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Patron's Desk

It has been our endeavour to build a Business School based on Technology, Innovation and Research. It is here where the role of GMJ is important. We would like this Journal to represent management educators and innovators to share their research in this Journal. Let this become a true choice for all management students, researchers and educators.

My best wishes to the entire team.

Bikram Dasgupta

Founder & Executive Chairman

A handwritten signature in dark ink, appearing to read 'Bikram Dasgupta'. The signature is stylized and fluid.

Editorial

Knowledge economy is the driving factor in today's India. Hence, quality higher education plays a pivotal role in shaping the future generation. Higher education should be structured to fulfil the aspirations of knowledge seekers as also paving ways of knowledge application. Thus competent resources are required to drive this cognition and build an edifice of knowledge. Management education in its own way has to bridge the gap of mainstream education and the industry needs.

We take immense pleasure in presenting the seventh volume of Globsyn Management Journal, popularly known as GMJ amongst its readers, wherein we critically review and select articles which are relevant in contemporary times. This volume of GMJ has research articles on telemedicine, mergers and acquisition and results from an empirical survey on ATM services. GMJ also presents to its readers, authors' perspectives on the transition of the Indian society in the post-liberalisation era, fairness in performance appraisal process and consumer awareness about Consumer Protection Act and Rights. The Case Study has a very contemporary and relevant topic focused on the tourism sector, its socio-economic developmental perspective. Thus the write-ups are convergent to engage and enlighten the readers to expand their horizon of thoughts and application.

The entire editorial team of GMJ thank you for your whole-hearted support and co-operation in facilitating the Journal to move towards the heights of success.

Ipsita C. Patranabis

Associate Editor



Research Articles

Telemedicine, e-Health and Health related IT enabled Services: the Indian Situation

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Abstract

Globalization has resulted in free flow of goods and services and transfer of technology across borders. With technology advancement and IT revolution in this new regime the healthcare sector has undergone a radical change. IT based healthcare services and related IT services arising out of healthcare delivery system has reached new heights. With high technology oriented satellite services provided by ISRO and medical expertise supplied mostly by the newly emerged super-specialty hospitals, telemedicine services are not only getting exported abroad but reaching remote corners of the country as well through public-private-partnerships. These are paving the path for sophisticated ambulatory services, new generation diagnostics and pathological services and remote robotic surgeries making India a healthcare hub of South Asian region. The estimated net benefit from the spread of telemedicine in India may exceed 1.5 per cent of her GDP. This technological breakthrough has its presence in back-office management of healthcare related services like (a) medical billing coding etc., (b) claims processing and (c) clinical trials and contract manufacturing. Sources of vulnerabilities arise for the sector with more market orientation and weak regulatory framework. Gradual conversion of a merit good into a market good calls for greater regulatory vigilance.

Key words: Healthcare Markets, Telemedicine, Information Communication Technology

JEL Classifications: I110, O33

I. Introduction and Motivation of the Study

The recent years has seen the movement of the world economy towards a globally integrated one with market signals being allowed to play strategic roles in promoting allocative efficiency. To ensure greater efficiency through freer movement of economic resources across borders regulatory role of supra national institutions like WTO is believed to be very crucial. With elimination of discriminatory barriers that affect both services and service providers and also addressing a host of non trade measures like protection of health, environment, public order, issues related to competition and consumer protection etc.

Advancement in information and communications technologies has ignited the expansion of trade in services. Technological progress has reduced the cost, increased the speed, improved the quality, and expanded the range of available services that can now be traded abroad. Consequently, the canvas of trade in services has now expanded to encompass more professions and industries as well as new geographical locations, made possible through business process outsourcing (BPO) and off-shoring practices.

The healthcare sector is one such area which has been significantly influenced by globalization

¹ I gratefully acknowledge the insightful comments from anonymous referees of the journal and meticulous guidance of Prof. Sarmila Banerjee of the University of Calcutta.

despite its merit good and not-for-profit nature. The recent trends show decline in public sector expenditures and the rise in private sector participation in health care in many developing countries, liberalization of related sectors such as insurance and telecommunications and technological advances enabling the cross-border movement of many health services. Moreover, reducing tariffs leading to lower prices for related products like medical equipments etc. encourage technology transfer and changing international rules concerning patent protection (TRIPS) affecting access to essential medicines have the potential to bring in major institutional change in the national health system.

In present day technology is the backbone for healthcare services to diagnose, prevent and treat diseases (WHO 2004). Revolutionary access to information and communication technology (ICT) based services in the sector has enhanced the support services by improving patient-healthcare provider interaction, rapid dissemination of information etc. and of course improved access to healthcare through telemedicine (Aron, 2009), mobile health services through satellite connectivity via nodal super specialty hospitals and sophisticated ambulatory services, and so on. However, at its core, healthcare policymaking involves complex trade-offs between promoting equitable and affordable access to a basic set of health services, creating incentives for efficiencies in the healthcare system and managing constraints in government budgets. International trade in health services influences all these trade-offs. It presents opportunities for cost savings and access to better quality care, but it also raises challenges in promoting equitable and affordable access.

IT based services in healthcare can be broadly

divided into two categories: First is IT aided services in healthcare or the healthcare services those are enabled and facilitated by IT. Examples are telemedicine, tele-radiology or tele-diagnostics (broadly categorized as telemedicine hereafter). Second are the IT based services that are indirectly connected with healthcare activities such as Medical Transcription, Medical Coding, Medical Billing and Electronic Medical Record (EMR). This paper intends to explore the nature of ICT services in healthcare (section II), spread and prospect of telemedicine in India (section III), presence of healthcare related BPO services in India (section IV), scope of public-private partnerships in providing these services (section V) and finally, section VI will conclude the paper by indicating the challenges faced by the regulators in clicking balance between efficiency and equity objectives in this sector.

II. ICT services in healthcare

With trade liberalization under WTO, India is now in a position to reap advantage of Information and Communication Technology (ICT), which includes use of computer hardware, software, storage, internet, telephone, modem, satellite links etc. During the post liberalization period ICT industry grew tremendously and India is now a powerhouse of IT-ITES-BPO services. Collaboration between public sector, private sector and NGOs in addressing the supply deficiencies of public infrastructure as well as financing of healthcare services by utilizing the opportunities offered by IT and ITES may result in newer solutions of healthcare provisioning with improved efficiency.

In this context, we would like to mention that three out of eight (goals 4, 5, and 6) of Millennium Development Goals² are directly related to

² The Millennium Development Goals (MDGs): (1) Eradication of poverty and hunger, (2) Improving education, (3) Empowerment and education for women, (4) Reduction of child mortality, (5) Improving maternal health, (6) Combating HIV, AIDS, malaria and other diseases, (7) Improving water and sanitation systems and (8) Improving international partnerships (among other things to improve access to affordable, essential drugs on a sustainable basis).

healthcare services. Literature reveals that the scope of ICT to meet the healthcare related MDGs are immense. Bringing unattainable market within the reach of the deserving population, ICT can provide more efficient methods by improving delivery of healthcare services and management efficiency as well as easy dissemination and transfer of knowledge (World Bank 2003). According to Suggs (2006), the use of IT has grown in the fields of health communication, patient and provider education, health promotion, transfer of knowledge and delivery of healthcare. The beneficiary set of ICT based healthcare has the potential to include patients, providers, both rural and urban population and thus correct some inherent biases.

IT and ITES can affect health sector in three different ways: firstly, improve delivery of healthcare through better outreach and access, better and faster diagnosis with telemedicine and tele-radiological support, disease surveillance, decision support system with better access and retrieval of bio-medical literature and advancements; secondly, improve functioning of the healthcare system through improved logistics for healthcare with advanced billing and ordering systems and better management. And finally, improve communication about health with better information flows among patient and provider, better opportunities for patient information, interactive communication and health research (Chetley et al 2007). Also if utilized properly, it would generate certain desired outcomes such as better treatment decisions, better quality and safer care, better information and knowledge about health and healthcare, better response from governments on health needs, better policy decisions on basis of national and local information systems (Dzenowagis 2005), and so on.

With growing population and expanding middle class, enhanced coverage of health insurance

(approximately 30% of population), infrastructural deficiencies in terms of number of beds and number of health professionals, urban centric care services along with the fact that the deserving population residing mostly in the remote rural areas outside the scope of modern healthcare system, ICT based healthcare services have immense potential to change the health situation of India, if implemented properly.

E-healthcare in India in terms of telemedicine, tele-radiology, medical transcription, hospital management systems etc. has been triggered off. The private corporate hospitals, and to some extent their public counterparts are now in a position to reap the advantage of sophisticated telecommunication technology through advanced hardware, software and satellite services. Software products for the business available in India are mainly the internationally proven ones alongside the locally developed products. Both IT aided healthcare services and IT services based on healthcare have reached new heights in India. Changes, both in the composition of demand for healthcare and the supply of quality care services with enhanced global connectivity through fantastic growth of the ICT and expansion of trade in services are noted in the changing pattern of forward and backward linkages in input-output structure of the macro economy (Lahiri, Banerjee 2013). Increase in the extent as well as intensity of use of telecommunications, electronic and electrical machineries have been observed in the Indian medical and hospital sector. Technical progress of the sector has also been observed by Dholakia et al (2009), Kadekodi, Kulkarni (2006). With faster communication facilities and quick adaption of technology oriented medical services, India has now become a popular destination of cross border trade (mode 1 under GATS) of medical process outsourcing services. In fact, India is leading exporter of medical transcription, tele-pathology

and tele-diagnostic services (Smith et al 2009). The 'Indian model'³ of tele-radiology and tele-medicine services has gained popularity over 'Nighthawk model'⁴ (McLean 2006). This aspect of trade in mode 1 services in healthcare is mostly exploited by the private sector organizations.

Though IT based services have acclaimed India a leading position in the international healthcare market, India is yet to exploit its potential to the fullest extent to serve the domestic market satisfactorily. The next section will deal with the expansion and prospect of IT aided healthcare in India and the consequent spread of telemedicine.

III. Telemedicine in India

In case of telemedicine integration of global economy has played a catalytic role in removing

the time and space constraints faced by any closed economy. Since India is located in a different time zone from most of the OECD countries, hence through tele-connectivity a 24X7 emergency service can be ensured at a much cheaper rate for the entire globe. The benefits of telemedicine include cost savings at client's (patient's) end in terms of travel time and expenses as well as lost work hours. A study by Oklahoma State University reveals that telemedicine helps cost savings from US\$ 2,000 (approx) to US\$ 150,000 (approx) by saving in travel time and expenses and by outsourcing specialty services through telemedicine (Whitacre et al, 2009). Cost saving, especially for the customer is expected to be highly beneficial and encouraging as apart from geographical reasons the main barrier of access

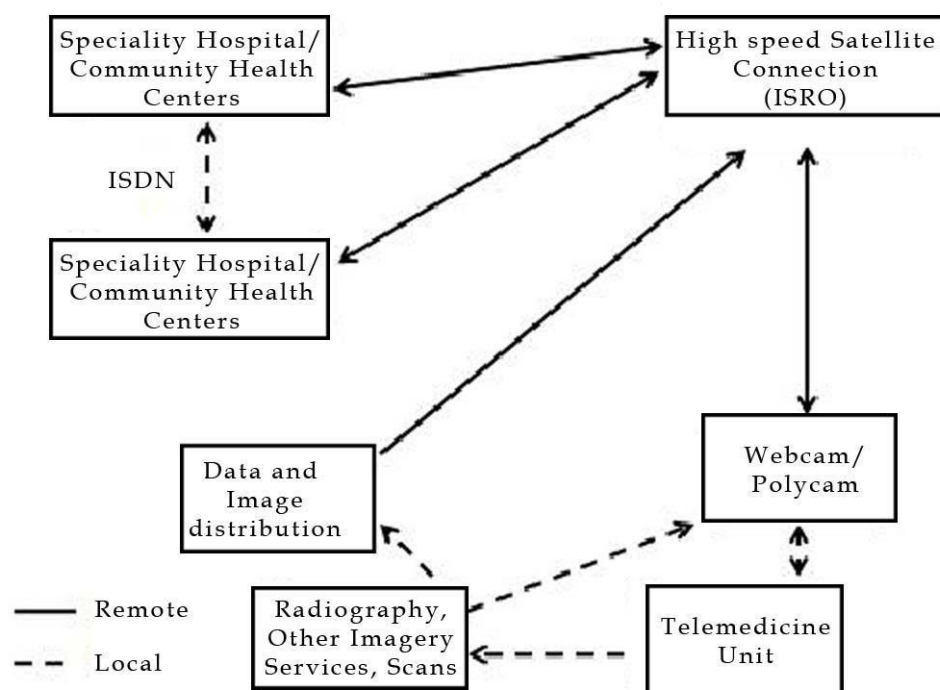


Figure 1 : Telemedicine setup in India

³ Under the 'Indian Model', companies based in India provide tele-radiology and telemedicine services to the US healthcare institutions with US certified professionals, mainly during the night hours (third shift: 23.00 – 7.00 hrs) at US at a much lower cost than Nighthawk services.

⁴ Under the 'Nighthawk' model, US healthcare institutions deploy healthcare professionals in countries like Spain or Australia providing 'night time' services at US hospitals using 'sun shift' for the professionals.

to healthcare is financial. With declining government share in final consumption for healthcare expenditure and continuous escalation of costs, reduced cost with access to telemedicine would definitely promote the equity aspect. Moreover, deficiency in healthcare infrastructure and human resources can also be minimized with expansion of telemedicine projects, which will eventually help in correcting heavy urban bias. Figure 1 presents a description of telemedicine setup.

With the revolution in IT and faster transportation and adaptation with the technology orientated modern healthcare service provisions, India is now an attractive destination for care services through medical process outsourcing and medical tourism. Cross border trade in health services include electronic health services transactions or

tele-health services related to diagnostics (tele-radiology), medical opinions and consultations (telemedicine), laboratory testing, surveillance, transmission and processing of specialized data, records etc. (medical transcription, medical coding, medical billing and like). India is a leader in exporting medical transcription, tele-pathology and tele-diagnostic services (Smith et.al, 2009). Applying IT for use of healthcare resources enables direct health related services that refers to contact between the two parties that encompasses diagnostic and testing facilities, advisory, health information, health data mining etc. (figure 2). IT related services arising from healthcare refer to the back-end services which includes services like medical transcription, medical coding and billing, health system MIS (Management Information Systems), back-office services etc. (figure 3).

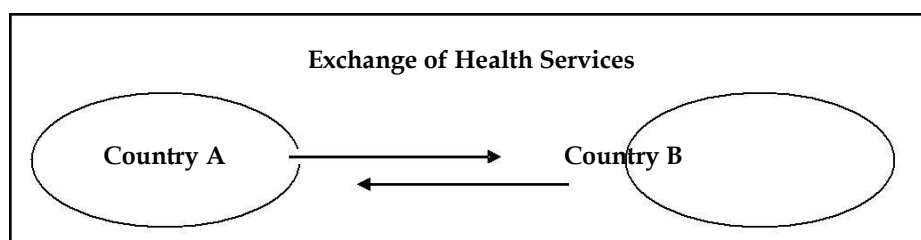


Figure 2 : Trade in Direct Health related Services

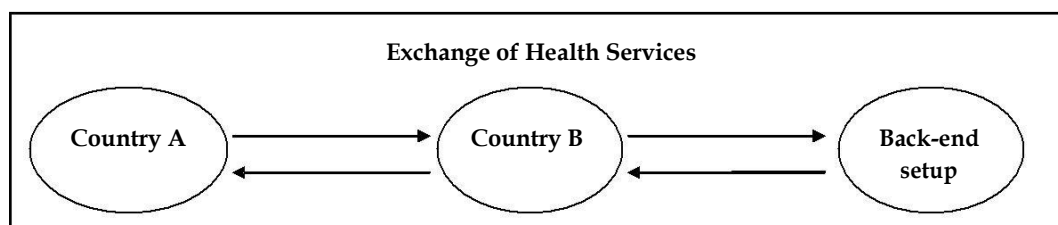
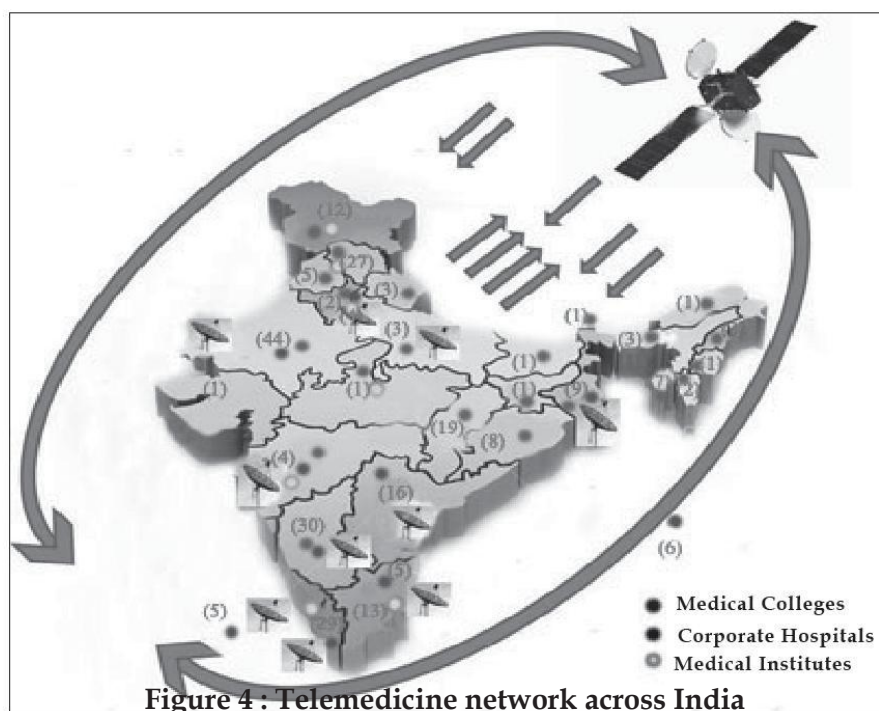


Figure 3 : Trade in Services Arising from Healthcare

A number of telemedicine projects in operation are currently involving healthcare institutions like Apollo Group of Hospitals (APOLLO), Asia Heart Foundation (AHF), Online Telemedicine Research Institute (OTRI), Sanjay Gandhi Post Graduate Institute of Medical Science (SGPGIMS), All India Institute of Medical Sciences (AIIMS), Post Graduate Institute of Medical Education and Research (PGIMER), Tata Memorial Hospital, Sri

Ramachandra Medical College and Research Institute, Amrita Institute of Medical Science (AIMS), Fortis Hospital, Narayan Hrudayalaya, Escorts Heart Institute and Research Centre, Sri Gangaram Hospital, Sankar Nethralaya, Aravind Eye Hospital, Meenakshi Eye Mission, Seth Sukhlal Karnani Memorial Hospital (SSKM) and many more. Figure 4 describes the telemedicine network across the country.



Source: Compiled from SGPGI, (www.sgpgi-telemedicine.org) and ISRO (www.isro.org)

Modernization of tele-communication and India's indigenous satellite research programs by Indian Space Research Organization (ISRO) are now at such a stage from where the benefits of usage can be reaped by the social sectors like health. Telemedicine started in India with Apollo Hospital's Aragonda Project (Andhra Pradesh). Recent years have observed the spread of telemedicine in India utilizing the ISRO network. It covers 382 hospitals across the country with 306 Rural / District hospitals / health centres and 16 mobile telemedicine units connected to 60 super specialty hospitals (www.isro.org). More than 300,000 cases have been dealt with through telemedicine services in India (Bhaskaranarayana et al 2009). Though there is some spread of healthcare out-reach through telemedicine services, considering 23000 primary health centres (PHCs) and 3000 community health centres (CHCs) there are miles to go before it can make any meaningful contribution. Box 1 shows some of the telemedicine projects in India and the partners involved.

