



## Uncovering Unethical Practices: Exploring Byju's Educational Platform

Gowtham N<sup>1\*</sup>, Darshan C.V<sup>1</sup>, Dr. Parul Tandan<sup>2</sup>

<sup>1</sup>PGDM Student, Department of Management, Dayananda Sagar Business School, Bengaluru, India

<sup>2</sup>Associate Professor, Department of Management, Dayananda Sagar Business School, Bengaluru, India

\*Corresponding author, gouthamn201@gmail.com

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### Abstract

Byju's, a prominent player in the educational technology sector, has garnered both praise and criticism for its innovative approach to learning. However, beneath its facade of success lies a troubling narrative of unethical practices. This paper conducts a thorough investigation into Byju's unethical conduct, ranging from aggressive marketing tactics and high-pressure sales to fabricated revenue schemes. Through a descriptive methodology and analysis of secondary data, the study sheds light on the detrimental impact of these practices on consumers and employees alike. Drawing insights from recent case studies and literature reviews, the paper underscores the need for increased transparency, corporate responsibility, and ethical leadership within the edtech industry. By addressing these issues, stakeholders can work towards fostering a more ethical and equitable educational landscape. Keywords: Byju's, educational platform, unethical practices, aggressive marketing, high-pressure sales.

**Keywords:** Unethical Practices, Educational Platform, Byju's, Pricing models

### Introduction

Unethical practices refer to actions, behaviors, or decisions that violate accepted moral, social, or professional norms and standards. These practices often involve actions that are dishonest, unfair, harmful, or exploitative in nature, and they may lead to negative consequences for individuals, organizations, or society as a whole. Addressing unethical practices typically involves promoting ethical behavior, enforcing regulations and codes of conduct, and holding those responsible accountable for their actions. In the age of digital learning, the Educational Platform giant Byju's has taken the education sector by storm, promising innovative and effective solutions for students and parents alike. However, behind the facade of educational excellence, a darker narrative unfolds—one marred by a series of unethical practices. In this comprehensive examination, we peel back the layers to reveal the disturbing truths that have remained hidden for too long. This exposé not only uncovers Byju's questionable conduct but also seeks to shed light on the broader implications of such unethical behavior within the Educational Platform industry. From aggressive marketing tactics and opaque pricing structures to allegations of misleading advertising, acquisitions of the competitors. This paper delve deep into

the ethical challenges that have tainted Byju's reputation. This exposé not only uncovers the dark underbelly of the Educational Platform industry but also advocates for transparency, accountability, and ethical standards in education. This paper shine a light on these unsettling truths and advocate for a fairer and more ethical educational landscape. Raveendran has been under investigation by financial probe agency the Enforcement Directorate (ED), and is now on the lookout by the immigration authorities of India, which means every entry or exit of Byju from the Indian border (sea, road or air) will be monitored, and if needed, he will be stopped from leaving the country. Byju Raveendran has reportedly been in Dubai since January this year and with the fresh look-out-notice, there is a possibility that he will be detained upon his arrival to India and summoned to appear before the ED for questioning.

### Some Unethical Practices

**Hidden Terms in User Agreements:** Every time you sign up for a new service or download software (including free software), you need to click the “Agree” button on the user agreement. Almost no one reads these pages-long user agreements, which can enable businesses to slip in some undesirable requirements. For instance, you may be allowing a company to sell your data to a third party or you could be giving a social media platform the rights to your content.

**Unethical Accounting:** Intentionally mismanaging accounts can make a company seem more profitable than it really is. This hurts investors, who may purchase shares in the company only to end up losing when the truth is revealed.

**Exploitation of employees:** Exploitation of the workers cannot be tolerated in any decent society. Bonded labour is not still uncommon; the workers are not being allowed to move from their workplace. Moreover, they are hardly given merely two square meals and are forced to work for the whole day.

**Unfair Competition:** Defamation of a competitor, misappropriation of their trade secrets, and trademark infringement – all these fall under unfair competition which gives a wrong impression to the consumers about the competitor and its products. It is not wrong to use a competitor’s name in the marketing material, but it should not deplore the company or its products.

