

Introduction

The case study highlights the problems of corporate governance in emerging market economies, clarifies the responsibilities of diverse stakeholders and evaluates issues confronting firms in these economies.

Activity Instructions

Respond to the following:

- What is the controversy surrounding Flex Industries? Discuss the chain of events.
- What was the state of the flexible packaging industry in India prior to this controversy?
- How was Flex Industries positioned in the Indian flexible packaging industry?
- Given the state of the flexible packaging industry and Flex Industries' health, was there a motivation to indulge in the kind of activities that Flex Industries was accused of (collusion with tax/government officials)? Why or why not?
- How important is it to manage political relationships in emerging economies?
- How does the institutional context in emerging economies vary from those of developed economies?
- What kind of issues/concerns that organizations face in emerging markets arise from these contextual differences (when compared with developed economies)?
- What are the roles and responsibilities of different stakeholders? Analyze their behavior with respect to the Flex incident.
- What has been the role of the market during and after the controversy? What is the theory behind the market reaction?
- Who has more disciplining power in corporate governance — the market, the media or the government?
- From the case discussions what according to you is the key corporate governance concern in emerging markets?

When analyzing a case study, all the used references (including the Internet) should appear within the text [e.g. (John Doe, 2008)] and on the references page. You are expected to apply all applicable course concepts, as well as those specific to the chapter from which the case or paper topic is drawn. The analysis should also contain a summary of related current developments obtained through searches on the Internet.

Writing Requirements (APA format)

- 4 pages (approx. 300 words per page), not including title page or references page
- 1-inch margins
- Double spaced
- 12-point Times New Roman font
- Title page with topic and name of student
- References page (minimum of 1 Internet source)