Global presence and international recognition of India in telemedicine is reflected through the Pan-African e-network project. The project of 5429 million links Indian establishments with 53 African countries through satellite and fibre optic connections, to provide tele-education and tele-medicine. Five Universities and Twelve super specialty Hospitals from both private and public sector are engaged in providing tele-medicine and tele-medical education services in the Pan African e-Network Project. The SAARC telemedicine network includes India, Bhutan, Nepal, Afghanistan, Maldives, Sri Lanka, Bangladesh & Pakistan. The project is funded by the Ministry of External Affairs, Govt. of India involving the super specialty Hospitals of India like SGPGIMS, Lucknow and PGIMER, Chandigarh. Both the projects are implemented by the Ministry of External Affairs, Govt. of India through Telecommunications Consultants India Ltd. (TCIL). Apart from the government initiated projects, the Indian private healthcare institutions are also now engaged in expanding their

telemedicine network across border. Apollo hospitals, Narayana Hrudayalaya and Sankar Nethralaya are offering telemedicine services to other countries. Apollo has built up network of telemedicine and tele-radiology services with Bangladesh, Sri Lanka, Nepal, Bhutan, Burma and Kazakhstan. The other hospitals engaged in the Pan-African e-network project are also diversifying in other countries In search of newer destinations.

Box-1 Telemedicines initiatives / projects in India

Major telemedicine projects:

- Telemedicine module for Tropical Medicine in West Bengal - Webel (Kolkata), IIT, Kharagpur and School of Tropical Medicine, Kolkata
- Telemedicine and Telehealth Education facilities in Kerala –3 specialty hospitals with 4 District/ Rural Hospitals
- Telemedicine network (CME programme) for Naga Hospital Kohima with Apollo Hospital, Delhi
- Onconet Network - Kerala and Tamilnadu States
- State wide Telemedicine network based on terrestrial communication in the state of Himachal Pradesh, Tamilnadu, Punjab
- Telemedicine network for Tripura –2 referral hospitals with 4 nodes
- Networking of District Hospitals of Mizoram & Sikkim with Apollo Hospital, Delhi
- Setup Community Information Centers in 30 blocks of the North Eastern states and Sikkim in collaboration with National Informatics Center using NICNET

Major Hospitals / Institutes:

- Telemedicine at SGPGIMS, Lucknow, Tele-health care & Distant Education in Medicine, National & International collaboration in policy initiatives, technical knowledge exchange & HRD
- All India Institute of Medical Sciences, New Delhi, J & K network, Haryana (Rohtak Medical College, Ballabgarh Community Centre), SCB Medical College Cuttack, Guwahati, SRMC, Chennai, AIMS, Kochi
- Post Graduate Institute of Medical Education and Research (PGIMER), Chandigarh, Mata Kaushalya Hospital at Patiala, Sub-divisional Government Hospitals at Dasuya and Ajnala in Hoshiarpur and Amritsar in Punjab state
- Amrita Institute of Medical Sciences, Kochi, 36 Telemedicine Centers all over India Emergency Medical Center at Pampa
- Fortis Hospitals, HIS & PACS, 13 nodes
- Apollo Telemedicine Network Foundation, Telemedicine consultancy and software providers, Active participants in the Standardization and ITIH activity, Installed a number of peripheral telemedicine nodes through franchise under Apollo Health Street Company

Other initiatives:

- Telecardiology – Asia Heart Foundation, Escort Heart Institute, Narayana Hrudayalaya, Bangalore
- Telemedicine for Cancer Care - Regional Cancer Centre, Thiruvananthapuram; Tata Memorial Hospital, Mumbai; SGPGIMS Radiotherapy Network, Lucknow
- Mobile Units (Tele-ophthalmology & mammography) - Shankara Nethralaya, Aravind Eyecare Hospital, Sir Ganga Ram Hospital
- National e-Governance Action Plan (NeGP), (DIT Initiative) - Vaccination Schedule, Maternity Care, Family Planning, Medicines, Ambulance Services and Transportation, Hospital / Primary Health Centers information, Blood Bank, Life Saving Drugs, Doctor's Database, Appointment with Doctors, E-Diagnostics, Materials Management System (Medicines)

Source: SGPGI, (www.sgpgi-telemedicine.org)

Benefit Cost estimation of the spread of Telemedicine Services in India

Benefit: The spread of telemedicine service will enhance the access of health service even to the remotely located people without taking up any outward travel from their locality and lower the cost of access in terms of saved travel cost as well as time cost. Since the service is mostly meant for the rural population an assessment of approximate per capita benefit may be obtained by using information culled out from the NSSO 60th round survey database on the 'Morbidity and Health Care' (schedule 25.0). It is observed from the unit level data that nearly 10 per cent of rural population is reporting morbidity out of which nearly 15 per cent are not seeking any medical help mostly due to (i) absence of facility within reach, (ii) long waiting time, (iii) lack of fund to finance healthcare related services and (iv) not considering the ailment serious enough to be reported. It is observed in another study by Chatterjee (1990) that the perceived need for health care is a combined effect of actual need, availability, ability and affordability. So, it is expected that if option of telemedicine can be explored properly then it will bring not only this left out 15 per cent within the ambience of care

service but for a number of others there will be incentive to disclose their otherwise suppressed demand for treatment. The out-of-pocket expenditure incurred by a typical rural household on travel, food and other services related to treatment but not strictly related to the illness episode came out to be Rs.650.00 at 2004 which after suitable price adjustment turns equivalent to Rs. 920.00 per capita. It is interesting to note that the amount charged by Apollo Hospital, the first private telemedicine consultant charges 900 (Solberg 2008) per consultation. In fact, for public hospitals and health centers this service can be availed free of cost.

Cost: The cost of telemedicine service has two important components: (i) cost of network connectivity and (ii) cost of installing computer set-up in the receiving stations. The number of receiving stations is 23,000 Primary Health Centers (PHC), 3,000 Taluk (Sub-divisional) Hospitals and 650 district Hospitals. According to the estimate of the Department of health, Government of India, the cost of creation of necessary infrastructure at each station is expected to be equal to Rs.0.5 million at 2005-6 prices (Bagchi 2006), which after suitable price adjustment equals Rs.17 billion. This investment is expected to depreciate over a period

of 5 years after which replacement would be required. So, the annualized value (A_t) with an interest rate of 15% would come up to Rs.3.9

billion where

$$A_t = \left[\sum_{t=0}^5 \left(\frac{1}{1 + 0.15} \right)^t \right]^{-1} \times 17$$

The annual cost of accessing the service of Health SAT, a dedicate part of ISRO satellite for telemedicine related networking comes out to be approximately equal to Rs.1.1 billion (Bagchi op cit) (in fact, the range suggested is Rs.0.762 – 1.27 billion). When added together the total cost turns out to be Rs.5 billion. Even if a 10 per cent operation and maintenance cost is added the total annual cost will not exceed Rs.5.5 billion. This is expected to provide service to 0.802 billion rural people with a per capita cost of Rs.7 (approximately).

Assessment: The net benefit per episode would be Rs. (920.00 – 7.00) = Rs.913.00. As the outreach will expand the average cost per episode would go down and not only the reporting of morbidity but treatment completion rate will also go up. According to NSS data the reported morbidity in rural India is only 10 per cent. After spread of telemedicine service if it increases to 20 per cent, the net benefit generated would be of the order of Rs.732 billion, which is nearly 1.5 per cent of Gross Domestic Product.

Caution: Though it is believed that telemedicine benefits include savings in cost, yet, to the poor, deserving population of India, these charges are high enough to create entry barriers. As found by Piya (2010), withdrawal of telemedicine services by Apollo from OMHRC (Nepal) is due to financial matters related to payment issues. It is believed that Apollo was unhappy with the income from OMHRC. It might be that Apollo was not achieving the same level of profit from telemedicine that it could get otherwise in spite

of very high tele-consultation fees (NR 3100). Dr. Devi Shetty, renowned Indian Surgeon found while introducing a telemedicine project in Karnataka in association with ISRO that the main barrier of access to healthcare is finance. This finding led to the formation of the successful Yeshasvini Farmers Cooperative Healthcare Scheme, a unique community based health insurance (CBHI) programme in collaboration with the Government of Karnataka. The Karuna Trust, Karnataka also works on the same lines with CBHI thus providing the necessary support to overcome the financial barrier to healthcare and telemedicine. Healthcare financing remaining the main issue for access to healthcare, with greater outreach of telemedicine, favourable health financing schemes like CBHI may improve the access.

IV. Healthcare related IT services in India

Increasing availability of indigenously built software had helped to improve the scope of IT aided healthcare in India. The expertise in software services is not limited to the IT aided healthcare services alone. Variety of solutions such as telemedicine systems, Picture Archival Communication system, Hospital Management System etc. provided by these companies help the IT based healthcare to drive up efficiency of delivery and infrastructure, managing uneven patient flows, cost of management through better processing of Business Intelligence. Moreover, cloud based services offer virtual server infrastructure drives which subsequently reduces the cost related to energy and space and helping infrastructure optimization. IT giants like Dell, HCL Infosystems are providing IT based solutions for the healthcare industry. Dell provides cloud based solutions for all eight centres of Max Healthcare in India converting the IT infrastructure into a private MPLS (Multi-Protocol Label Switching); cloud run remotely

from Dell services Data Centre, Noida. On the other hand, HCL, Infosystems offer cloud solution to Fortis group of hospitals. Based upon this system with unique patient identification number, Fortis is able to transfer patient data across all centres and the need to carry documents from one centre to other becomes redundant. Cloud also enables Fortis to offer telemedicine at remote locations. It is very difficult to separate IT aided healthcare services from IT services arising from healthcare. End to end solution nature of the system integrates it together. Piramal e-Swasthya, a project to improve access to health in rural areas uses such model systems to develop doctor less villages with tele-clinic facility using e-diagnosis system and optimizing resources.

The healthcare BPO market can be divided into three main segments: (a) The Provider market involving medical billing coding etc., (b) the Payer segment involving claims processing and (c) the Pharmaceutical segment involving clinical trials and contract manufacturing. Medical Coding is a process that assigns proper diagnostic and treatment codes to the identified medical procedures. It involves generation of texts or images which are transmitted over the internet to locations where the information is coded with appropriate coding systems. Medical Billing involves creation of charge entries with the help of patient treatment information onto standardized forms according to coding systems. These are then verified and re-priced after adjusting special concessions (if any) previously negotiated between the insurance company and the service provider. These entries are the basis for reimbursement

by the respective insurance company. Insurance claims processing involves (i) Re-pricing, which is adjustment of claims after accommodating special concessions after bargaining between the insurance company and the service provider, (ii) Adjudication, applies to co-insurance, deductibles, limits, and provider reimbursement schedules to determine actual claim payments, (iii) Enrollment services to determine an individual's eligibility and insurance plans and then recording necessary modifications, terminations, (iv) Utilization review done by a team of medical professionals to pre-certify and monitor an insured patient's course of treatment.

Medical billing, coding and claims processing has gained momentum in India (Table 1). Outsourcing of these activities to contractors involves transactions cost efficiency and is very popular. The global healthcare BPO market is growing at a compound annual growth rate of 21.4% (www.marketresearch.com). Growth of IT related services in healthcare has shown commendable progress. With employment in IT related health services rising from 30,551 in 2000 to 2,42,500 in 2005 (Smith et.al), revenue earned from such services rose from US\$264 million to \$4072 million (table 1) during the period, i.e., more than 15 times. Indian healthcare institutions are increasingly getting involved in IT services arising from healthcare with their international counterparts. For instance, apart from the telemedicine network, The Apollo group of hospitals also have partnerships with Health Services America and Medstaff International, USA for medical coding and billing, documentation of medical records,

⁵ *Computing Cloud* - is a colloquial expression used to describe a variety of different computing concepts that involve a large number of computers that are connected through a real-time communication network (typically the Internet) (Wikipedia).

⁶ *Multi-Protocol Label Switching (MPLS)* is a mechanism in high-performance telecommunications networks that directs data from one network node to the next based on short path labels rather than long network addresses, avoiding complex lookups in a routing table (Wikipedia).

insurance claims processing etc. (Smith, et al, op.cit). India has gained an international market as a premier provider of mode 1 services in healthcare with its infrastructure and trained skill base.

Table 1: Revenue Earning by India in IT related services in healthcare

Service Segments	Revenue (US \$, millions)	
	2000	2005 (increased by)
Customer interaction Centres	60	2250 (37.50)
Medical Transcription	30	800 (26.67)
Financial and accounting services	50	375 (7.50)
Medical Billing and collection	3	75 (25.00)
Insurance Claims processing	13	30 (2.51)
Pre press and digital pre media	45	200 (4.45)
Geographical Information Systems	--	50 (new)
Distance Learning	60	150 (2.50)
HR services	--	115 (new)
Litigation support services	3	27 (9.00)
Total	264	4072 (15.42)

Source: ESC: Electronics & Computer Software Exports Promotion Council

In the Pharmaceutical segment, (i) Clinical trials include testing the drugs and formulations on patients across locations and demographics. Contract research organizations collect data on the trial drug on the samples and are transmitted digitally to the main centres, (ii) Contract Research are research activities that cross geographical boundaries to locations where quality data access with faster computation and analysis are possible with the help of qualified personnel. Many pharmaceutical companies are now conducting clinical trials as well as contract research in India.

With the revolution in IT and adaptation with the technology orientated modern healthcare service provisions, India is now an attractive destination for medical process outsourcing. It is worth mentioning in this context that big

pharmaceutical companies have chosen India as a destination of off-shoring and outsourcing different activities like drug discovery including clinical trials (Table 2). India's edge comes from IT enabled Research & Development services in areas of clinical data management, bio statistics and medical writing. While the pharmaceutical industry comes as an allied manufacturing sector to the health services, several activities of it, especially activities related to R&D comes under services, and if traded, comes under the purview of GATS. A very complex combination of off-shoring and outsourcing activities within the pharmaceutical sector extends beyond manufacturing services. With largest number of US FDA approved firms outside USA, India attracts a huge volume of outsourced and off-shored drug manufacturing business too.

Table2: Off-shoring and Outsourcing activities of foreign firms in India (2010)

Company	Drug Discovery		Drug Development		Drug Manufacturing	
	Off-shoring	Outsourcing	Off-shoring	Outsourcing	Off-shoring	Outsourcing
Pfizer	-----	√	√	-----	√	√
Abbott	-----	-----	-----	-----	√	√
Novartis	-----	-----	√	-----	-----	√
Sanofi-Aventis	-----	-----	-----	√	√	√
Roche	-----	-----	-----	√	-----	-----
BMS	-----	-----	-----	√	-----	-----
Eli Lilly	√	√	-----	√	-----	-----
GSK	-----	-----	√	√	√	√
Astra -Zeneka	-----	-----	-----	-----	√	√
Merck	-----	√	-----	-----	√	√
Novo Nordisk	-----	√	-----	-----	√	√
J & J	-----	√	-----	-----	-----	-----
Amgen	-----	√	-----	-----	-----	-----

Source: OPPI, Ernst & Young (2011): India Emerging: Pharma's evolving Business models.

V. ICT based healthcare and Private-Public-Partnership in India

To achieve the Millennium Development Goals, especially those related to healthcare, a comprehensive approach is required cutting across different areas involving private, government and non-government organizations working together (World Bank 2003 op cit). The World Bank (2001) and the National Commission on Macroeconomics in Health (2003, 2005) advocated inclusion of the private sector in achieving health related goals and making both public and private sectors more accountable. The Tenth Five-Year Plan (2002-2007) also stressed the need for private sector participation in the delivery of healthcare services. This period has witnessed increased involvement of private and voluntary organizations as well as self help groups to improve access to healthcare. Public-Private-Partnerships (PPPs) collaborations in various

forms for improved transportation and ambulatory services, blood bank facilities, contracting clinical and non clinical processes as well as awareness programmes on health and hygiene has gained momentum. Global endorsement of international organizations like WHO, World Bank, United Nations etc. has influenced national and local level health policy planning and implementation, strengthening free market with matching reduction in the role of the government (Baru, Nundy 2008). Government of India realizes the need for mobilizing resources for healthcare to improve delivery mechanisms and partnerships could help to minimize the problem of poor health services delivery. Many international funding agencies like World Bank, UNDI, UNICEF, Melinda and Bill Gates Foundation, Clinton Foundation, Carter Foundation, international

NGOs and Church based organizations promoted collaborations in healthcare. Examples of some major global partnerships are Global Alliance for Vaccines and Immunisation (GAVI), Global Alliance for Tuberculosis Drug Development, Global Polio Eradication, Programmes on HIV / AIDs. These global partnerships promoted programs helped build up national / local level partnerships.

With advent of technological progress and telemedicine in particular, these partnerships are required to be developed at a larger scale. Yeshasvini Trust, Karuna Trust (Karnataka) are good examples of such partnerships in healthcare. Many of such telemedicine and healthcare initiatives involve non-government organizations apart from the private for profit and public sector institutions. RTBP project Tamil Nadu; Sustainable Tele-Health Network for preventive and curative interventions, Uttar Pradesh; Remote Continued Medical Education (CME) network, Lucknow; etc. are a few examples. More importantly, under National Rural Health Mission (NRHM) the National Rural Telemedicine Network (NRTM) has been established in collaboration with ISRO, DIT (GoI), State Governments and various super specialty hospitals, both public and private. The NGOs are also involved in the NRHM to reach the deserving mass of the country realizing the infrastructural constraints.

Importantly, the very nature of growth and expansion of ICT based healthcare services in India are rooted in PPP initiatives. Enabled by dedicated satellite services of ISRO to reach corners of the country, initiatives and involvement of various ministries like Ministry of Communications and Information Technology, Ministry of Health and Family Welfare, Ministry of External Affairs along with the public as well as private sector enterprises of healthcare and IT sector in various health

related projects contribute to the complicated institutional frame. Examples are Apollo Telemedicine Enterprises sponsored by the Government of India, ISRO, GE and Wipro; Telemedicine services by Asia Heart Foundation, sponsored by Government of India and ISRO; Online Telemedicine Research Institute (OTRI), sponsored by Government of India, ISRO and industry, AIMS telemedicine network, Disaster management and Proactive care in Tele-Health Network, Amrita Institute of Medical Sciences (AIMS), Kerala and Karnataka Integrated Telemedicine and Tele-health project along with Narayana Hrudalaya. Other examples are collaborations of ISRO with state governments of West Bengal, Rajasthan, Chhattisgarh, Punjab, Tripura, Himachal Pradesh, Tamil Nadu and Kerala involving various premier hospitals of the country / states.