### Literature Review

1. **(Ray et al., 2024):** BYJU'S, once an education IT pioneer, faced failure due to financial mismanagement, inconsistent financing, and leadership disputes, tarnishing its brand through negative press and operational setbacks like data breaches. To thrive, businesses must prioritize financial stability, transparency, and tailored marketing, embracing innovation, adaptability, and ethical practices. Ed-tech, learning from BYJU'S missteps, must prioritize innovation, customer-centricity, and resilience to excel in the competitive educational technology sector, fostering creativity and resilience to overcome challenges and drive sustainable growth.
2. **(Kavitha rani 2023):** The COVID-19 pandemic spurred a pivotal shift in Indian education, prompting rapid adoption of technology for seamless learning. This paper examines challenges, innovative solutions, and future trends. It discusses the surge in e-learning platforms, adaptive technologies, and

augmented reality tools. Regulatory aspects are explored, stressing governmental involvement for quality assurance. The paper advocates for sustained investment in infrastructure, digital literacy, and educator training, urging collaboration among stakeholders. It contributes to discourse on India's educational transformation post-COVID, offering insights into EdTech's challenges, innovations, and future prospects.

3. **(Ranita Basu & Anindita Majumdar 2024):** Amid a funding downturn in India's startup ecosystem, layoffs surged, affecting over 16,000 employees in early 2023. Byju's, a key EdTech player, faced similar challenges, initiating a substantial layoff impacting 60% of its staff to bolster efficiency amidst market expansion. This case study delves into Byju's decision, analyzing its rationale, outcomes, and industry implications. It underscores adaptability, employee well-being, and strategic alignment as crucial in navigating market flux. Lessons from this event emphasize the need for resilience and strategic agility in the EdTech sector's ever-evolving landscape, marking a pivotal moment for industry stakeholders to prioritize sustainability and innovation.
4. **(Hassan, et al., 2024):** unethical leadership is growing amidst rising corporate misconduct. Despite historical neglect, recent research has intensified, necessitating a thorough review of existing literature. This study systematically examines unethical leadership, categorizing findings into antecedents, outcomes, and boundary conditions. It introduces a multi-level conceptualization, encompassing macro, meso, and micro perspectives, offering nuanced insights. Critical knowledge gaps are identified, paving the way for theoretically grounded research models. This comprehensive analysis benefits scholars and practitioners alike, aiding in comprehension of unethical leadership's impact and potential mitigation strategies.
5. **(Sathya, N., & Indradevi, R. 2024):** This study is literature review examines unethical practices among businessmen and street vendors in India, focusing on challenges, impacts, and proposed solutions. It delves into research on key issues faced by street vendors and the broader implications on the economy, society, and environment. Solutions such as government regulation, corporate social responsibility, ethical leadership, and consumer support are explored. The review synthesizes findings from various sources to underscore the importance of addressing unethical practices through comprehensive strategies involving regulation, consumer awareness, and support for ethical vendors. It emphasizes the ongoing need for concerted efforts to combat unethical behavior in this sector.
6. **(Medatwal, C., & Borthakur, A. 2023):** This empirical study investigates unethical practices within the Indian IT industry, aiming to comprehend tactics employed by organizations to maintain market dominance. Focusing on strategic decision-making and policy formulation, it explores how companies uphold ethical standards amidst competitive pressures. Additionally, the study assesses the market capital impact of unethical conduct when exposed and evaluates preventative measures adopted by firms. Utilizing reliability, validity, factor analysis, and ANOVA tests, the research seeks to uncover insights and implications. It sheds light on the ethical landscape within the Indian IT sector and underscores the importance of ethical conduct in sustaining industry integrity.

## Research Objectives

- To understand about Unethical Practices in India.
- To know Unethical Practices of Byju's educational platform.

## Methodology

A descriptive methodology used in the study with secondary data carried out to understand the Unethical Practices in India. Purposive sampling has been used in terms of collecting recent case studies of Byju's and similar kind of Unethical Practices, where Unethical Practices was the key to identify the fraud and examine.

## Unethical Practices of Byju's Educational Platform

In India, education is a weakness. Because every parent wants their children to study well and change their lives, they spend a lot of money to get good education for their children.

- How can a company with a loss of 4,500 crores get a valuation of 1,80,000 crores?
- Why there is so much negativity about Byju's being a scam and fraud?
- How did Byju's grow by blocking the same weakness of education?

