers which can be used by academicians and researchers for future research; and secondly, it proposes a model of career progression called 'Integrated 3P Model for Career Progression of Women Bank Managers' integrating the dimension of women managers' preference along with the propelling and preventing factors that influence their career progression.

Key Words: Career Progression, Preferences, Preventers, Propellers, Women

Crowdfunding: A Study of Risk Factors[†]

Vedantam Leela*

Crowdfunding provides real-time financial assistance through internet banking services to those entrepreneurs who aspire to start their ventures. The fund lenders show an inclination to fund in those ventures wherein the risks are more. This research study examines the awareness of risks of these fund lenders', who decide to part with their hard earned income for benefitting some cross-sections of society either directly or indirectly. The aims of this study are: (i) to critically appreciate the fund lenders awareness about potential risks involved in crowdfunding events; and, (ii) to examine the impact of high or low awareness as they contribute their surplus money towards crowdfunding events in the form of shares, loans, donations or in anticipation of rewards. A quantitative methodology with primary data collection was adopted for this study. Data was collected from 139 respondents at two instances with a 6-month time interval. Statistical tests like the Wilcoxon Matched Paired Signed Ranking Test were then used to empirically test the research propositions. This study attempts to highlight the degree of informed consent which people have and the factors they consider seriously prior to lending or pledging funds in crowdfunding events, and to assess the impact of 'risk awareness' and 'risk ignorance' among the potential fund lenders in crowdfunding and its effect on the fund lenders' willingness to adapt to new situations.

Key Words: Awareness, Curiosity, Informed Consent, Rewards, Risks

Leadership Values: Perspectives of Senior Executives in Sri Lanka

Julie Crews*

This research note examines the values held by business executives in Sri Lanka, with a focus on exploring values in a cross-cultural environment. Research on organizational and personal values in a Western context is well established. This qualitative study represents a preliminary insight into the values of senior executives in a different cultural context. Participants were interviewed face-to-face and asked about their personal and organizational values and to identify characteristics in both ethical and unethical leaders. They also recalled a professional incident in which their own values were challenged. Given the size and limitations of the study the findings cannot be considered conclusive and represent propositions for future empirical research. The findings suggest that Sri Lankan business executives have clear values which define their personal and professional lives and the characteristics of ethical and unethical leaders. Their ethical dilemmas are mostly defined by cultural and political factors in Sri Lanka, which challenge the business environment.

Key Words: Ethical Dilemma, Ethics, Leadership, Sri Lanka, Values