However, expansion of private and voluntary networks for healthcare provisioning based on ICT dependent care in India with improved access for the deserving population is rested on better financial management. Gradual entry of private facilities would lead to price escalation that would impede the poorer section of the society to enter the market; due to low ability to pay their access would be denied. More sources of vulnerability arise due to lack of regulatory arrangement and vigilance on technology arriving in this sector. Weak regulatory environment in the health sector in India (Lahiri 2013) involving various departments and ministries of the government coupled with the arrival of IT oriented new technology is bound to under serve these challenges. In absence of any legal provision ensuring investigations into lack of infrastructure of the Central Drug Standards Control Organization (CDSCO) and more importantly, information asymmetry between

the provider (agent) and the patient / customer (principal), there are fears of increased unethical and unnecessary practices related to excess provision of healthcare services to the affording affluent class. Over prescription of drugs, unnecessary recommendations of investigations and prolongation of treatment arises from the information asymmetry that prevails in such a sector under market conditions like India. With the tendency of telemedicine to delegate various medical works to non-medical personnel (David 2005), one cannot rule out the possibility of creation of a new generation of quacks arising from such remote services.

VI. Conclusion

Technology revolution in India during the post liberalization phase with opening up of the services sector under GATS has resulted in a sea change of the Indian healthcare scenario. Growth of telemedicine and IT related services in healthcare has made possible to reach the remote locations otherwise remaining outside the purview of healthcare map. Increased access to healthcare with fulfillment of the relevant MDGs can be achieved with the help of IT based healthcare services. Different government sector initiatives coupled by collaborations or partnerships with private, both for-profit and non-profit organizations, have made possible the increased outreach of healthcare mission. Information technology oriented and aided healthcare services has reached world standard securing India a major place in the global healthcare map. India has not only emerged as a healthcare (technology) giant in the region but is also viewed as a technology hub for healthcare and related processes. The current need is to assess the transparency and efficacy of different partnerships since reduced government role definitely implies more market orientation of the sector. Increased market oriented healthcare would ultimately hit back

to the original access and outreach problem under constraints of healthcare financing and huge out of pocket expenditures in the absence of universal health insurance coverage. Moreover, independent partnership initiatives might result in regulatory issues for the sector. Various highly technical dimensions are involved in such collaborations and it needs to be regulated under a uniform framework built up by the regulatory body involving stakeholders from all relevant spheres. We conclude following Krishna (2008) that telemedicine should not be thought to be the answer to all healthcare problems; rather, it should be viewed as a tool to complement the healthcare facilities which can be very helpful to address a wide range of problems.

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Merger and Acquisition — A Myth? (From an Indian Acquirer's Perspective)

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Abstract

Global investment in mergers and acquisitions has reached unprecedented levels in recent years. But according to KPMG study (1999), '83% of all mergers and acquisitions failed to produce any benefit for the shareholders and over half actually destroyed value'. With this backdrop we tried to explore performance levels of cross border and domestic merger and acquisition (M&A) from an Indian Acquirer's perspective. The focus of our study is to explore the change in performance levels of the companies in the post M&A period in comparison to the pre M&A phase in the short run. For studying the performance of the sampled firms we choose some HR and Finance related parameters as an indicator of short term performance i.e. 2-3 years immediately after M&A has taken place. In this paper we also made a comparative study of companies that have undergone intra-India M&A and India-overseas M&A on the basis of these parameters to arrive at inferences which may have meaningful indicators for corporate policy in case of future M&A.

Key words: M&A, Short Term, HCROI, RPP, ROA, EPS

1. Introduction

Global investment in M&A has reached unprecedented levels in recent years (Barkema &

Schijven, 2008). Paralleling this practical importance, in both monetary and strategic terms, acquisition activity has increasingly become a focus of study in several academic fields. Although this interest has generated considerable acquisition-related knowledge, the range of findings from these diverse areas lacks theoretical integration, which constrains scholars' abilities to synthesize notable contributions from each discipline. For instance, initial research, concentrated mostly in the literature on finance, paved the way for scholarly work in the acquisition literature.

Despite the fact that a large proportion of worldwide merger activity involves firms from different countries, the voluminous literature on mergers has focused primarily on domestic deals. Much of the earlier work on cross-border mergers focuses on synergies, marketing ability, or technological advantages to explain why a foreign firm would value domestic assets more highly than would a domestic firm (Graham and Krugman, 1995). Other factors proposed to include trade tariff-jumping (Neary, 2007), tax incentives (Scholes and Wolfson, 1988) (Swenson, 1994) (Desai, Foley and Hines, 2001), and macroeconomic conditions. Empirical work focuses on explaining the general pattern that FDI

flows from developed to less developed countries (e.g. Cushman (1987) and Swenson (1994)). However, none of these studies provide a trend or theoretical justification for a relation between overseas vis-a-vis domestic M&A.

In the period, since 2000 most of the South East Asian countries stepped in the M&A vehicle, embracing the world markets and opened their borders for foreign direct investment. Western countries, in turn, face opportunities to expand to new markets that offer high growth perspectives, especially in the last few years when the global financial crisis and the credit crunch, globally restrained the investment opportunities. However, though the sheer numbers of such acquisitions are huge but there is a huge debate on the success rate of such M&A. Selden and Colvin, (2003) stated that 70-80% of acquisitions fail, meaning that they create no wealth for the share owners of the acquiring company.

For these reasons we were motivated to explore performance levels of cross-border mergers or acquisitions in the period from 2002 to 2008 and or vis-a-vis domestic M&A from an Indian acquirer's perspective. We choose this period as it encloses a phase of economic transformation, which is undoubtedly still in process. In this paper we have concentrated on 20 mergers and acquisitions deals which are intra India and India-overseas. The focus of our study is the change in performance levels of the companies, if any, in the post merger phase as compared to the pre merger ones.

2. Survey of Literature

The terms 'merger' and 'acquisition' are often used as synonyms, but they have slightly different meanings (De Pamphilis, 2008). When a company takes over another company and clearly establishes itself as the new owner, the purchase process is called an acquisition. From a legal viewpoint, the target ceases to exist, the buyer

"swallows" the business of the target and the buyer's stock continues to be traded. A merger happens when two companies, often having the same size, agree to continue their operations as a single new company rather than remain separately owned and operated. Whether a purchase is considered a merger or an acquisition mostly depends on whether the purchase is friendly or hostile and how it is announced. Sometimes differentiating between merger and acquisition can be difficult and confusing because it depends on the contract terms between the acquirer and the target and their behavior after announcement of the deal. Therefore, more often the literature identifies mergers and acquisitions as one concept and uses them together and even interchangeably. Henceforth we will be using the word merger and acquisition (M&A) to mean anyone or both.

In this paper a detail survey of the available literature on M&As and its impact on the different aspects of corporate entities has been carried out. Further, research studies specific to India and their limitations and research dimensions for the present study has been analysed. Evaluating the performance of corporations involved in M&As has been the subject of a great deal of research. Khemani (1990) states that there are multiple reasons, motives, economic forces and institutional factors that can be taken together or in isolation, which influence corporate decisions to engage in M&As. While Baker et. al. (2012) remarked that the target companies' recent peak prices or judgmental anchors affects several aspects of mergers & acquisitions including offer prices, deal success, market reaction and merger waves. Smit and Ward (2007) found that shareholders of acquiring companies do not earn statistically significant positive or negative abnormal returns around the announcement date. In this context Franks and Harris (1989) indicated that generally the shareholders of the target firms benefitted

whereas those of the bidder firms lose after the merger and acquisition deal was struck. However, it was difficult to pinpoint the main deciding factor of mergers & acquisitions.

In fact it was difficult to measure the isolated impact of mergers & acquisitions as well. Research resembling the above mentioned studies was also conducted but mainly from the financial aspect. Selcuk and Yilmaz (2011) investigated the impact of merger & acquisition deals on the performance of acquirer Turkish companies between 2003 and 2007. Analysis of both stock market and accounting data weakly supported the hypothesis that acquirer companies were negatively affected by mergers & acquisitions activities. Ahmad et. al. (2012) investigated the impact of capital structure on firm performance by analyzing the relationship between operating performance of 58 Malaysian firms, measured by return on asset (ROA) and return on equity (ROE) with short-term debt and total debt for the period 2005 to 2010. The study found that only short-term debt and total debt had significant relationship with ROA. Tuch and O'Sullivan (2007) considered the impact of acquisitions on firm performance. It was observed that in the short run, acquisitions had an insignificant impact on shareholder wealth whereas overwhelmingly negative returns were noticed in the long run performance. It also found that acquirers with superior pre-bid performance tend to experience significant underperformance in the post-bid period.

Research studies were also conducted in India but mainly from the financial aspect. The work of Rao & Rao (1987) was one of the earlier attempts to analyse mergers in India. Kumar and Panneerselvam (2009) presented a comparative study of the effect of mergers acquisitions on the wealth of shareholders of acquirer and target firms during the period 1998-2006. The results indicated that mergers and acquisitions had a positive effect on net present value for bidding and target firms.

K. Ramakrishnan (2010) also researched on the effects of announcements of mergers on shareholder wealth in the India context. The research concluded that the acquired firms' shareholders enjoyed significant wealth gains whereas the acquiring firm's shareholders did not experience the same.

However, researchers in this millennium recognized that there is a strong direct correlation between human resource involvement and success in mergers and acquisitions. It is said that the 'HR can make or break the mergers and acquisitions' by Schraeder and Self (2003). Schmidt (2003) has identified 5 major roadblocks to merger and acquisition (M& A) success, three of which are human resource (HR) issues. Becker and Gerhart (1996) examined the influence of a firm's HRM system on its financial performance. It has invoked the researchers to come up with different findings that help to establish the interrelationship between HRM and finance. This millennium started with the study by Hitt et. al. (2000) examined the direct and moderating effects of human capital on professional service firm performance. The results showed that the leveraging of human capital had a positive effect on performance. Viljoen, (2012) examined audited financial data of companies listed in Johannesburg Stock Exchange (JSE) to study the nature of central tendency and dispersion of their HCROI. Wright et. al. (2003) research revealed that both organizational commitment and HR practices were significantly related to operational measures of performance, operating expenses and pre-tax profits. Siegel et. al. (2005) analyzed the differential effects on productivity and human capital for different types of ownership changes in mergers and acquisitions. For full and unrelated acquisitions, the results suggested that ownership change resulted in increase in relative productivity. In the empirical analysis of Swedish manufacturing firm it was found that mergers and

acquisitions enhanced plant productivity, although they also resulted in the downsizing of businesses.

Recent research work has laid great emphasis on human capital. Shook and Roth (2011) found that HR practitioners were not involved in planning decisions related to downsizings, mergers, and/or acquisition. So they suggested that these practitioners need to play a more active role during the planning stages to ensure that training and development supports the financial goals of these change events. Kesti M. (2011) proposed that in recent times human capital has emerged as a dominant force in organizations and there is irrefutable evidence that the efficacy of this human capital is of importance when studying the economic performance of an enterprise. It has an important role in changing or eroding the enterprise value. It has been established that there is a strong direct correlation between human resource involvement and success in mergers and acquisitions. Rizvi (2011) found a positive association between human capital indicators and organizational performances through quantitative and qualitative study of firms. Doseck (2012) discussed the aspects of organizational culture, human capital management and change management and identified best practices and challenges of HRM professionals during the integration phase of mergers and acquisitions. HCROI looks at the ROI in terms of profit for monies spent on employee pay and benefits (Jac Fitz-enz, 2012).

With this backdrop we try to comprehend whether the M&A have led to improvement or deterioration in performance of the M&A entity in the post merger and acquisition period. We also attempt to study the magnitude of change for intra- India and India-Overseas cases in the sampled firms with parameters capturing both financial and HR perspectives.

3. Objective of the Study

This paper aims to study the performance of the sampled firms by examining some of their human resource (HR) and finance related parameters as an indicator of short term performance i.e. 2-3 years immediately after the M&A has taken place.

The selected parameters are:

- HCROI (Human Capital Return on Investment) which is measured by:
$$\{\text{Revenue} - (\text{Operating expenses} - \text{Compensation})\} / \text{Compensation}$$
- RPP (Revenue per Person Rupee,) with the help of:
$$\text{Total Revenue} / \text{Total People costs}$$
- ROA (Return on Assets), following conventional method:
$$\text{PAT (Profit after Tax)} / \text{Total Assets}$$
- EPS (Earnings per share), as accepted in literature to be:
$$(\text{PAT} - \text{Preference Dividend}) / \text{Number of Shares}.$$

We have chosen HCROI and RPP ratios to access employee related performance of the companies and ROA and EPS ratios to access the finance related performance. However we must submit that we have looked at the business performance from investors, shareholders and employees point of view but not taken any indicators from the customer's side in the present study.

4. Hypothesis

We propose to find out whether there is any significant improvements/decline in the above mentioned ratios in the post M&A period, for which the following hypothesis have been framed:

- I) H01 = There is no significant change in HCROI in the pre and post merger period.

HA1= There is significant change in HCROI in the pre and post merger period.

- II) H02 = There is no significant change in RPP in the pre and post merger period.

HA2= There is significant change in RPP in the pre and post merger period.

- III) H03 = There is no significant change in ROA in the pre and post merger period.

HA3= There is significant change in ROA in the pre and post merger period.

- IV) H04 = There is no significant change in EPS in the pre and post merger period.

HA4= There is significant change in EPS in the pre and post merger period.

Further we attempt to make a comparative study on these parameters, of companies that have undergone intra India M&A and India-overseas M&A.

5. Methodology & Data Set

The research work has been empirical in nature and stratified sampling technique has been used. Secondary data has been used from Prowess and Annual Reports of 20 companies (list of companies in Table I) during the five year period from 2002-03 to 2007-08 and considered F0 as the year of M&A. The study covered the three preceding years of M&A (considered as F-3, F-2, F-1) and three years succeeding the same (considered as F1, F2, F3). The financial and human resource (HR) related parameters for the years F-3, F-2, F-1 and F1, F2, F3 have been analysed. The data of the acquirer company has been taken for analysis in the premerger period, as the study wanted to focus on Indian Acquirer's perspective from the Intra India and Overseas India M&A. The data for the M&A entity was considered for the post M&A period.

6. Analysis

At the onset we calculated all the four ratios

namely HCROI, RPP, ROA and EPS for all the companies for all the six years in the pre and post M&A period. A descriptive analysis was initially attempted which was supplemented by statistical analysis, the details of which are given below.

A descriptive analysis of the HR related ratios was attempted from the HCROI and RPP tables (Table II and III respectively). From Table II, we see an apparent downward trend in HCROI ratio in 80% of the companies whereas only 20% of the companies which have shown an increase in the HCROI ratios in the post M&A period. The downward trends may be attributed to huge operating expenses (Jet Airways, ONGC, Sterlite or Tata Steel) and Cultural issues (Suzlon, ONGC). However, there are only four companies which have shown an upward trend in HCROI in the post M&A period namely, DRL-Betapharma, VIP-Aristocrat Industry, Graphite India-Carbon Investment & Kingfisher-Deccan Aviation. From Table III it is seen that 55% of the companies have experienced a decreasing trend in the RPP Ratio while 45% of the companies have shown an upward trend. This may be attributed to takeover of loss making plants and loan payments in the Post Merger period. We know from literature survey that M&A does not take place only with one objective of increasing revenue in the short term, but for various other reasons. We may categorize the observations as follows:

We may observe that there are two M&As namely Dr. Reddy's Labs-Betapharma and Graphite India Ltd-Carbon Investment where both HCROI and RPP ratios are showing an upward trend and the business performance as a whole has also shown an upward trend in the short run. So a closer scrutiny of these four companies was attempted. The combination of Dr Reddy's and Betapharma enabled, the M&A entity to continue to expand its growth trajectory and at the same time provide a strong foundation to leverage Dr Reddy's global product development and

marketing infrastructure to build a significant generics business in Europe (Business Line Feb, 2006). This may have led to better financial and HR ratios and the business as a whole also improved in the short run. From Table II & III it is also apparent that Graphite India -Carbon Investment, has shown upward trend in HCROI and RPP ratio post M&A. This may be explained from the rationale behind the merger. According to company officials, the merged entity mobilised resources at competitive costs and capitalized on opportunities in the post M&A (Economic Times, Nov, 2001). Graphite India has reported all round substantial growth in the period immediately post M&A. So it appears that upward trends in HCROI and RPP ratios has shown good overall business prospect. This is already hinted in literature by Bontis and Fitzenz (2002), where he established the relationship between human capital management and economic and business outcomes.

There are some M&A like VIP Industry Ltd-Aristrocat and Kingfisher-Deccan Aviation which have shown upward trend in HCROI but have shown an apparent downward trend in RPP in the post M&A period as compared to pre M&A scenario. Detailed scrutiny of the facts reveals that acquisition of Deccan Aviation by Kingfisher Aviation Company in the year 2007 reported a rise in HCROI in the post M&A period. Probably this can be explained by the facts that, the company took several measures to increase the revenue. The company annual reports shows that the company went for an equity infusion of around Rs 20 billion through strategic and financial investors and monetized aircraft order book over the time and noded for 7 new global routes. All this attributed to marginal overall business growth in the immediate and long run. So we may infer from these two ratios that there is marginal positive trends in overall business prospect.

In companies where HCROI decreased but RPP has increased, which we find that in companies like Hindalco- Novelis M&A the objective of increasing revenue was fulfilled. But, Hindalco had never before gone for cross border acquisitions so they were yet to learn to integrate (HBR. May, 2009). So RPP has increased but HCROI has not increased which has yielded satisfactory business results. Therefore we may apparently say that forward looking trend is slightly positive.

In companies where HCROI and RPP ratios both have shown a downward trend, we find that there are cultural issues, like in Suzlon-Imperial Energy M&A entity. In the integration period, as they had to integrate 14,000 employees across 5 continents as has been recorded in their annual report. It may be important to mention that Suzlon business as a whole went for a dip. Thus we may apparently infer that downward trends in the HR related ratios immediately post M&A may be caused by cultural diversity which has not been effectively addressed.

From a study of the highest and lowest HR related ratios we find that, the highest, in fact extremely high HCROI (54.01695) and RPP (457.0508) has been recorded in the pre M&A period by Eastern Silk Industries. As we can see from the annual report of Eastern Silk Industries, total employee cost is extremely low as compared to the rest of the companies which are included in this study. They did not make huge investments in the Pre or Post M&A period so compared to big manufacturing giants like Tata Steel-Chorus or Sterlite-Asarco industries. This may be one of the reasons why Eastern Silk industry HR ratios are unusually high (an outlier) in pre M&A period . We may conclude that for this study Eastern Silk-Stella Silk Industries M&A entity has behaved like an outlier.

Sterlite Industries-Asarco has reported a minimum HCROI (-0.1268) in the 2nd year, 2008 post M&A.

From the Annual report data we see that the revenue has increased by 71% from pre to post M&A but the operating expense has increased more than the revenue and the employee cost has risen by 67% in the post M&A period. This explains why HCROI has decreased and is at a minimal level as compared to other samples in the study.

In the following section of the paper statistical analysis was carried out using SPSS software. Using our sample where n=20, M&A cases, and applying paired T test, we arrive at the following results.

6.1 HR related ratios

	PRE	POST		
	Mean \pm Std. Deviation	Mean \pm Std. Deviation	P VALUE	SIGNIFICANCE
HCROI	6.04 \pm 5.05	4.42 \pm 2.94	0.009	Significant
RPP	37.94 \pm 42.05	35.93 \pm 41.97	0.502	Not Significant

Here we test the hypothesis that the mean HCROI is same in the pre and post M&A: We have applied paired T test to get the 2-tailed P value as 0.009<0.05. Hence, we reject the null hypothesis to claim that there is a significant change in the mean HCROI level in the two periods. Also since the mean HCROI post M&A is lower than the mean pre M&A level we can conclude that there is a decline in the HCROI level in the post M&A period and the decline is statistically significant.