Byju Raveendran, the brain behind the edutech start-up Byju's, hails from Azhikode village in Kerala's Kannur district, born to parents who were teachers of physics and mathematics. Transitioning from being an engineering graduate to a teacher, Raveendran initially began teaching mathematics to friends and acquaintances, later expanding his reach to help students prepare for exams like the common entrance exam (CAT). In a remarkable display of his own capabilities, Raveendran scored a perfect 100% in the CAT exam of 2003, despite not dedicating substantial time to preparation. This success led him to guide others in achieving similar feats, prompting him to pursue teaching as a full-time career. Over time, his teaching endeavors evolved from small gatherings to large-scale auditorium sessions and even classes conducted via satellite communication. Establishing Think & Learn in 2011 to provide online lessons, Raveendran officially launched the Byju's app in 2015. His efforts were recognized in 2018 when he received the EY Entrepreneur of the Year Award in the Startup category. Byju's operates on a freemium model, catering to students preparing for various Indian examinations such as IIT-JEE, NEET, CAT, and IAS, as well as international assessments like GRE and GMAT. In a strategic move, Byju's acquired the rights to the Indian cricket team's jersey in July 2019, marking a significant expansion of its brand presence. Boasting 33 million users and 2.2 million paid subscribers, Byju's has emerged as one of the world's most successful edutech start-ups, with its valuation quadrupling within a year to \$3.6 billion as of July 2019. This places it among the top five most valuable internet companies in India. Byju's app has garnered attention globally, even becoming a case study at prestigious institutions like Harvard Business School. Its excellence has been acknowledged through various accolades, including the Business Standard Annual Award for Corporate Excellence in 2018. This one side of the coin. Other side now Byju's Raveendran has been under investigation by financial probe agency the Enforcement Directorate (ED), and is now on the lookout by the immigration authorities of India, Raveendran been in Dubai since January this year. Byju's grew as a normal company, it was the coronavirus that changed

Byju's fate. 2020 When so many people in the world were living in darkness, Byju's business was lit up like Diwali. Schools stopped, no education, kids were forgetting everything they studied, games and mobile phones were getting addicted. At the same time, Byju's started a business based on the concept of educating kids. Even those who don't have a bread and butter, to educate their kids, they used to buy Byju's courses for Rs. 50,000 to Rs. 60,000 during the corona time. At a particular time, due to the demand for Byju's classes, the fees for this course was increased to 200%, 300 %. But still, people bought it. In the two years after the corona effect, Byju's grew so much that, Byju's, which started as a small coaching institute in Kerala, became the world's largest online edutech company worth lakhs of crores in just two years. They achieved bigger success than they thought off. It also made a lot of money. But Byju Raveendran couldn't use it properly. Because of the profits, instead of increasing the quality of Byju's education, they gave hype to the existing one and started marketing it more. In a way, Byju's has not become an education company, but a marketing company. When you go on the road, you will see Byju's posters on every wall. From the jersey of the Indian cricket team to the sponsorship of the FIFA World Cup, there is no place left out for Byju's marketing. Many film stars who have a huge fan base in India, like Shah Rukh Khan, Mahesh Babu, Mohanlal, Sudeep and even the world-famous football player "Lionel Messi", are the brand ambassadors of Byju's. No matter how much they marketed, schools opened after the corona lost its effect. Children started going to school. Parents stopped buying Byju's course. Because of this, Byju's sales have decreased and profits. Now, the real problem for Byju's started. During the corona time, Byju's company, which had a lot of sales and saw a lot of profits, started putting pressure on the employees to have the same sales even after the schools opened. Unable to bear this pressure from above, the company employees started pressuring the parents to buy Byju's course. In fact, every parent who downloaded the Byju's app was called 20 to 30 times a day. Some people took this course because they could not bear the calls.