Here we test the hypothesis that the mean RPP is same in the pre and post M&A: We have applied paired T test to get the 2-tailed P value as 0.502>0.05. Hence, we cannot reject the null hypothesis to claim that there is a no significant change in the mean RPP level in the two periods. Since the RPP post M&A is lower than pre M&A level we can conclude that there is a decline in the RPP level in the post M&A period. But the decline is not statistically significant.

6.2 Financial Ratios

A descriptive analysis of the ROA ratios (Table IV) clearly points out that 85% of the companies under study has experienced a decrease in ROA ratios over the seven years span from Pre to Post M&A. Similarly analysis of EPS ratios (Table V) depicts that 80% of the companies have shown a downward trend.

Again only 15% of the samples viz, DRL-Betapharma, VIP Industry-Aristocrat Luggage and Graphite India-Carbon Investment M&A entity has shown a rising trend in ROA and EPS ratios as in HR Related ratios mainly because of increase in PAT. This may be exemplified by DRL

experience, in 2005-06, immediately after the acquisition of Betapharma, when PAT rose from 211 to 1629 in million rupees as in Annual report 2006 and ROA and EPS apparently increased. In the remaining 80% of the companies all ROA and EPS ratios are apparently showing a downward trend from pre to post M&A period probably because of takeover of sick units or loans. This is very apparent from the Tata Steel and chorus merger when, the debt-laden metals company, tried to raise about 250 million Singapore dollars in its first foreign currency bond issue to repay some of its foreign loans (ET April, 2013).

The highest ROA and EPS have been recorded by Indian Oil in the pre M&A period (namely ROA is 1.1294 and EPS is 418.766). But in the post M&A period, it is also estimated that IOC needs to avoid immediate losses of almost Rs 1,000 crore. (Business Line Feb,2006) . Thanks to these losses ROA and EPS have gone for an apparent downward swing.

In case of Kingfisher pre & post M&A figure has shown minimum and negative ROA (-0.5039) & EPS (-111.6367) is showing negative figures also. Vijay Mallya-led Deccan Aviation, raised around Rs 1,000 crore as debt from financial institutions with adverse stock market conditions which delayed the airline's plans to raise Rs 1,600 crore in the form of equity (ET News, April 23, 2008). This may be one of the reasons why ROA and EPS are showing negative figures.

This analysis has been hereafter supplemented by Statistical analysis using SPSS software to examine whether the downward trends observed from descriptive analysis were statistically significant. Using our Sample where $n=20$, M&A cases, and applying paired T test, we arrive at the following results.

6.3 Overall change in Finance related ratios

	PRE	POST		
Financial Ratios	Mean \pm Std. Deviation	Mean \pm Std. Deviation	P VALUE	SIGNIFICANCE
ROA	0.12 \pm 0.16	0.04 \pm 0.11	0.005	Significant
EPS	36.95 \pm 46.1	16.59 \pm 28.33	0.022	Significant

Here we test the hypothesis that the mean ROA is same in the pre and post M&A: We have applied paired T test to get the 2-tailed P value as $0.005 < 0.05$. Hence, we reject the null hypothesis to claim that there is significant change in the mean ROA level in the two periods. Also since the ROA post M&A is lower than pre M&A ROA level. So we can conclude that there is a significant decline in the ROA level in the post M&A period. This is also explained in the descriptive analysis.

Here we test the hypothesis that the mean EPS is same in the pre and post M&A: We have applied paired T test to get the 2-tailed P value as $0.022 < 0.05$. Hence we cannot reject the null hypothesis to claim that there is a significant change in the mean EPS level in the two periods. Also since the mean EPS post M&A is lower than

the mean EPS pre M&A level we can conclude that there is a decline in the EPS level in the post M&A period, which is also statistically significant and reconfirms the findings in the earlier paragraphs.

In fact it is apparently clear that acquisitions by DRL, Graphite India and VIP have consistently shown an upward trend in all the four ratios considered in our study. This is also reemphasized from the companies' trends in business results. So we may say that these companies have experienced significant business growth in the short run immediately after M&A.

Further we attempt to make a comparative study on these parameters, of companies that have undergone intra India M&A and India-overseas M&A. Ironically we also observe that only one company i.e. Dr.Reddy's Laboratories-

Betapharma in the India overseas M&A is consistently showing an upward trend in all the four indicators of business in the short run post M&A. The rest of the M&A entities in the India overseas samples are all showing a downward trend. This may be accounted for by the same explanation as stated in the descriptive analysis earlier in this section. However in the intra India M&A samples we find from the descriptive analysis that only VIP Industry-Aristocrat luggage M&A and Graphite India-Carbon Investment M&A entity is showing positive trend in all the four ratios and the overall business has apparently improved as well, whereas the rest of the companies are showing a downward change. This may be rationalized by the cultural diversity, or VRS issues or take over of debt laden plants as

explained in the descriptive analysis. However, to check whether these changes were statistically significant, we applied the paired T test to get the 2-tailed p value of the 10 Indian companies which had undergone M&A with overseas companies (India-Overseas) and the 10 Indian companies which had undergone M&A with Indian companies (India-India) separately, we got the following results.

INDIA-OVERSEAS:

	PRE	POST		
	Mean \pm Std. Deviation	Mean \pm Std. Deviation	P VALUE	SIGNIFICANCE
HCROI	6.46 \pm 3.31	4.92 \pm 2.46	0.012	Significant
RPP	41.9 \pm 48.41	43.14 \pm 54.43	0.718	Not Significant
ROA	0.16 \pm 0.06	0.07 \pm 0.05	0.004	Significant
EPS	39.53 \pm 19.36	22.34 \pm 15.6	0.01	Significant

INDIA-INDIA:

	PRE	POST		
	Mean \pm Std. Deviation	Mean \pm Std. Deviation	P VALUE	SIGNIFICANCE
HCROI	5.63 \pm 6.53	3.91 \pm 3.42	0.132	Not Significant
RPP	33.99 \pm 36.8	28.72 \pm 25.31	0.302	Not Significant
ROA	0.09 \pm 0.21	0.02 \pm 0.14	0.15	Not Significant
EPS	34.37 \pm 64	10.85 \pm 37.12	0.171	Not Significant

Comparing the set of data obtained for India-Overseas and India-India we find that, the HCROI level is showing an apparent declining trend both in the India-Overseas case as well as in the domestic (India-India) M&A sampled cases. But the 2-tailed test indicates that the overseas decline is statistically significant as well.

Apparently, mean RPP level is increasing in the India-Overseas case and in case of India-India it is declining. But the paired 2-tailed test indicates that the change in RPP level from pre M&A to post M&A for both the data set is statistically not significant.

On the other hand, ROA level is showing declining trend in the Post M&A period in both Intra India and Inter India case but the decline in the India- overseas case is statistically significant, whereas in case of intra India the decline is not statistically significant.

EPS level is also apparently declining in the post M&A period in both intra India and inter-India case but the decline in the overseas case is statistically significant, whereas in case of India the decline is not statistically significant.

7. Conclusion

This paper studied four parameters which can throw light on the performance of the selected companies in the pre and post M&A phases, spanning for a period of six years i.e., three years prior to the M&A and three years' post M&A, following available literature that suggests these parameters are good indicators of performance in the short run. In case of all the 20 companies out of two HR parameters chosen, HCROI divulged a significant and declining change in the post M&A period, whereas no significant change was observed in the other factor which was RPP.

The two aspects chosen for computing the financial performance i.e. ROA and EPS showed significant change and both cases it was declining. Since three out of the four parameters have shown significant and declining change, it may be concluded that the overall performance of the twenty sampled firms showed significant declining change in performance due to M&A.

8. Way forward

Future studies may consider including the customer related parameters to arrive at a more comprehensive finding. The work may also be further extended to study possible relations between all the business parameters and long run business performance.

PERIOD	CHANGE SIGNIFICANCE		
	OVERALL	OVERSEAS_INDIA	INDIA_INDIA
HCROI_pre-HCROI_post	Significant decline	Significant decline	Not Significant
RPP_pre- RPP_post	Not Significant	Not Significant	Not Significant
ROA_pre-ROA_post	Significant decline	Significant decline	Not Significant
EPS_pre- EPS_post	Significant decline	Significant decline	Not Significant

It is also seen that the India-Overseas M&A also depicts the same scenario, as the entire sample including India overseas and India India mergers i.e. HCROI, ROA, EPS ratios shows a significant and declining change in the immediate three years post M&A. But in case of intra India i.e. domestic M&A we find that all the four parameters shows no significant change in performance in the post M&A period. So we may conclude that the India overseas M&A cases shows clear significant downward change as compared to intra India M&A. More so we find that the drop in overall performance is statistically significant in the India-overseas case as compared to intra India M&A. And since all this four ratios are also good indicators of the overall business performance it may be inferred that in the 2-3 years immediately after M&A the main objectives of M&A remained a myth, more significantly evident in India overseas M&A than domestic M&A. This may lead one to believe that falling performance is more pronounced where cultural differences are wider, employee integration issues are not addressed and take over of sick and debt laden organizations. Thus earlier work by Graham & Krugman (1995) which focused on cross border synergies are not substantiated in this paper.

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Table I: List of M&A Samples

<u>SL. No.</u>	<u>Acquirer Country</u>	<u>Acquirer Company</u>	<u>Target country</u>	<u>Target Company</u>	<u>Merger Date</u>
1.	India	Tata Steel	UK	Corus Group	30_Jan_07
2.	India	Hindalco	Canada	Novelis	11_Feb_07
3.	India	Dr.Reddy's Lab	Germany	Betapharm	15_Feb_06
4.	India	HPCL	Kenya	Kenya Petroleum Refinery Ltd	21_Sep_05
5.	India	Ranbaxy Labs	Romania	Terapia SA	30_Mar_06
6.	India	Tata motors	UK	Jaguar Land Rover	8_Mar_08
7.	India	VSNL	Canada	Teleglobe	13_Feb_06
8.	India	ONGC	UK	Imperial Energy	1_Jan_09
9.	India	Suzlon Energy	Belgium	Hansen Group	17_Mar_06
10.	India	Sterlite Industries	Mexico	Asarco	1_Mar_08
11.	India	VIP Industry limited	India	Aristocrat Luggage Ltd.	28_Mar_08
12.	India	Graphite India Ltd	India	Carbon Investment Ltd.	23_May_02
13.	India	Indian Oil	India	IBP Co. Ltd.	2_May_05
14.	India	Kingfisher Airline	India	Deccan Aviation	1_Jun_07
15.	India	Jet Airways	India	Air Sahara	2_Apr_07
16.	India	JK Industries	India	Vikrant Tyres	8_Oct_02
17.	India	JSW Steel	India	Southern Iron & Steel Co.	10_Mar_08
18.	India	MIRC electronics	India	OnidaSavak Ltd	5_Apr_05
19.	India	TVS motor	India	Lakshmi Auto	8_Oct_03
20.	India	Eastern Silk Industries Ltd	India	Sstella Silk Ltd	31_Mar_07

Table II: HCROI % Change

Merger Co.	HCROI-3	HCROI-2	HCROI-1	HCROI_pre	HCROI1	HCROI2	HCROI3	HCROI_post
Tata Steel-Corus Group	3.478316	5.7	5.23	4.79	5.65	4.54	4.33	4.74
Hindalco -Novelis	4.705725	4.98	5.02	4.94	5.09	4.09	3.29	4.05
Dr. Reddy's Labs-Betapharm	4.405026	2.97	1.24	2.68	5.88	2.58	2.77	3.52
HPCL-Kenya Petroleum Refinery Ltd.	12.92353	15.31	10.39	12.68	13.22	6.75	8.64	9.26
Ranbaxy Labs-Terapia SA	5.050324	3.2	2.05	3.33	3.34	0.06	2.51	1.86
Tata Motors-Jaguar Land Rover	3.248716	3.51	2.7	3.12	2.13	3.28	1.84	2.38
VSNL-Tele globe	9.164328	4.99	5.48	6.63	4.06	2.9	2.36	3.02
ONGC-Imperial Energy	9.884437	8.12	6.07	7.60	7.69	7.3	6.37	7.08
Suzlon Energy-Hansen Group	6.135261	7.92	12.11	9.94	11.04	11.81	3.17	7.80
Sterlite Industries-Asarco	3.623928	10.42	11.77	8.91	12.63	-0.13	3.78	5.50
VIP Industry limited -Aristocrat Luggage Ltd	1.775081	2.03	1.73	1.83	1.67	2.41	1.85	1.98
Graphite India ltd-Carbon Investment Ltd	3.781782	3.67	2.2	2.75	3.91	3	2.48	3.09
Indian Oil -IBP Co Ltd	5.308139	7.28	4.16	5.49	5.25	4.24	3.68	4.19
Kingfisher Airline-Deccan Avition	1.984887	0.3	-0.06	0.22	0.33	1.46	2.39	1.32
Jet Airways-Air Sahara	4.899744	3.52	2.11	3.09	1.43	2.72	2.87	2.31
JK Industries -Vikrant Tyres	3.122731	2.95	2.26	2.64	2.42	1.59	1.35	1.77
JSW Steel-Southern Iron & Steel Co	13.23103	17.44	12.21	14.03	12.52	8.28	9.53	9.81
MIRC Electronics-Onida Savak Ltd	2.75505	3.15	1.92	2.59	1.93	1.46	2.3	1.90
TVS Motor-Lakshmi Auto	2.514627	2.98	3.09	2.88	2.49	1.93	2.03	2.13
Eastern Silk Industries Ltd-Sstella Silk Ltd	54.01695	17.25	19.13	20.75	17.61	8.86	7.14	10.62

Table III: RPP % Change								
Merger Co.	RPP-3	RPP-2	RPP-1	RPP_pre	RPP1	RPP2	RPP3	RPP_post
Tata Steel-Corus Group	8.37	11.87	11.76	10.65	12.39	10.55	10.6	11.03
Hindalco -Novelis	25.8	23.08	24.63	24.31	30.92	27.31	22.26	26.30
Dr. Reddy's Labs-Betapharm	12.44	11.33	8.93	10.69	14.6	9.73	10.4	11.27
HPCL-Kenya Petroleum Refinery Ltd.	99.11	100.88	91.39	96.65	132.87	129.2	115.9	124.65
Ranbaxy Labs-Terapia SA	15.26	11.55	12.13	12.80	11.33	7.69	7.19	8.36
Tata Motors-Jaguar Land Rover	16.92	18.28	20.08	18.57	16.54	19.38	20.53	19.07
VSNL-Teleglobe	31.32	24.39	24.14	26.77	17.46	14.29	11.72	14.17
ONGC-Imperial Energy	15.92	14.32	10.28	12.86	10.72	10.27	11.26	10.76
Suzlon Energy-Hansen Group	31.54	45.58	54.95	48.41	49.06	50.61	37.24	44.31
Sterlite Industries-Asarco	90.1	161.48	205.81	157.33	140.57	169.7	173.85	161.49
VIP Industry limited -Aristocrat Luggage Ltd	9.63	10.24	10.21	10.05	8.96	10.05	10.25	9.80
Graphite India ltd-Carbon Investment Ltd	13.84	13.85	9.79	11.26	12.33	11.7	12.25	12.10
Indian Oil -IBP Co Ltd	64.29	76.04	76.11	72.13	83.69	85.45	54	69.03
Kingfisher Airline-Deccan Avition	9.62	7.88	7.27	7.66	6.38	7.35	9.16	7.55
Jet Airways-Air Sahara	11.58	10.03	7.52	9.08	8.2	8.51	9.52	8.74
JK Industries -Vikrant Tyres	15.57	14.9	12.82	14.02	13.91	14.57	16.63	15.09
JSW Steel-Southern Iron & Steel Co	47.96	48.98	41.58	45.24	49.75	43.22	52.05	48.38
MIRC Electronics-Onida Savak Ltd	21.08	22.28	24.16	22.54	21.81	23.16	21.3	22.08
TVS Motor-Lakshmi Auto	24.44	30.04	25.99	26.59	20.4	20.59	22.35	21.18
Eastern Silk Industries Ltd-	457.05	94.36	97.48	121.28	79.7	75.41	66.39	73.26
Sstella Silk Ltd								

Table IV: ROA % Change								
Merger Co.	ROA-3	ROA-2	ROA-1	ROA_pre	ROA1	ROA2	ROA3	ROA_post
Tata Steel-Corus Group	0.17	0.29	0.24	0.24	0.1	0.09	0.08	0.09
Hindalco -Novelis	0.08	0.11	0.11	0.10	0.11	0.07	0.05	0.07
Dr. Reddy's Labs-Betapharm	0.21	0.13	0.03	0.12	0.25	0.09	0.09	0.14
HPCL-Kenya Petroleum Refinery Ltd.	0.16	0.17	0.11	0.15	0.07	0.04	0.02	0.04
Ranbaxy Labs-Terapia SA	0.32	0.19	0.06	0.18	0.1	-0.14	0.08	0.01
VSNL-Teleglobe	0.13	0.07	0.13	0.11	0.07	0.04	0.06	0.06
ONGC-Imperial Energy	0.22	0.2	0.2	0.21	0.16	0.16	0.21	0.18
Suzlon Energy-Hansen Group	0.11	0.23	0.29	0.24	0.22	0.13	-0.03	0.06
Sterlite Industries-Asarco	0.02	0.08	0.1	0.07	0.07	0.03	0.04	0.04
VIP Industry limited -Aristocrat Luggage								
Ltd	0.05	0.06	0.06	0.06	0.03	0.19	0.2	0.14
Graphite India ltd-Carbon Investment Ltd	0.09	0.05	0.06	0.07	0.09	0.07	0.06	0.07
Indian Oil -IBP Co Ltd	0.18	0.2	1.13	0.55	0.12	0.09	0.03	0.08
Kingfisher Airline-Deccan Avition	-0.06	-0.5	-0.32	-0.34	-0.45	-0.41	-0.25	-0.37
Jet Airways-Air Sahara	0.08	0.06	0	0.04	-0.02	-0.06	0	-0.02
JSW Steel-Southern Iron & Steel Co	0.1	0.13	0.11	0.12	0.1	0.07	0.05	0.07
MIRC Electronics-Onida Savak Ltd	0.18	0.14	0.07	0.13	0.09	0.08	0.02	0.06
TVS Motor-Lakshmi Auto	0.11	0.11	0.24	0.15	0.16	0.1	0.05	0.09
Eastern Silk Industries Ltd-Sstella Silk Ltd	0.08	0.07	0.11	0.09	0.04	0.04	0.01	0.03

Table V: EPS % Change								
Merger Co.	EPS-3	EPS-2	EPS-1	EPS_pre	EPS1	EPS2	EPS3	EPS_post
Tata Steel-Corus Group	47.25	62.7	63.28	59.06	36.51	39.82	56.38	42.86
Hindalco -Novelis	90.71	143.29	14.28	28.44	23.31	13.09	10	14.46
Dr. Reddy's Labs-Betapharm	51.24	37.01	8.55	32.27	70.09	28.26	33.29	43.86
HPCL-Kenya Petroleum Refinery Ltd.	45.31	56.11	37.64	46.35	46.3	33.44	16.94	32.23
Tata Motors-Jaguar Land Rover	32.31	42.15	49.65	41.37	19.48	39.26	28.55	29.39
VSNL-Teleglobe	27.37	13.25	26.54	22.39	16.44	10.68	18.1	15.08
ONGC-Imperial Energy	101.2	73.14	78.09	82.01	78.39	22.12	29.36	31.59
Suzlon Energy-Hansen Group	17.47	56.41	40.71	39.56	36.66	8.46	-3.13	5.65
Sterlite Industries-Asarco	8.07	38.24	14.04	17.01	17.45	9.89	4.22	7.10
VIP Industry limited - Aristocrat Luggage Ltd	4.7	5.73	5.63	5.40	3.29	17.71	21.94	14.31
Graphite India ltd-Carbon Investment Ltd	13.71	8.39	26.49	16.19	17.42	16.34	21.43	18.39
Indian Oil -IBP Co Ltd	78.53	59.97	418.77	199.16	64.21	58.39	24.74	49.01
Kingfisher Airline-Deccan Avition	-111.64	-34.69	-30.97	-33.04	-60.5	-61.95	-20.64	-41.60
Jet Airways-Air Sahara	45.4	52.36	3.24	33.67	-46.6	-54.17	1.12	-33.21
JK Industries -Vikrant Tyres	9.39	4.78	5.37	6.48	3.25	4.47	5.54	4.35
JSW Steel-Southern Iron & Steel Co	53.28	77.09	90.84	74.80	106.59	88.87	71.62	88.03
MIRC Electronics-Onida Savak Ltd	86.01	3.11	1.98	4.58	2.4	2.44	1.33	2.21
TVS Motor-Lakshmi Auto	27.12	23.34	5.6	8.87	5.79	4.95	2.8	4.51
Eastern Silk Industries Ltd-Sstella Silk Ltd	21.14	33.53	27.88	27.60	11.41	2.42	0.71	2.46

Demographic Variables and ATM Services: An Empirical Survey

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Abstract

Technology has played a vital role in the evolution of Indian banking sector through speed, accuracy, efficiency, promptness and reduction in cost. Banking services are now tilting to “Anywhere Any time banking” aspect. The objective of the proposed paper is to determine the perception in ATM service. The impact of demographic variables is highlighted in the paper. To achieve the objective of the study primary data is collected through a structured questionnaire from public, private and foreign banks customers using ATM services of their respective bank. In total 220 respondents were studied. Collected data is analyzed with the help of various statistical techniques such as frequency distribution, mean, S.D. and other suitable tools. To test the hypotheses t test, Z test and ANOVA is used. The study is helpful to plug out weak areas, which need improvement with special reference to ATM services provided by various banks. The study provides meaningful direction to bank managers and decision maker to improve their service quality for higher customer satisfaction. Sample size may not be a true representative of the population since it is limited to Delhi only.

Key Words: Indian Banking, Customer Satisfaction, ATM services, Regression analysis and primary data.

1. Introduction

The banking sector has become completely dependent on technology as the service/product delivery channel. Technology is identified as the

single strongest factor that provides a bank with a competitive edge over others. The banking has undergone a major change due to the adoption of E-banking. One of the latest channels of distribution to be used in the financial services organizations is electronic banking; this method was established in the mid-1990s in some countries, thereafter speedily covers all over the world (Allen et al, 2001). E-banking can offer speedier, quicker and self dependable services to the customers for which they may be fairly satisfied than that of manual system of banking. E-banking system not only generates latest viable return, it also offers its better dealings with customers (Jannatul Mawa Nupur, 2010).

E-Banking provides various e- channels for using banking services like ATMs, credit cards, debit cards, internet banking, mobile banking, electronic fund transfer (EFT), electronic clearing system etc. However as per the Indian e banking scenario ATM is the most acknowledged than any other e-channels. The Indian ATM industry has seen explosive growth in recent times. (Kumbhar). Banks have been positioning ATMs to increase their reach. While ATMs facilitate a variety of banking transactions for customers, their main utility has been for cash withdrawal and balance enquiry. Now we can deposit cash in ATMs up to certain cash limit. While the ATM is a great service for customers, for the banks it means immense savings on the cost of operations. While a typical cash transaction carried out in a bank’s branch premise would cost Rs 40 that in an ATM will

only cost Rs18 translating into a cost saving of Rs 22 per transaction (Singh, and Komal, 2009).

2. Review of Literature

A number of studies specially related to ATM services are reviewed in this section

Sundaram and J. Premalatha (2012) studied the overall satisfaction level of the customers of the various banks in Vellore district, and they concluded that customers felt that bankers must improve the safety, provide accurate, timely information and make easy for customers while using the ATM services in order to retain the customers. They concluded that the majority of the customers are highly satisfied in using the ATM services of their banks. **Singh and Saxena (2011)** conducted a study on Customer Satisfaction regarding the use of ATMs and revealed that the ICICI Bank being the largest private sector bank must make its customers satisfied to sustain in this world of competition. They considered that the management of ICICI Bank should seriously consider the recommendations made by their customers regarding ATMs and take all necessary steps to follow the same. **Khan (2010)** concluded that the key dimensions of automated banking service quality include reliability, ease of use, privacy, convenience and responsiveness. He concludes that ATM facility resulted in speed of transactions and saved time for customers.

Singh and Komal (2009) conducted a comparative study among banks and concluded that the satisfaction level of the customer was highest in SBI Bank followed by ICICI Bank and HDFC Bank. **Kamala (2008)** has made a detailed survey regarding the customer satisfaction towards ATM services in Tirunelveli city of Taminadu. She observed that the respondents were conscious about more innovative techniques in ATM services. **Uppal R.K. (2008)** concluded that among all e-channels, ATM is the most

economic and effective while mobile banking does not hold a strong position in public. The study also suggested some strategies to improve ATMs and m-banking services. **Kaul (2007)** in his article explained the importance and benefits of ATM, the players in the Indian market and presented various information concerning the growth of ATM.

Al-Hawari et al. (2006) compiled a list of five major items about ATM service quality that include convenient and secured locations, functions of ATM, adequate number of machines and user-friendliness of the systems and procedures. **Mcandrew (2003)** talked about the various utilities of ATMs, which has given worldwide popularity. The utilities include withdrawal of cash as per convenience of the customers than during the banking hours at branches. Besides providing off time and off shore services, there is reduction of cost of servicing. **Shastri (2001)** analyzed the effect and challenges of new technology on banks. He found that technology has brought a sea change in the functioning of banks and use of ATMs has increased with the passage of time. **Davies et al., (1996)** examined the factors that influence customers' satisfaction on ATM services includes costs involved, and the efficient functioning of ATM. He found that ATM service is the important service for customers' satisfaction.

3. Methodology of the Present Study

Looking at the changing environment, awareness, technological up gradation and innovation in banking sector, there is a need to study the behavior of customers towards their perception and satisfaction level. The present paper is a step in this direction. This paper has tried to study the variation of views between banks customers and various demographic factors.

- **Population and Sample:** the population defined for this research paper was limited

to the ATM users of various banks operated in Delhi, Gurgaon and Faridabad. In this study random sampling technique has been used and in total 220 respondents were studied to find out the objectives of the study during June to August 2012.

- **Database and procedure of analysis:** primary data collection method was used for the purpose of the study. A structured questionnaire was used to collect primary data for the study. The respondents were asked to indicate their perception regarding various aspects of the ATM services, problems while using ATM and various transactions through ATM on a five point Likert scale.
- **Statistical tools and techniques:** the collected data further have been analyzed by using descriptive statistics such as mean scores and standard deviation. To find out the variation of opinion among various categories t test and F test have been applied. These statistical techniques are run through SPSS version 13 for windows.

3.1 Objectives of the Study

- The aim of the paper is to provide a groundwork investigation of the various transactions, reasons and problems in ATM services, and
- To analyze the relationship between demographic variables and ATM services provided by various banks.

Hypothesis (Null Hypotheses)

That there is no difference in the perception of respondents across various demographic variables regarding

- Various types of transactions,
- Reasons to use ATM services,
- and problems in ATM services”

4. Results and Discussions

4.1 Gender-wise Perception regarding ATM Services

Consumer may have different perception regarding the various ATM/Debit cards transaction services, various reason for use of ATM and problems while using ATM/debit cards. To find out whether there is any significant difference between the mean scores of customer perceptions belonging to gender, t-test has been applied. Table 1 depicts mean, t-test and significance level of various dimensions of ATM cards according to gender group. As observed from the table, the calculated t value except the dimensions ‘refill mobile prepaid cards’ all remaining dimensions of ATM services is too less to be significant. The t test values of various dimensions regarding ATM services show that there is no significant difference between mean scores of the respondents across the gender. Thus, in the gender group of respondents almost have equal agreement of found regarding each of the dimension of ATM services provided by banks operated in Delhi and NCR.

Table 1: Gender-wise Perception regarding ATM Services

Sr. No.	Various ATM services	Male		Female		t- values (Sig.)
		Mean	S.D	Mean	S.D	
Transaction of ATM						
1	Withdrawal of cash	2.023	1.135	2.169	1.090	-.951 (.343)
2	Pay your utility bills	2.984	1.287	2.674	1.241	.787 (.075)
3	Transfer fund between your own account	2.992	1.222	2.719	1.225	1.620 (.107)
4	Refill your mobile prepaid cards	3.364	1.293	2.944	1.368	2.281* (.024)
5	Stock market/mutual funds transactions	3.674	1.251	3.427	1.356	1.376 (.173)
6	Donation/charity	3.659	1.241	3.742	1.192	-.495 (.621)
7	Shopping at merchant establishment	3.008	1.395	2.933	1.204	.424 (.672)
8	Fuelling up your vehicle	2.705	1.354	2.708	1.263	-0.14 (.989)
Reasons for Use of ATM cards and services						
9	It is a free service from bank	1.682	0.696	2.045	1.054	-2.846** (.005)
10	I am frequently required to travel	1.977	0.824	2.258	0.924	-2.31*(.022)
11	It does not require to carry cash	1.651	0.845	1.899	0.867	2.096* (.037)
12	Any time withdrawal	1.868	0.896	1.775	0.808	.798 (.426)
13	No queuing	1.953	0.837	1.978	0.797	-.214 (.830)
14	Reduce risk of cash loss	1.783	0.910	2.000	0.929	-1.710 (.089)
15	Provide mini statements	1.938	0.817	1.978	0.965	-.316 (.752)
16	Safe transaction	2.008	0.786	1.854	0.936	1.272 (.205)
17	Easy to use	1.814	0.758	1.854	0.847	-.357 (.721)
18	Connectivity to other banks ATMS	2.039	0.905	2.079	0.907	-.319 (.750)
Problems while using ATM cards						
19	Cards gets blocked	4.194	0.830	3.966	0.971	1.803 (.073)
20	Machine out of cash	3.465	1.076	3.483	1.298	.108 (.914)
21	No printing of statement	3.736	1.079	3.775	1.232	-.241 (.810)
22	Machine out of order	3.674	0.911	3.640	1.151	.233 (.816)
23	Wrong amount in the slip	4.295	0.955	4.022	1.177	1.808 (.072)
24	Poor visibility of statement slip	3.884	0.973	4.022	0.965	-1.04 (.300)
25	Balance reduce without cash receipts	3.992	1.064	4.112	0.982	-.858 (.392)
26	Difficulty in retrieve cards	4.085	0.866	4.258	0.747	-1.575 (.117)

In the second part of the table the difference of opinion regarding various reasons for use of ATM services have been presented. Regarding the issue 'It is a free service from bank' is significantly associated at 1 percent level of significance as reflected by its t value (-2.846) and its significance level. On the other hand the perception regarding the dimensions 'I am frequently required to travel'

and 'It does not require to carry cash' are differ at 5 percent level of significance as gender group is concerned. Hence it can be concluded that male and female respondents have difference of opinion regarding these dimensions. Remaining other dimensions related to reasons for use of ATM services has no difference of perception and consequently null hypothesis have accepted.

As reflected in third part of the table, calculated t values for each of the dimensions related to problems while using ATM services is too less to be significant. Thus the gender groups almost have equal level of conformity regarding the mentioned dimensions related to problems of ATM services.

4.2 Education-wise Perception regarding ATM Services

A glance of the education wise summary of means bring forth that “pay your utility bills”, “shopping and fueling up vehicles” are the aspects with significant t-value at 0.01 level indicating assorted

responses among the respondents who have education up to graduation and those who are post graduates. Hence the null hypothesis is rejected. The issue ‘donation/Charity’ have found significant at 5 percent level among the two groups of respondents based on educational level. The non-significant t values on eight dimension of ATM services brings us to the conclusion that the respondents having education up to graduation and post graduation do not differ in their opinions regarding the dimensions withdrawal of cash, fund transfer, refill mobile cards and stock market/ mutual fund transactions.

Table 2: Education-wise Perception regarding ATM Services

Sr. No.	Various ATM services	Graduate		Post graduate		t- values(Sig.)
		Mean	S.D	Mean	S.D	
Various Transactions through ATM						
1	Withdrawal of cash	2.759	0.898	2.971	1.244	1.504 (.221)
2	Pay your utility bills	2.293	1.417	1.843	1.132	-3.024** (.003)
3	Transfer fund between your own account	2.99	1.223	2.784	1.229	1.528 (.218)
4	Refill your mobile prepaid cards	3.284	1.33	3.112	1.343	.900 (.344)
5	Stock market/mutual funds transactions	3.755	1.323	3.414	1.258	3.800 (.053)
6	Donation/charity	3.882	1.229	3.526	1.19	4.722 * (.031)
7	Shopping at merchant establishment	3.343	1.361	2.655	1.195	15.799** (.000)
8	Fuelling up your vehicle	3.078	1.377	2.379	1.17	16.433** (.000)
Reasons for use of ATM cards and services						
9	It is a free service from bank	1.578	0.776	2.052	0.903	16.991** (.000)
10	I am frequently required to travel	2.049	0.801	2.129	0.937	.456 (.500)
11	It does not require to carry cash	1.716	0.905	1.784	0.822	.346 (.557)
12	Any time withdrawal	1.676	0.846	1.966	0.854	6.27* (.013)
13	No queuing	1.784	0.816	2.121	0.793	9.504 (.002)**
14	Reduce risk of cash loss	1.804	0.912	1.931	0.93	1.032 (.311)
15	Provide mini statements	1.775	0.819	2.112	0.902	8.279** (.004)
16	Safe transaction	1.843	0.865	2.034	0.833	2.763 (.098)
17	Easy to use	1.696	0.755	1.948	0.811	5.595* (.019)
18	Connectivity to other banks ATMs	1.853	0.894	2.233	0.878	9.97** (.002)

Sr. No.	Various ATM services	Graduate		Post graduate		t- values(Sig.)
		Mean	S.D	Mean	S.D	
Problems while using ATM cards						
19	Cards gets blocked	4.088	0.924	4.112	0.872	.038 (.845)
20	Machine out of cash	3.676	1.045	3.293	1.244	5.975* (0.15)
21	No printing of statement	3.873	1.166	3.647	1.113	2.140 (.145)
22	Machine out of order	3.775	0.974	3.56	1.041	2.440 (.120)
23	Wrong amount in the slip	4.324	0.987	4.06	1.106	3.399 (.067)
24	Poor visibility of statement slip	3.961	1.033	3.922	0.915	.085 (.772)
25	Balance reduce without cash receipts	4.137	1.005	3.957	1.05	1.666 (.198)
26	Difficulty in retrieve cards	4.255	0.864	4.069	0.777	2.799 (.096)

The second part of the table is related to various reasons for the use of ATM services and educational level of the respondents. The 9th, 13th, 15th and 18th dimensions are significantly associated with educational level at 1 percent and 12th and 17th dimensions are significantly associated at 5 percent level of significance. As reflected in third part of the table, calculated t values for each of the dimensions excepted 'machine out of cash' related to problems while using ATM services is too less to be significant. Thus the education group almost has equal level of conformity regarding the mentioned dimensions in the third part of the table.

4.3 Sector-wise Perception regarding ATM Services

A comparison of public and private sector customers along with the dimensions of ATM services is presented in table 3. Though t values and their significance level is too less to be significant regarding all the dimensions included in various ATM services, reasons to use ATM cards services and problems while using ATM. Hence it is worthy to mention here that the respondents of public and private sector banks have similar perception regarding the various dimensions listed in Table 3.

Table 3: Sector-wise Perception regarding ATM Services

Sr. No.	Various ATM services	Public Sector Bank		Private Sector Banks		t- values (Sig.)
		Mean	S.D	Mean	S.D	
Various Transaction through ATM						
1	Withdrawal of cash	2.176	1.112	2	1.124	1.161 (.247)
2	Pay your utility bills	2.922	1.208	2.809	1.337	.653 (.514)
3	Transfer fund between your own account	2.873	1.248	2.896	1.217	-.138 (.891)
4	Refill your mobile prepaid cards	3.059	1.273	3.33	1.375	-1.511 (.132)
5	Stock market/mutual funds transactions	3.52	1.333	3.635	1.266	-.650 (.516)
6	Donation/charity	3.775	1.266	3.635	1.172	.840 (.402)
7	Shopping at merchant establishment	3.039	1.349	2.939	1.286	.557 (.578)
8	Fuelling up your vehicle	2.794	1.33	2.635	1.307	.888 (.376)

Sr. No.	Various ATM services	Public Sector Bank		Private Sector Banks		t- values (Sig.)
		Mean	S.D	Mean	S.D	
Reasons for use of ATM cards and services						
9	It is a free service from bank	1.882	0.978	1.783	0.781	.823 (.411)
10	I am frequently required to travel	2.147	0.959	2.043	0.799	.858 (.392)
11	It does not require to carry cash	1.657	0.884	1.826	0.830	-1.448 (.149)
12	Any time withdrawal	1.745	0.852	1.896	0.862	-1.29 (.198)
13	No queuing	1.922	0.767	2.000	0.869	-.707 (.481)
14	Reduce risk of cash loss	1.843	0.962	1.896	0.892	-.415 (.678)
15	Provide mini statements	1.922	0.792	1.991	0.950	-.589 (.556)
16	Safe transaction	1.863	0.901	2.017	0.805	-1.326 (.186)
17	Easy to use	1.863	0.718	1.800	0.860	.585 (.559)
18	Connectivity to other banks ATMS	1.980	0.944	2.122	0.870	-1.142 (.255)
Problems while using ATM Cards						
19	Cards gets blocked	4.137	0.845	4.0700	0.943	.558 (.578)
20	Machine out of cash	3.549	1.114	3.400	1.220	.941 (.348)
21	No printing of statement	3.902	1.048	3.635	1.202	1.749 (.082)
22	Machine out of order	3.745	0.941	3.583	1.076	1.187 (.237)
23	Wrong amount in the slip	4.147	1.129	4.217	0.998	-.483 (.629)
24	Poor visibility of statement slip	3.882	1.008	3.991	0.941	-.820 (.413)
25	Balance reduce without cash receipts	4.118	1.018	3.974	1.047	1.025 (.307)
26	Difficulty in retrieve cards	4.167	0.913	4.148	0.740	.166 (.869)

4.4 Occupation-wise Perception regarding ATM Services

It is comprehensible from the table 4 that the dimensions namely 'Withdrawal of cash', 'Transfer fund between your own account', 'Stock market/mutual funds transactions' and 'Donation/charity' has significant association with occupational category at 1 percent level of significance, where as the dimensions 'Refill your mobile prepaid cards' and 'Shopping at merchant

establishment' are significant at 5 percent level of significance. Hence, here the null hypothesis stand rejected and alternate hypothesis accepted stating that respondent's occupation does invite significant differences of respondents opinion in the context of various ATM services related dimensions.