### Unethical Practices of Byju's Educational Platform

- **Aggressive Marketing:** Byju's has been criticized for its aggressive and sometimes misleading marketing tactics. They have been known to inundate potential customers with advertisements and marketing messages, often targeting parents and students with promises of guaranteed success. the company's total Marketing: expenses Rs 7,027 Crore in FY2.
- **High-Pressure Sales:** Some customers have reported feeling pressured into making purchases or signing up for long-term contracts. This aggressive sales approach has raised ethical questions about whether individuals are making informed choices. Every employee working in Byju's has a lot of pressure. They have to work in the machines that pay money to the company. These employees have daily, weekly and monthly targets. Only if the targets meet, they will have a job and they can live peacefully. Otherwise, their higher officials behave very rudely. Why do employees take so much pressure they can quit their jobs right? Once they join Byju's, the employees used to get 7 to 10 lakh salary offered by the company, due to this couldn't leave job. At the same time even if they join somewhere else, they will not get that much salary. That is the logic. So, the employees started fake sales in fear of losing their jobs.
- **Fake sales:** Employees used to select uneducated parents, say that they will give Byju's course to their children for free, take their PAN card and Aadhar card, without their knowledge, the amount required for that course, in a company called Aditya Birla Finance Limited, create a personal loan for that

uneducated parent, do sales and leave. Because of this, the uneducated parents who take the course, lose their money every month. On one hand, the uneducated parents who took the course, cannot pay their uneducated parents every month. On the other hand, the Byju's company, which does not know that the course amount is fake, calculates that amount in their annual income.

- **Fabricated revenue:** fabricated revenue was generated by Byju's example: A parent named Krishna, bought the course for his son, by investing Rs. 50,000 in Byju's. But, he does not have to pay his Rs. 50,000 in the beginning. He pays around Rs. 10,000 down payment, and takes the course. In the future, if he does not like the course, he will not pay the remaining Rs. 40,000 to Byju's. But, here, the trick that Byju's company is playing to increase its valuation, is that, actually, the income of Byju's company is only Rs. 10,000 But, since the course value sold is Rs. 50,000 that Rs. 50,000 is shown in Byju's income. Because of this, revenue of the company shown in the calculations, does not have any value.

### **How Unethical Practices was unmasked!**

Former Byju's employees reportedly spoke out about the aggressive sales tactics they were pressured to use and the stressful work environment. This shone a light on the company's internal practices. Investigative reports and articles in publications like Forbes began questioning Byju's advertising practices and the high churn rate of students (possibly dissatisfied with the courses). The Advertising Standards Council of India (ASCI) receiving complaints about misleading claims in Byju's advertising forced a closer look at their marketing methods. As customers potentially felt pressured or misled, complaints may have surfaced on social media or reached consumer protection forums. Addition to all that In 2022, the Government of India, asked the Byju's company to publishing their financial reports. The Byju's company replied that, they could not publish their financial reports, because the Deloitte Company was delaying their reports. The reason why Deloitte Company is delaying their reports was they noticed some mistakes regarding to sales and revenue received. By showing sales Byju's company's valuation the revenue. Like this, they are planning to increase the value of Byju's company. Many abroad investors, started investing thousands of crores in this company. Byju's has stopped increasing its quality in education. Instead of competing with others. The money they received from investors was used to buy every company that they wanted to compete with byju's.

### **Findings**

- The company heavily targets students and parents with high-intensity advertising campaigns, creating a sense of urgency and pressure.
- Byju's has been found to engage in advertising practices that may not fully align with the actual benefits or outcomes of their educational platform.
- Consumers have reported feeling pressured into making purchases or signing up for long-term contracts.
- Employees were pressure to meet the week and monthly targets which lets to Unethical Practices.

## Limitation of The Study

- The Study is restricted only Unethical Practices of byju's.
- The paper is prepared on the maximum data available on newspapers, websites.

## Conclusion:

Byju's is not an isolated case but rather emblematic of a broader ethical challenge within the edtech industry. Our examination of Byju's Educational Platform has revealed a troubling narrative of unethical practices permeating its operations. From aggressive marketing tactics to high-pressure sales and fabricated revenue, Byju's has come under scrutiny for engaging in practices that exploit both consumers and employees alike. Despite its initial promise of educational excellence, the company's pursuit of profit and market dominance has led to compromises in transparency, integrity, and accountability. The unmasking of these unethical practices underscores the importance of regulatory oversight, corporate responsibility, and ethical leadership in the educational technology sector. Moving forward, there is a critical need for increased transparency, fair business practices, and a renewed commitment to ethical standards to ensure the integrity of the educational landscape and protect the interests of students, parents, and employees. By addressing these issues head-on, stakeholders can work towards fostering a more ethical and equitable environment for learning and growth.

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