Table: 4 Occupation-wise Perception regarding ATM Services

Sr. No	Level of Awareness and Knowledge	Business		Public sector		Private sector		Professional		Student		F values
		Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	
Various transaction through ATM												
1	Withdrawal of cash	1.948	0.867	1.838	1.093	1.951	1.048	2.657	1.305	3.143	1.574	5.027** (.001)
2	Pay your utility bills	2.690	1.158	2.595	1.518	3.062	1.187	2.829	1.224	3.429	1.813	1.535 (.193)
3	Transfer fund between your own account	2.724	1.281	2.270	1.217	3.123	1.133	3.114	1.078	3.429	1.512	4.218** (.003)
4	Refill your mobile prepaid cards	3.259	1.446	2.622	1.299	3.222	1.173	3.400	1.355	4.286	1.496	3.241* (.013)
5	Stock market/ mutual funds transactions	3.586	1.325	2.919	1.299	3.642	1.248	3.943	1.110	4.286	1.496	3.839** (.005)
6	Donation/charity	3.655	1.193	3.135	1.549	3.765	1.076	4.029	0.923	4.429	1.512	3.475 **(.009)
7	Shopping at merchant establishment	2.966	1.108	2.622	1.516	2.951	1.264	3.171	1.424	4.286	1.254	2.678 *(.033)
8	Fuelling up your vehicle	2.534	1.287	2.514	1.193	2.728	1.215	2.886	1.510	4.000	1.732	2.367 (.054)

9		1.845	0.951	2.216	1.109	1.716	0.637	1.657	0.725	1.857	1.464	
Sr. No	Level of Awareness and Knowledge	Business		Public sector		Private sector		Professional		Student		
		Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	
Reasons for use of ATM cards and services												
	It is a free service from bank											2.555* (.040)
10	I am frequently required to travel	2.000	0.879	2.243	1.164	2.062	0.659	2.143	0.944	2.143	1.069	.492 (.742)
11	It does not require to carry cash	1.776	0.839	1.514	0.731	1.815	0.896	1.714	0.825	2.286	1.254	1.535 (.193)
12	Any time withdrawal	1.741	0.870	1.919	1.010	1.840	0.798	1.886	0.796	1.714	1.113	.319 (.865)
13	No queuing	2.034	0.816	1.838	0.958	1.914	0.809	2.000	0.642	2.429	0.976	.982 (.418)
14	Reduce risk of cash loss	1.897	1.003	1.865	0.855	1.877	0.927	1.686	0.676	2.571	1.397	1.386 (.240)
15	Provide mini statements	2.017	1.1.00	1.811	0.569	1.963	0.872	1.914	0.658	2.286	1.254	.586 (.673)
16	Safe transaction	1.862	0.963	1.730	0.693	2.037	0.798	2.057	0.906	2.143	0.900	1.216 (.305)
17	Easy to use	1.845	0.894	1.811	0.701	1.852	0.808	1.743	0.657	2.000	1.000	.208 (.934)
18	Connectivity to other banks ATMS	2.190	0.926	1.919	0.954	2.037	0.828	2.086	0.951	1.714	1.113	.795 (.530)

Sr. No	Level of Awareness and Knowledge	Business		Public sector		Private sector		Professional		Student		F values
		Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	
		while using ATM										
19	Cards gets blocked	4.103	0.872	4.189	0.938	4.012	0.915	4.200	0.833	4.143	1.069	.395 (.812)
20	Machine out of cash	3.500	1.246	3.351	1.086	3.568	1.083	3.371	1.262	3.286	1.604	.348 (.845)
21	No printing of statement	3.828	1.142	3.486	1.146	3.889	1.012	3.629	1.330	3.571	1.512	1.002 (.408)
22	Machine out of order	3.828	0.881	3.514	1.216	3.568	9610.	8293.	9540.	2863.	6041.	1.243 (.294)
23	Wrong amount in the slip	4314.	8810.	9463.	0261.	1854.	0621.	9713.	2721.	4294.	1341.	.7301. (.144)
24	Poor visibility of statement slip	9483.	9630.	5953.	9560.	0494.	9070.	0574.	9380.	8573.	6761.	.5881. (.178)
25	Balance reduce without cash receipts	9483.	0161.	6763.	2031.	1114.	9870.	3714.	8430.	2864.	1131.	.433*2. (.049)
26	Difficult in retrieveycards	3104.	6540.	7033.	1511.	2474.	7340.	2004.	6320.	0004.	1551.	8503. **

The second part of the Table 4 is related to various reasons to buy ATM cards and it is clear from the table that the issue 'it is a free service from bank' is significantly differs at 5 percent level of significance. Remaining all other issues have reflected no association with occupational categories as t values are less to be significant. Hence it can be concluded that there is no difference of perception among various occupational categories. Similarly in the third part of the table the dimension i.e. 'difficulty in retrieve cards' has significant association with occupational categories at 1 percent level of significance and 'balance reduce without cash receipts' at 5 percent level of significance. All other dimensions are not associated with occupational categories as their t values are too less to be significant.

4.5 Income-wise Perception regarding ATM Services

'Income classification' is a significant variable affecting the purchase of ATM services and various problems in use of ATM services. The results of comparison of means across four groups of respondents having annual household income up to 3 lakhs, 3-6 lakhs, 6- 10 lakhs and above 10 lakhs are depicted in table 5. Apart from 'Pay your utility bills', 'Transfer fund between your own account', 'Stock market/mutual funds transactions' and 'Donations/ Charity' all other dimensions of ATM services display wide variation among the four income groups of respondents. The mean comparison points out that 'Withdrawal of cash', 'Refill your mobile prepaid cards', 'Shopping at merchant establishment' and 'fueling up vehicle' have emerged as highly weighted dimension among all the groups. The hypothesis is thus rejected and alternative hypothesis accepted.

Table 5: Income-wise Perception regarding ATM Services

Sr. No.	Level of Awareness and Knowledge	Less than three		Three to six lac		Six to ten lac		Ten lac and above		
		Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	
Various Transaction through ATM										
1	Withdrawal of cash	1.941	0.960	2.188	1.029	1.765	1.124	3.286	1.490	8.147**(.000)
2	Pay your utility bills	3.074	1.342	2.788	1.156	2.549	1.346	3.357	1.151	2.498 (.061)
3	Transfer fund between your own account	2.882	1.310	3.024	1.046	2.588	1.299	3.071	1.492	1.471 (.223)
4	Refill your mobile prepaid cards	3.147	1.341	3.024	1.144	3.294	1.487	4.071	1.592	2.653* (.050)
5	Stock market/mutual funds transactions	3.618	1.361	3.506	1.231	3.451	1.331	4.214	1.188	1.401 (.244)
6	Donation/charity	3.691	1.319	3.718	1.076	3.706	1.331	3.5	1.225	.129 (.943)
7	Shopping at merchant establishment	3.368	1.280	2.659	1.323	2.922	1.309	3.214	1.051	3.982** (.009)
8	Fuelling up your vehicle	3.088	1.346	2.471	1.191	2.569	1.269	2.786	1.718	3.115* (.027)

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Sr. No.	Level of Awareness and Knowledge	Less than three		Three to six lac		Six to ten lac		Ten lac and		F values
		Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	
Reasons for use of ATM cards and services										
9	It is a free service from bank	1.691	0.868	1.812	0.748	2.000	1.039	2.000	0.961	1.404 (.243)
10	I am frequently required to travel	1.971	0.732	2.082	0.694	2.216	1.101	2.286	1.437	1.008 (.390)
11	It does not require to carry cash	1.765	0.932	1.835	0.843	1.588	0.804	1.786	0.802	.892 (.446)
12	Any time withdrawal	1.824	0.929	1.835	0.871	1.725	0.666	2.214	1.051	1.187 (.316)
13	<small>Reduce risk of cash</small> No queuing	2.000	0.93	2.024	0.74	1.784	0.673	2.071	1.141	1.092 (.353)
14	loss	1.897	0.995	1.753	0.83	1.882	0.816	2.429	1.284	2.230 (.086)
15	Provide mini statements	1.868	0.913	1.953	0.770	1.98	0.969	2.286	0.994	.898 (.443)
16	Safe transaction	1.985	0.954	2.012	0.809	1.706	0.672	2.214	1.051	2.062 (.106)
17	Easy to use	1.897	0.900	1.965	0.731	1.588	0.669	1.571	0.852	3.140*(.026)
18	Connectivity to other banks ATMS	2.088	1.033	1.965	0.778	2.078	0.913	2.357	0.929	.844 (.471)

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Sr. No.	Level of Awareness and Knowledge	Less than three lac		Three to six lac		Six to ten lac		Ten lac and above		F values
		Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	
Problem while using ATM cards										
19	Cards gets blocked	3.912	1.047	4.071	0.897	4.353	0.627	4.286	0.726	2. (.050)652*
20	Machine out of cash	3.809	0.981	3.447	1.323	3.235	0.992	2.857	1.231	4. (.008)049**
21	No printing of statement	4.044	1.028	3.859	1.114	3.392	1.041	3.000	1.569	5. (.001)812**
22	Machine out of order	3.838	1.002	3.553	1.018	3.667	0.973	3.429	1.158	1. (.287)266
23	Wrong amount in the slip	4.324	0.984	4.000	1.272	4.235	0.737	4.429	0.852	1. (.202)554
24	Poor visibility of statementslip	4.147	9960.	3.941	0.980	3.765	7640.	3.571	1.284	3022. (.078)
25	Balance reduce withoutcashreceipts	4.088	0331.	4.165	1.045	3.745	0171.	1434.	8640.	9261. (.126)
26	Difficulty in retrieve cards	2504.	8700.	1884.	7640.	9613.	8480.	2144.	8020.	3281. (.266)

The second part of the table is reflecting the association between different income groups and various reasons to purchase ATM cards. Out of the total listed ten dimensions only one dimension i.e. Easy to use is associated with various groups of income as reflected by the t value and its significance. Remaining all other dimensions are perceived in similar way by all the income groups, as their t values are not significant. Hence the null hypothesis is accepted here and concluded that there is no difference of opinion regarding the various dimensions related to reasons for purchase of ATM cards.

The last part of table reflects that there is a significant association between income groups and various problems faced by respondents while using ATM cards such as, 'Machine out of cash' 'No printing of statement' and 'cards gets blocked' at 1 percent and 5 percent level of significance respectively. Remaining dimensions related to problems while using ATM cards are not associated with income groups, hence it bring to a close that there is similar opinion of respondents regarding the dimensions.

4.6 Age-wise Perception regarding ATM Services

The age wise comparison shows that the respondents in the age group of 18-30 years, and 31-45 years as well as those above 45 years do not differ in their responses significantly on various dimensions related to the services of ATMs and hence the null hypothesis is accepted as t values are very less to be significant. A glance at the table 6 part two points out that the fact that the respondents between the age group of 18-30, 31-45 years and those above 45 years are differs in their responses on the aspects that 'they need not to carry cash' at 5 percent level of significance.

Table 6: Age-wise Perception regarding ATM Service

S.No.	Level of Awareness and Knowledge	18-30		31-45		45-60		F-values
		Mean	S.D	Mean	S.D	Mean	S.D	
Various Transaction through ATM								
1	Withdrawal of cash	1.875	0.882	2.258	1.276	2.135	1.134	2.754 (.066)
2	Pay your utility bills	2.807	1.329	2.989	1.315	2.649	1.006	1.064 (.347)
3	Transfer fund between your own account	3.057	1.263	2.839	1.209	2.568	1.144	2.188 (.115)
4	Refill your mobile prepaid cards	3.239	1.322	3.323	1.304	2.757	1.402	2.491 (.085)
5	Stock market/mutual funds transactions	3.614	1.36	3.602	1.244	3.405	1.301	.373 (.689)
6	Donation/charity	3.773	1.22	3.688	1.179	3.514	1.325	.588 (.556)
7	Shopping at merchant establishment	3.034	1.254	3.065	1.358	2.622	1.341	1.643 (.196)
8	Fuelling up your vehicle	2.693	1.244	2.839	1.385	2.405	1.279	1.451 (.237)
Reasons for use of ATM cards and services								
9	It is a free service from bank	1.727	0.784	1.882	0.819	1.946	1.177	1.091 (.338)
10	I am frequently required to travel	2.045	0.772	2.086	0.816	2.216	1.205	.497 (.609)
11	It does not require to carry cash	1.83	0.861	1.828	0.928	1.378	0.545	4.338* (.014)
12	Any time withdrawal	1.818	0.81	1.892	0.938	1.703	0.777	.656 (.520)
13	No queuing	2.068	0.814	1.914	0.928	1.838	0.442	1.327 (.267)
14	Reduce risk of cash loss	1.977	0.922	1.817	0.82	1.757	1.14	1.027 (.360)
15	Provide mini statements	2.023	1.028	1.839	0.811	2.081	0.595	1.463 (.234)
16	Safe transaction	1.955	0.815	1.882	0.858	2.081	0.924	.733 (.482)
17	Easy to use	1.875	0.92	1.763	0.772	1.892	0.458	.579 (.562)
18	Connectivity to other banks ATMS	2.08	0.937	2.043	0.884	2.027	0.897	.058 (.944)

S.No.	Level of Awareness and Knowledge	18-30		31-45		45-60		F-values
		Mean	S.D	Mean	S.D	Mea	S.D	
Problems while using ATM Cards								
19	Cards gets blocked	3.977	0.909	4.129	0.887	4.324	0.852	2.059 (.130)
20	Machine out of cash	3.705	1.116	3.398	1.235	3.108	1.022	3.820* (.023)
21	No printing of statement	4.068	1.026	3.548	1.273	3.514	0.87	5.922** (.003)
22	Machine out of order	3.807	0.981	3.527	1.079	3.649	0.889	1.740 (.178)
23	Wrong amount in the slip	4.386	0.903	4.108	1.068	3.892	1.286	3.366* (.037)
24	Poor visibility of statement slip	4.057	1.010	4.022	0.955	3.459	0.767	5.746** .004)
25	Balance reduce without cash receipts	4.125	0.945	4.022	1.011	3.892	1.265	.694 (.501)
26	Difficuly in retrieve cards	4.261	0.795	4.237	0.758	3.703	0.909	7.179** .001)

The respondents of various age groups perceive differently at 5 percent level of significance as the problems such as machine out of cash, wrong amount in the slip are concerned, where as no printing of statement, poor visibility of statement slip and difficulty in retrieve cards differ significantly at 1 percent level of significance.

4.7 Area of residence- wise Perception regarding ATM Services

The significant F- values along all dimensions of ATM services points out variation in responses of the customers residing in different locations of Faridabad, Delhi, Gurgaon and Noida. The dimensions 'Pay your utility bills' and 'Fuelling up your vehicle' has significant difference among the residence of Faridabad, Gurgaon and Delhi at 5 percent level of significance.

Table 7: Area of residence- wise Perception regarding ATM Services

Sr. No	Level of Awareness and Knowledge	Faridabad		Delhi		Gurgaon		F values
		Mean	S.D	Mean	S.D	Mean	S.D	
Various Transaction through ATM								
1	Withdrawal of cash	2.097	1.003	2.024	1.123	2.141	1.211	.219 (.804)
2	Pay your utility bills	2.903	1.468	3.094	1.211	2.535	1.106	3.874 *(.022)
3	Transfer fund between your own account	2.758	1.327	3.106	1.134	2.718	1.221	2.392 (.094)
4	Refill your mobile prepaid cards	3.145	1.412	3.235	1.182	3.183	1.457	.083 (.920)
5	Stock market/mutual funds transactions	3.435	1.350	3.553	1.258	3.718	1.300	.802 (.450)
6	Donation/charity	3.548	1.399	3.800	1.100	3.690	1.190	.762 (.468)
7	Shopping at merchant establishment	3.065	1.413	3.094	1.221	2.761	1.336	1.436 (.240)
8	Fuelling up your vehicle	2.903	1.399	2.824	1.217	2.394	1.315	3.089* (.048)

Sr. No	Level of Awareness and Knowledge	Faridabad		Delhi		Gurgaon		F values
		Mean	S.D	Mean	S.D	Mean	S.D	
Reasons for use of ATM cards and services								
9	It is a free service from bank	1.952	0.965	1.847	0.681	1.704	0.991	1.348 (.262)
10	I am frequently required to travel	1.935	0.765	2.035	0.698	2.296	1.101	3.157* (.045)
11	It does not require to carry cash	1.871	0.877	1.871	0.897	1.507	0.754	4.413* (.013)
12	Any time withdrawal	1.903	0.953	1.882	0.837	1.704	0.800	1.141 (.321)
13	No queuing	2.048	0.931	1.953	0.83	1.901	0.700	.541 (.583)
14	Reduce risk of cash loss	1.968	0.905	1.929	0.884	1.718	0.974	1.493 (.227)
15	Provide mini statements	1.903	0.844	1.988	0.852	1.958	0.948	.167 (.846)
16	Safe transaction	1.968	0.886	2.047	0.8	1.803	0.872	1.632 (.198)
17	Easy to use	1.871	0.859	1.847	0.794	1.775	0.741	.273 (.761)
18	Connectivity to other banks ATMS	1.968	0.958	2.094	0.868	2.085	0.906	.404 (.668)
Problems while using ATM cards								
19	Cards gets blocked	4.145	0.921	4.059	0.822	4.113	0.964	.175 (.840)
20	Machine out of cash	3.726	1.162	3.541	1.108	3.169	1.195	4.112* (.018)
21	No printing of statement	3.984	1.138	3.788	1.124	3.507	1.132	3.015* (.050)
22	Machine out of order	3.774	1.062	3.612	0.965	3.62	1.033	.544 (.581)
23	Wrong amount in the slip	4.419	0.879	4.094	1.042	4.085	1.192	2.180 (.116)
24	Poor visibility of statement slip	4.048	1.047	4.059	0.93	3.704	0.916	3.184 * (.043)
25	Balance reduce without cash receipts	4.032	1.055	4.082	1.003	4.000	1.056	.126 (.882)
26	Difficulty in retrieve cards	4.145	0.989	4.247	0.770	4.056	0.715	1.049 (.352)

The part second of the table reflecting significant difference of opinion among respondents belongs to different area of residence regarding 'I am frequently required to travel', 'it does not required to carry cash' at 5 percent level of significance. The part three of the table is reflecting significant difference of opinion among respondents belongs to different area of residence regarding 'Machine

out of cash' 'No printing of statement' and 'poor visibility of statement slip' at 5 percent level. Remaining all other dimensions are similarly perceived by the respondents hence it can be concluded that in three dimensions area of residence has significant impact on various problems faced by respondents regarding ATM services.

4.8 Association with the Bank and Perception of Respondents

'Association with bank' is a significant variable affecting the purchase of ATM services and various problems in use of ATM services. The results of comparison of means across four groups of respondents having association with the bank are less than one year, one to three year, three to five year and five year and above depicted in Table 8.

Apart from "shopping at merchant establishment" and "transfer fund between your own account" all the other dimensions of ATM services display wide variation among the four different groups of respondents at 1 percent and 5 percent level of significance. The mean comparison points out that 'Withdrawal of cash', 'Refill your mobile prepaid cards', 'Shopping at merchant establishment' and 'fueling up vehicle' have emerged non-significant dimension among all the groups, as F values are too less to be significant.

Table 8: Association with Bank and Perception of Respondents

Sr. No.	Level of Awareness and Knowledge	Less than one year		One to three year		Three to five year		Five years and Above		F values
		Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	
Various Transaction through ATM										
1	Withdrawal of cash	2.375	1.408	1.837	0.965	2.020	1.086	2.200	1.164	1.443 (.231)
2	Pay your utility bills	2.500	1.414	3.224	1.462	2.843	1.332	2.727	1.124	1.975 (.119)
3	Transfer fund between your own account	2.750	1.753	3.204	1.207	3.137	1.167	2.627	1.180	3.595* (.014)
4	Refill your mobile prepaid cards	2.875	1.642	3.612	1.272	3.118	1.291	3.064	1.343	2.190 (.090)
5	Stock market/mutual funds transactions	2.875	1.642	3.796	1.354	3.569	1.285	3.527	1.247	1.305 (.274)
6	Donation/charity	4.000	1.414	4.020	1.145	3.725	1.218	3.509	1.217	2.323 (.086)
7	Shopping at merchant establishment	3.125	1.458	3.531	1.309	2.647	1.180	2.873	1.314	4.409** (.005)
8	Fuelling up your vehicle	2.625	1.302	2.959	1.485	2.569	1.082	2.664	1.336	.837 (.475)

Sr. No.	Level of Awareness and Knowledge	Less than one year		One to three year		Three to five year		Five years and Above		F values
		Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	
Reasons for use of ATM cards and services										
9	It is a free service from bank	1.500	0.535	1.673	0.826	1.980	0.860	1.855	0.917	1.437 (.237)
10	I am frequently required to travel	2.000	0.535	2.082	0.838	2.020	0.707	2.136	0.981	1.240 (.869)
11	It does not require to carry cash	2.125	1.246	1.837	0.943	1.941	0.881	1.600	0.757	2.687* (.047)
12	Any time withdrawal	1.500	0.535	1.735	0.861	2.078	0.891	1.782	0.850	2.158 (.094)
13	No queuing	2.000	1.069	1.857	0.791	2.196	0.939	1.900	0.741	1.893 (.132)
14	Reduce risk of cash loss	1.875	0.991	1.714	0.866	2.039	0.894	1.864	0.953	1.041 (.375)
15	Provide mini statements	2.125	1.126	1.694	0.769	2.216	1.137	1.936	0.733	3.146* (.026)
16	Safe transaction	2.000	0.756	1.653	0.723	2.137	0.917	1.982	0.857	2.943* (.034)
17	Easy to use	1.750	0.707	1.633	0.755	2.059	0.925	1.818	0.732	2.509 (.060)
18	Connectivity to other banks ATMS	1.625	0.744	1.98	0.968	2.078	0.821	2.109	0.922	.858 (.464)
Problems while using ATM cards										
19	Cards gets blocked	3.875	0.835	4.122	0.904	3.863	0.895	4.218	0.882	2.042 (.109)
20	Machine out of cash	4.000	0.926	3.612	1.187	3.294	1.238	3.455	1.138	1.185 (.316)
21	No printing of statement	4.375	0.518	3.816	1.149	3.745	1.214	3.682	1.133	.986 (.400)
22	Machine out of order	3.875	1.246	3.98	0.829	3.216	1.101	3.709	0.971	5.408** (.001)
23	Wrong amount in the slip	3.875	1.246	4.531	0.793	4.137	1.020	4.073	1.139	2.471 (.063)
24	Poor visibility of statement slip	4.125	0.991	4.082	0.975	3.941	0.947	3.864	0.981	.669 (.572)
25	Balance reduce without cash receipts	4.25	0.463	4.163	0.85	3.980	1.029	4.000	1.133	.453 (.716)
26	Difficulty in retrieve cards	4.500	0.535	4.224	0.771	4.196	0.825	4.082	0.858	.918 (.433)

The second part of the table is reflecting the association of customers association with bank and various reasons to purchase ATM cards. Out of the total listed ten dimensions three dimension i.e. it does not required to carry cash, provide mini statement, and safe transaction is significant at 5 percent level of significant. Remaining all other dimensions are perceived in similar way by all the association groups, as their t values are not significant.

The last part of table reflects that there is a significant association between association with bank and various problems faced by respondents while using ATM cards out of the total listed eight dimensions only one dimension i.e. 'machines out of order' is significantly associated with various group of association at 1 percent level of significance. Remaining all other dimensions related to the problems while using ATM cards are not significant as their f values are too less to be significant, hence it bring to a close that there is similar opinion of respondents regarding the dimensions.

5. Major findings of the study

- The study found a significant relation between gender and some dimensions related to ATM services such as 'refill mobile prepaid cards', 'free services from bank', 'require travel and need not to carry cash'.
- Education level of the respondents has high degree association with some dimensions of ATM transaction services namely 'pay your utility bills', 'donations/charity', 'shopping and 'fueling up vehicles'. On the other hand association between education level and banking inquires related to ATM services as 'free service from bank side', 'any time withdrawal', 'provide mini statements', 'easy to use', 'machine out of cash' and 'connectivity to other banks' ATM' were also found significant.
- One interesting finding from the paper is that the perceptions of respondents of public sector and private sector banks do not differ significantly.

- Further the study pull out that occupation has a strong bearing on various banking transaction. Where as regarding reasons to buy ATM cards only one dimension namely 'it is a free service from bank' is associated with occupational category.
- The various income groups have significant association with 'withdrawal of cash', 'refill mobile cards', 'shopping and fueling up vehicle' as various transaction are concerned. Further income group differs regarding the reason that 'ATM card is easy to use'. The perception of various income groups differ significantly in case of that 'sometimes cards get blocked', 'machine out of cash' and 'no printing of statement'.
- Regarding various banking transactions there is no association among various age groups of respondents. Regarding banking queries the different age group has significant association with the dimension 'it does not require to carry cash'. The different age group has difference of perception regarding 'machine out of cash', 'no printing of statement' 'wrong amount in the slip', 'poor visibility of statement slip' and 'difficulty in retrieve cards'.
- The dimensions 'pay your utility bills' and 'fueling up your vehicle' has significant association with area of residence. Regarding the various reasons for use of ATM services various areas of residence has significant bearing on the issues that 'I frequently require to travel', and 'not require to carry cash'.
- The mean comparison points out that 'Withdrawal of cash', 'Refill your mobile prepaid cards', 'Shopping at merchant establishment' and 'fueling up vehicle' have emerged as highly weighted dimension among all the groups based on association with the bank. The dimension 'Easy to use' is associated with various groups.
- Further the study reflects that there is a significant relation between association with

the bank and various problems faced by respondents covered under study. While using ATM cards the problem 'Machine out of order' has significant difference of opinion. Remaining dimensions related to problems while using ATM cards are not associated with groups of the respondents, hence it brings to a close that there is similar opinion of respondents regarding the problems while using ATM cards.

6. Implications of the study

The present research paper analyses various important issues related to ATM services. The paper concludes that most of respondents are using ATM only for cash withdrawal and for online shopping. Stock transactions and donations/charity are the least used services of ATM by respondents. So the bank managers and other responsible authorities should effort to improve the various services as various inquiries and transactions used by the customers. In the study a sufficient stressed have been given to various problems faced by the respondents while using ATM services, so the study is useful for the public and private sector banks to confiscate all the problems and provide insight to satisfy the customers in a healthier tactic.

7. Future Research Directions

The present study is limited to Delhi, Gurgaon and Faridabad and only confined to public and private sector banks. The future research can be border in areas and can add the foreign sector because these banks are providing better technological facilities to their customers. The research can add a good literature in terms of comparison among various types of banks and bank specific studies.

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Perspectives

Transition of Indian Society: Post-Liberalization Era

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Abstract

Man is a social animal. Since the inception of the human civilization, the society has been providing the necessary social and financial support during various phases of our life. Social life is highly influenced by the economic activities performed by the people in the society. Indian economy has been developed as an agrarian economy. It helps the Indian societies to form the joint-family system where all the brothers of a family use to stay together to pursue the common economic objectives of the family. Such system has provided an excellent hedge against the risks of premature death and excessive longevity of any member as the burden of the same were shared by the other family members. However, as the economy grew, the industrial progress gradually replaces the agricultural activities. As a result, in search for better earnings, many started migrating to urban areas to get better assignments leaving their caste based familial professions. On the other side, with decreasing birth rate and increasing rate of literacy, many women are entering into the workforce. All these developments have made the positions of the elderly persons in the society as marginalized one. This paper proposes to study the transition of Indian society due to several developments in the Indian economy and corresponding changes in the position of the older persons in the society.

Key Words: Urbanization, joint family system,

Introduction

Since the beginning of the civilization, the human being structured their own society in the form of family. It provides the necessary level of social and financial support at different stages of life. Availability of fertile land, supply of adequate water as well as the knowledge and skill of the people for the agriculture and allied activities helped the Indian economy to commence its progress as an agrarian one. Such economic environment led to the formation of joint family system in India where all the members of a family use to stay together in order to pursue the common economic objective of the family. This fact reduced mobility of the people to negligibly small level, except for the reasons of trade and commerce. A society with joint family system uses to provide suitable umbrella against the risks of premature death and excessive longevity as the burden of the same is distributed among the several members of the family. On the other side, it has also formulated the norms about the nature of intergenerational relationships in a family and the role of every member of the family. As a result, the elderly people are highly respected in the society and use to play the most important role in relation to decision making as regard to the household matters whereas the younger people use to ensure their well being¹.

But with the passage of time, the older people are gradually marginalized one. This paper proposes to study the changes in the Indian society due to various reasons and its impact towards the changing perception of the people towards the elderly persons. The second part of this paper will focus on the process of the incremental urbanization in India and its impact on the society in relation to the changes in the structure of the family. The third part of the paper will elaborate on social impact of the process of globalization of the Indian economy that leads to exponentially rising demand for the specialized professionals from different functional areas. The fourth section will highlight about the increasing participation of the women in the job market and the consequent changes in their role in the society. The fifth section will focus on the changes on the position of the elderly persons in the society owing to the above reasons. The sixth section will assess the impact on the insurance sector with the transition in the Indian society. Finally, in the seventh section, conclusion will be made about the relative changes in the position of the elderly people in the society and its expected impact in the economy.

Incremental Urbanization and its Social Impact

The noted economist Arthur Lewis has provided “an appropriate framework for studying economic development” in his Theory of Economic Growth³. There he has depicted the existence of two sectors in the economy. The first one is agriculture or traditional sector that is dominant, non-capitalist but subsistence in nature to the people. The second one is relatively smaller non-agricultural commercial sector or modern sector but potentially dynamic and expanding with time. The traditional sector is governed by the two groups – landlords and workers where wages are set through the process of bargaining. He has noted the landlords as the savers in the traditional sector while the people from the same group are acting

as the potential entrepreneurs in the modern sector². The relationship among output, consumption, savings and government action was considered seriously from the point of the growth of output, not from the point of view of the growth of output, not the growth of consumption. The growth of output depends on the level of economic activities, degree of knowledge and the amount of capital that is directly related to the availability of natural resources as well as the human behavior. Therefore, it may be considered that the growth is critically dependent on working with higher productivity, application of better knowledge and judicious investment of capital by duly exploiting the opportunities related to trade and commerce³. Based on the differences in growth prospects, he has focused on the reallocation of labor force from the traditional sector to modern sector as a matter of utmost important. The traditional sector was assumed to have the capacity to supply infinite number of laborers to the modern sector as the elasticity of supply was considered to be infinitely high as against any minor change in the wage difference. Lewis believed that this kind of reallocation would continue till the attainment of the turning point i.e. when the labor reallocation will exceed the population growth and the entire economy becomes fully commercialized. However, the modern sector is not capable of absorbing the entire volume of mobilized labor. The degree of absorption critically depends on the supply of capital i.e. the volume of savings and investment channelized to the modern sector that in turn would lead to the generation of employment in the modern sector vis-à-vis catalyzing the process of urbanization in the economy².

The degree of urbanization indicates the level of transformation from traditional rural economy to modern industrial one. It is a continuous and long term process that studies the progressive concentration of population in the urban areas.

The process of urbanization takes place in three different stages. The initial stage is represented by the traditional rural societies primarily dependent on agriculture with dispersed pattern of settlements. In the intermediate stage, the process of restructuring of the economy and investment in the social infrastructure is accelerated in the form of better transportation, communication, healthcare facilities, etc. These factors lead to have more comfortable civic life while the degree of dependence on agriculture gradually declines. At the final stage, the degree of urbanization reaches 70 percent or more and the growth rate of urban population becomes same as that of the total population⁷.

In the Indian context, the process of urbanization has evolved not only with higher degree of concentration of people in large cities and agglomerates but also with wider variations in the pattern of urbanization in various states and cities⁴. Gill and Kharas have observed that there is high degree of positive correlation between the index of city liveability and per capita GDP of the

country. Hence, long-term GDP growth needs the better qualities for the city attributes like, safety, pollution and congestion through better urban economic management. Many countries reached about 50 percent urbanization before getting the status of middle income group whereas the high income countries achieved about 70 – 80 percent urbanization. The pace of urbanization is directly related to industrial growth and so economic development of the country as observed in the developed countries. For India, this process resembles with the most of the characteristics features of the urbanization process with the developing countries. The urbanization process in India might have started during the pre-independence period but the pace of the same has been accelerated during the post-independence era. The availability of better economic opportunities and infrastructural supports are the main reasons that attract the rural people in the urban areas. Therefore, the process of urbanization is of utmost important in order to place the economy in higher growth trajectory.

Table 1: Urbanization in India

Year	1911	1921	1931	1941	1951	1961	1971	1981	1991	2001	2011
Urban Population (in million)	25.9	28.1	33.5	44.2	62.4	78.9	109.1	159.5	217.6	284.5	377
Percent Urban	10.3	11.2	12	13.9	17.3	18	19.9	23.3	25.7	27.8	31.2
Decadal Growth					41.4	26.4	38.2	46.1	36.4	31.2	32.5
Rate of Urbanization					2.54	0.4	1.06	1.72	1.02	0.82	
Number of Towns	1825	1949	2072	2250	2343	2363	2590	3378	3768	5161	7935

(Source: Registrar General of India)

The above table represents that the size of urban India grew from 25.9 million in 1911 to 377 million in 2011, where the percent urbanization has been increased from 10.3 percent to 31.2 percent of the total population during the above period. While the number of towns and urban agglomeration

has gone up from 1825 to 7935 respectively during the above period. The above figures reflect an increasing trend of urbanization and hence India may be considered as at the acceleration stage in relation to the process of urbanization⁷. During the last century, significantly large number of

towns has come up while the city limits are reasonably extended to accommodate large number of rural migrants.

There are broadly three reasons contributing to the process of incremental level of urbanization. These are natural growth of urban population, increasing order of net rural-urban migration and the reclassification of the urban areas with the extension of the municipal boundaries^s. All these components of urban growth are described in the following table:

Table 2: Components of Urban Growth

Percent Share	71 – 81	81 – 91	91 – 01	2001 – 11
Natural Increase	41.7	59.9	59	44
Net Migration + Extension of Municipal Boundaries	39.4	22.6	21	24
Reclassification of Area	18.8	17.4	20	32

(Source: Registrar General of India)

The above table indicates that during 1971 – 81, about 41.7 percent of urban growth was natural, 39.4 percent was due to net migration and the extension of municipal boundaries whereas the reclassification of areas led to 18.8 percent urban growth. While for the next decade, the above reasons contributed by the extent of 60 percent, 22.6 percent and 17.4 percent urban growth respectively. However, the result from 2011 census revealed that due to better degree of birth control, natural increase in urban growth has come down from 59 percent in the decade of 1991 -01 to 44 percent in 2001 – 11 while marginal increase in rural migration has been observed. While major growth of urbanization in India was due to reclassification of urban towns and expansion of the urban agglomerates. Hence, from the above figures, it may be concluded that population explosion led to higher growth of urbanization than due to other causes of growth. However,

many researchers have found that the process of urbanization in India is mainly due to “Rural Push” owing to large scale poverty rather than “Urban Pull” backed with higher degree of industrial growth. Such poverty bound migration has led to very poor quality urbanization in India that is associated with misery, unemployment and rapid growth of slum dwellers those lead to degraded quality of urban life. Moreover, due to the co-existence of rural poverty and urban misery, the urban life cannot be considered to be ‘dynamic’ one that in turn leads to the formation of the larger size of informal sector in Indian economy^s.

Therefore, the urbanization process in India is experiencing two major challenges. The first one is to achieve high growth of productivity activities with economies of scale and better degree of agglomeration. While the second one is to the management of the side effects of urbanization vis-à-vis economic progress leading to city-congestion, regional inequality and rapidly rising real estate prices⁴. Technical Group on Population Projections, appointed by the Planning Commission of India, has estimated that the size of the urban population as percentage of total population will increase up to 32.0 percent by 2011 and 33.7 percent (425 million) by the year 2016 and 41 percent (550 million) by the year 2021⁵. Despite various development programs undertaken by the government like, Integrated Rural Development Program (IRDP), Training of Rural Youth for Self Employment (TRYSEM), Prime Minister’s Rojgar Yojana (PMRY), National Rural Employment Guarantee Scheme under NREGA, etc. the size of rural-urban migration is showing an increasing trend over the decades.

The above mentioned rural to urban migrants are mostly the younger persons. As the rural population is growing, the size of the arable land in India is also gradually decreasing to meet the incremental demand for housing, leading to increasing order of disguised unemployment. The

main objective of migration is to search for more earning opportunities and thereby leading to a better standard of living. In many instances, only one or few members of a family is/are migrating to the urban areas. All the members of a family cannot continue to stay at the same place in urban areas due to higher cost of living as well as the non-availability of suitable accommodation. It is ultimately leading to the disintegration of joint family system. In many cases, it may be observed that these people are leaving their old parents in their respective native places, mostly in the rural areas due to the various reasons¹. Therefore, the degree of protection as was obtained from the joint family system has been declining gradually as the system is gradually eroding. Therefore, in one hand the growth of the industrialization in India gradually catalyzes the process of urbanization but on the other hand, the older people are depriving of invaluable family support system as enjoyed since ancient times³. So, the policy makers should re-look the present systems – formal and informal – of caring the older persons to meet the forthcoming challenges of the “Age Quake”¹⁰.

Social Impact of Globalization

The process of globalization has been commenced from the 1980s with increasing degree of integration in relation to economic activities across the world, especially in the developed countries. Decreasing transportation costs and revolutionary development in Information and Communication Technologies are the main factors that led the globalization process. As a result, the concept of cross border trade, capital flows, technology transfer, etc. have been increased significantly⁹. The process of economic liberalization has been started in India in 1991 and it led to the emergence of capitalism, division of labor and availability of lucrative opportunities. So, the market relationships are emphasized with greater importance than an emotional one¹. Growth of individual importance has led to the erosion of

traditional norms and respect to the elderly persons as well as the authority vested with them. Consequently, the older persons are gradually marginalized owing to the defiance and decline in respect to them. As a result of that, the level of family care likely to be offered to them is concerned to decline with the growth and development of Indian economy¹¹.

Presently, everybody wants to have a rewarding career to have a better lifestyle, leaving the earlier caste based familial professions. It may be evidenced from the rapid growth of the professionals in the Indian job market e.g. the number of Cost and Works Accountants increased from 2,272 in 1970 to 23,061 in 2004 and 55,000 in 2011 (ICWAI), the number of Chartered Accountants increased from 11,227 in 1971 to 96,392 in 2001 to 11,41,516 in 2007 (ICAI), the number of doctors (Allopathy) has gone up from 61,800 in 1951 to 592, 215 in 2002 and 668,131 in 2006 (MCI) etc. According to the Ministry of Human Resource Development, as on March 2005, there were about 16000 colleges and 343 institutes of higher education with 9.3 million students producing 441,000 technical graduates, 2.3 million graduates and 300,000 post graduates in every year. English is the most widely spoken foreign languages in India that is having the highest degree of proficiency among the educated persons. Hence, the knowledge workers in India are playing a dominant role through the BPO and KPO businesses across the world¹¹. They are making significant contribution in national income in terms of international trade and hence became the most significant growth catalyst for the Indian economy. All these are due to favorable demographic profile and the presence of a large number of well trained English speaking persons in India¹¹. The revenue from the BPO sector grew to US\$88.1 billion (6.4 percent of GDP) in FY2011 by generating direct and indirect employment to the extent of 10.8 million and the

same is expected to reach US\$130 billion (7 percent of GDP) by the FY2015 providing an employment opportunities for 14.3 million directly and indirectly. With the development of more than 3000 Software Technology Parks of India (STPI), the IT-BPO sector is no longer limited to the big cities rather these are extended in the small towns. Hence, the image of India has been changed drastically from bureaucratic country to an economy of tech-savvy innovative entrepreneurs offering internationally acclaimed technology solutions and business services¹². Corresponding to the increasing demand of skilled man-power, the country is also producing incremental number of engineers associated with this sector as follows:

Anglo-Saxon system that advocates passing the obligation of caring the old parents to the younger children as it may destroy the family bond of love and affection, thereby leading to high level of social crisis. The pragmatic change in the life philosophy of renouncing mode to acquisition mode during the old age is a sheer mismatch as per Indian ethos. Hence, we should not imitate the concepts of "Proton Family" (Single Parent) or "Mason Family" (No Parent) system in the western societies that are similar to the emergence of the concept of Nuclear Family system. Rather the social thinkers and government should further strengthen the family and community bonds through several festivals in order to protect and

Table 3: Employment Opportunities in IT Software and Services

	2004	2005	2006	2007	2008
No. of Engineering Graduates	316,000	365,000	441,000	501,000	536,000
Degree (Four Years)	139,000	170,000	222,000	270,000	290,000
Diploma and MCAs (Three Years)	177,000	195,000	219,000	231,000	246,000
No. of IT	179,000	201,000	246,000	280,000	303,000
Engineering IT Graduates (Degree)	84,000	102,000	133,000	162,000	180,000
Engineering IT Graduates (Diploma)	95,000	99,000	113,000	118,000	123,000

* IT Professionals include Computer Science, Electronic and Telecom Professionals

(Source: NASSCOM)

Consequently, the mobility of the people has increased manifold to meet the requirements of the augmenting areas of production and services sectors. Therefore, the traditional joint family system is getting fragmented resulting in the formation of the nuclear families¹. However, the family bond, extended family relationships and community connections are still stronger in the Indian society as compared to the western one. Therefore, we should not move to rule based

encourage social capital for the caring of the elderly persons in the Indian society¹⁰.

Changing Role of the Women

Since ancient days, motherhood is considered to be the supreme role of the Indian women that is religiously performed and socially celebrated by offering highest degree of respect to mother and mother land. So, the women use to play the most crucial role as traditional caregivers, especially to

the children and aged persons in the family¹. But with globalization, the intra-household responsibilities for males and females have been changed. The women are undertaking the responsibilities for the survival and financially well-being of the entire family while the men are no longer the sole provider of financial supports for the family¹⁴. With the reduction of the number of children, parents are taking extra care for the higher education of the girl child. Consequently, being influenced by western thoughts and knowledge, Indian women are also engaged themselves in the feminism and started movement for liberalization and against gender discrimination¹³. Increasing social awareness, higher level of education and continuous economic progress are removing gender bias in the society with the expectation for improved

their family incomes but also to use their mental abilities in constructive and creative manners.

The following table shows the participation of women in the organized sectors in India:

The above table shows that the total employment opportunities in the organized sector have been fluctuating from 27.96 million in 2000 to 26.44 million in 2004 and thereafter gradually increased to 29.00 million in 2011. Contrary to that trend, the number of female employees has registered a consistently rising trend from 4.92 million in 2000 to 5.95 million in 2011. The similar type of data may be obtained for the unorganized sector in India. As more and more women are joining the work force of the country, it is concerned to affect their care-giving roles significantly due to the increasing opportunity cost of their time. In the

Table 4: Incremental Women Employees in the Organized Sector

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Employment	27	26.44	26.46	26.99	27.28	27.55	28.17	28.71	29
Male Employees	22.03	21.51	21.44	21.87	21.96	22.04	22.59	22.85	23.05
Female Employees	4.97	4.93	5.02	5.12	5.31	5.51	5.58	5.86	5.95
Female Employees	18.4	18.6	19	19	19.5	20	19.81	20.41	20.52

(Note: For the first three rows, the figures are in million while the last row represents the percentage of female employees in the organized sector)

Source: Economic Survey of India various issues; Ministry of Finance, Government of India.

status of the women. As a result, the role of the Indian women has been redefined with the changes in their traditional attitudes in the society. The Indian women have proved their professional skills in almost every areas like, science, technology, sports, law makers, law protectors, medical, journalism, etc. where men had the strongest presence earlier. The women are considered to be an important resource and strength to the economy¹⁴. Thus, increasing number of women are joining the workforce not only to utilize their knowledge and to enhance

Indian societies, neither the formal home care facilities at very large scale exist nor can the working women avoid their moral responsibilities ensuring reasonable care for the elder members of the family. Hence, higher level of physical pain and mental strain for the Indian women cannot be rule out in future days. But the old people deserve adequate care and emotional support during the last part of their life. Those expectations can only be met with reasonable cost to the individuals as well as to the society. So, it should be considered as a tougher challenge to the society

to develop viable solution for the forthcoming problem that should be sustainable in the long term.

In consequent to the above developments, the older people are experiencing drastic changes in the physical and socio-economic environments. Their positions are gradually marginalized in smaller families, especially in the decision making process, though their opinions were seriously followed earlier. So, the so-called family institution that use to look after the elderly persons, widows, sick and orphans has brought a new challenge to the society as a whole¹. Increasing number of older persons and the transition in the social environment may probably increase the proportion of the destitute among the aged persons¹⁵. These factors are also leading to the need to construct large number of old age homes in India so as to enable the older people to enjoy the concluding part of their lives in a friendly environment. The impact of the above factors may be observed in the living arrangements of the elderly Indians as shown by the National Family Health Survey 1 and National Family Health Survey 2, as given in the Appendix 1 conducted by the International Institute of Population Studies, Mumbai, as an assignment under the Ministry of Health and Family Welfare, Government of India, during the years 1992-93 and 1998-99¹.

Social Life of the Older Persons in India

Since the ancient era, the traditional norms and values in the Indian society have provided special provisions to show respect and to take care of the older persons in the society. However, these are changing due to various reasons¹⁶. Consequently, the elder persons are increasingly perceived as the burden to the society as they are inactive economically. Fast changes in the family system and reducing number of children are considered to be the constraints for the availability of kin

support to the older persons¹⁷. The government may be complacent about the continuity of joint family system and traditional values in order to provide the social security system. But as the system is gradually waning, the alternatives should be considered¹. The size of the old age persons increased from 19.6 million in 1951 to 76.6 million in 2001. As per the projection of the United Nations, these figures will increase to 112 million in 2015 to 316 million in 2050¹⁸. Due to the trend of population ageing, the older people in India are facing a number of problems and constrained to adjust with the same. These problems include the absence of social and income security, loss of social role and recognition for their activities as well as the lack of opportunities for the creative works. These problems vary depending on age, socio-economic status, health condition, living status, etc.¹⁶ In Census 2001; it has been observed that 40.3 percent of the older persons are still participating in labor force, mostly in the rural areas. Out of the entire elderly population, 60.2 percent of elderly men and 20.9 percent of aged women are working. However, the degree of participation varies among major states as has been observed to be the highest in Nagaland and the least in Goa due to the type of job available. Many older persons in the developing countries are forced to work to earn their livelihood due to the non-availability of any regular income to them¹⁹. As per NSSO 1998, about 50 percent of the elderly are dependent on others totally while about 20 percent are partially dependent. As per NFHS II (1998 - 99), about 86.7 percent are living with their families where the living arrangement, economic security and physical well-being are largely contingent on the family income¹⁶.

The problems of an ageing is not limited to an individual but to the entire society as experienced by the developed and developing nations. The aged persons are considered to have better skill, knowledge, wisdom and experience than the

younger ones. All these qualities may be exploited in order to produce more with better quality at cheaper price. However, few consider that the aged persons are problematic to the society as they experience diminishing power, prestige and privileges with the advancement of ages in the society due to the loss of memory power and physical strength. Consequently, the older persons are perceived to be weak, indolent and calm in nature as against the perception of smart, dynamic and courageous nature of the younger people. So, the older persons should be gradually disengaged from their duties by restricting their scope of employment and commitments in relation to the important tasks of the society. The modern societies have comparatively less use for older people in the pre-industrial and industrial societies. Hence, there is a necessity not only for the creation of separate identity for the aged persons but also to offer the relevant degree of privileges in socio-economic, political and psychological aspects to

these people. It may be done through incremental consciousness about the ageing process and also by arranging the adequate volume of social security measures. In addition to these, one may redefine the roles and responsibilities of the aged persons by replacing the existing ones in order to improve the degree of life satisfaction. In this regard, one may also define and delineates new environment where they will be freely allowed to set their own goals and objectives to be active in their lives.

Impact on the Insurance Sector

Due to higher rate of literacy and better spread of higher education among the masses, the degree of awareness regarding the need for the insurance coverage and requirement of old age income security is gradually increasing. Understanding the requirements of higher degree of insurance penetration among the common people in India, Government of India constituted the Malhotra

Table 5: Insurance Penetration and Density in India

Year	Life Insurance		Non-Life Insurance		Insurance Industry	
	Density	Penetration	Density	Penetration	Density	Penetration
2001	9.12	2.15	2.4	0.56	11.5	2.71
2002	11.7	2.59	3	0.67	14.7	3.26
2003	12.9	2.26	3.5	0.62	16.4	2.88
2004	15.7	2.53	4	0.64	19.7	3.17
2005	18.3	2.53	4.4	0.61	22.7	3.14
2006	33.2	4.1	5.2	0.6	38.4	4.8
2007	40.4	4	6.2	0.6	46.6	4.7
2008	41.2	4	6.2	0.6	47.4	4.6
2009	47.7	4.6	6.7	0.6	54.3	5.2
2010	55.7	4.4	8.7	0.71	64.4	5.1
2011	49	3.4	10	0.7	59	4.1

Explanations:

* Insurance density is measured as ratio of premium (in US Dollar) to total population.

* Insurance penetration is measured as ratio of premium (in US Dollars) to GDP (in US Dollars).

* The data of Insurance penetration is available with rounding off to one digit after decimal from 2006. (Source: IRDA Annual Report 2010-11)

Committee in the year 1994 to suggest about the changes in the policy framework required in order to open the Indian Insurance Industry to the domestic and multinational companies. Consequently, following the passage of the IRDA Bill in December 1999, many players started entering in this field to grab a certain share of the growing markets and hence to earn better profitability. In the year 2012, IRDA has registered about 24 life insurance companies, 27 non-life insurance companies and one Re-insurance company. Entry of many insurance companies in the Indian market has led to incremental insurance penetration and increasing insurance density in the Indian economy.

As per the observations from the above table, the insurance density has gone up from 11.5 in 2001 to 59.0 in 2011 – more than five folds increase in a span of one decade. During the above period, the level of insurance penetration has gone up from 2.71 to 4.10. These figures indicate the incremental spread of insurance coverage among the people. This is attributable to the relentless efforts of the marketing personnel of all the insurance companies as well as the competitive environment emerged following the passage of the IRDA Bill 1999.

According to IRDA, for the life insurance, individual single premium and non-single premium collections have increased gradually

from Rs.109.99 billion and Rs.198.89 billion as on March 2006 to Rs.358.74 billion and Rs.467.81 billion as on March 2011 respectively. In the same trend, group single premium and group non-single premiums have gone up from Rs.44.06 billion and Rs.6.04 billion to Rs.263.57 billion and Rs.168.14 billion respectively during the same time period. Consequently, the number of policy issued against individual single premium and individual non-single premium has also gone up from 26.97 lakh and 327.44 lakh as on March 2006 to 55.94 lakh and 425.27 lakh respectively. While in case of group insurance coverage, the number of lives covered has gone up from 123.29 lakh and 28.52 lakh lives as on March 2006 to 281.17 lakh and

552.09 lakh as on March 2011 against the collections of group single premium and group non-single premium respectively²⁰. All the figures are showing the incremental awareness of the people in relation to the requirement of insurance coverage. As the joint family system is gradually diminishing from the system, the availability of traditional support system is also eroding correspondingly. With the entry of more number of women in the workforce, due to the reduced number of children in the family and with rising per capita income, people are enjoying higher consumption power which helps to have better affordability in relation to life insurance coverage.

Table 6: Growth of the Insurance Sector in India (Annual Premium Underwritten)

Nature of Premium	11-Mar	10-Mar	9-Mar	8-Mar	7-Mar	6-Mar
Individual Single Premium	358.74	296.78	247.34	287.71	235.46	109.99
Individual Non-Single Premium	467.81	520.56	446.88	497.82	379.23	198.89
Group Single Premium	263.57	214.89	137.39	118.72	124.22	44.06
Group Non-Single Premium	168.14	60.68	39.47	25.64	15.16	6.04

(Figures are in terms of Rs. billion)

Table 7: Growth of the Insurance Sector in India (Number of Policies/Schemes)

Nature of Premium	11-Mar	10-Mar	9-Mar	8-Mar	7-Mar	6-Mar
Individual Single Premium	55.94	67.49	59.5	84.41	67.17	26.97
Individual Non-Single Premium	425.27	464.47	449.48	424.08	394.11	327.44
Group Single Premium	0.2	0.25	0.22	0.23	0.21	0.18
Group Non-Single Premium	0.1	0.04	0.03	0.02	0.02	0.03

(Figures are in terms of lakh)

Table 8: Growth of the Insurance Sector in India (Group Insurance Coverage)

Nature of Premium	11-Mar	10-Mar	9-Mar	8-Mar	7-Mar	6-Mar
Group Single Premium	281.17	427.02	342.5	286.89	151.81	123.29
Group Non-Single Premium	552.09	379.91	194.12	62.97	47.37	28.52

(Figures are the number of lives in terms of lakh)

Conclusion

In the above discussions, we have observed about the social transition of India due to incremental urbanization owing to increasing migration of the rural people in order to earn better livelihood. In one hand people are leaving their caste based familial professions while on the other hand everybody is looking for a lucrative career for their working life. These factors lead to the breakage of the joint family system that in turn dissolving the traditional support system for the elderly persons. Presently, increasing number of educated women is joining the workforce not only to earn more but also to have a challenging career to achieve self esteem. As a result of that, the care giving role of the women is being seriously affected as they are supposed to compromise judiciously to manage the stress associated at the place of work and at the home. Hence, India should consider some alternative arrangement for arranging the long-term care for the growing number of old age population. We may think for some institutional system as has been observed in the earlier days where the

elderly use to stay in the pilgrimage centers during their last few years. Considering their well being, rich people as well as the rulers of ancient India used to spend significant amount of their earnings¹⁰. In one hand, the government should also offer some economic benefits to the younger sons and daughters for assuming the responsibilities of taking care of their old parents. However, in many cases such an opportunity may not be available due to the decreasing number of kids, many of whom may not be living with the parents due to some obligations or with the couples without any kid. In these cases, institutional support in the form of old age homes under the supervision of the Ministry of Health and Family Welfare will be of great help for the older persons. As it will help them to socialize themselves with the people of similar age and same types of social strata while they will be cared by the professional care providers. This will definitely bring happiness and mental satisfaction to these people at the concluding stage of their lives.

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Appendix 1
Living Arrangement for the Aged Indians

Characteristics	Observations in NFHS 1 (1992-93)				Observations in NFHS 2 (1998-99)			
	Alone	Two members HH (both aged)	2 or more generation	Others	Alone	Two members HH (both aged)	2 or more generation	Others
Male:								
Age:								
60-64	1.09	5.19	90.6	3.16	1.6	7	88.4	3.2
65-69	1.3	6.22	88.6	3.87	1.4	9.8	85.4	3.3
70-74	1.87	7.55	85.7	4.88	1.8	10.6	84.2	3.4
75-79	1.79	7.9	85.6	4.74	2.3	11.6	83	3.1
80 +	2.14	6.58	88.1	3.19	1.6	7.2	87.3	3.8
Residence:								
Rural	1.42	6.37	88.4	3.8	1.6	9	86.1	3.3
Urban	1.5	6.09	88.6	3.8	1.8	8.3	80.6	3.2
Literacy:								
Illiterate	1.64	6.46	90.6	3.61	1.5	9.4	85.5	3.4
Literate	1.23	6.11	86.3	4.05	1.8	8.3	86.8	3.1
Total	1.44	6.31	88.4	3.8	1.6	8.9	86.2	3.3
Female:								
Age								
60-64	2.41	4.07	90.3	3.19	3.9	6.7	86	3.5
65-69	3.03	4.99	88.3	3.72	4.2	6.7	85	4.1
70-74	4.47	3.43	88.8	3.31	5.4	3.7	86.8	4.1
75-79	3.16	3.39	90.7	2.79	5.1	3.1	89.1	2.8
80+	3.55	0.74	93	2.69	4.2	1.4	91.7	2.7
Residence:								
Rural	2.76	3.06	91.4	2.78	4.6	5.7	86.1	3.6
Urban	2.59	2.91	91.2	3.26	3.5	4.5	88.5	3.5
Literacy:								
Illiterate	4.64	5.12	85.7	4.55	4.7	5.3	86.6	3.4
Literate	2.04	2.37	92.1	3.5	2.7	5.1	78.8	4
Total	3.43	3.82	89.1	3.67	4.4	5.4	86.7	3.6

Perceived fairness of employees in Performance Appraisal System: with reference to Indian Public and Private Sector Banks

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Abstract

Performance appraisal (PA) is an important human resource tool which provides information to many critical human resource decisions such as training and development needs, compensation and benefits, layoffs, staffing, pay raises etc. Though Performance appraisal system was devised to facilitate the better functioning of the organization but at the same time it has been generating dissatisfaction among employees and is often viewed as unfair and ineffective. Widespread frustration and dissatisfaction with performance appraisal has challenged researchers and practitioners in both the private and public sectors to evaluate the effectiveness of performance appraisal systems. Evaluation of the success of a performance appraisal system is recommended as part of the system implementation and management process. However, comprehensive research of the evaluation of performance appraisal system in a field setting is scarce.

Though few studies which have been conducted, points out employee perception of fairness of performance appraisal, as a significant factor in employee acceptance and satisfaction of performance appraisal. Thus it becomes important to study the perception of the employees about the fairness of the performance appraisal practices in their organization. This study seeks to understand how perceived fairness in the performance appraisal process affects employees' satisfaction. The perception of fairness on performance appraisal was discussed and analyzed in the light of

theory of organizational justice; Greenberg's taxonomy of four-factor model of organizational justice was taken as a theoretical framework. Better understanding of the perceptions of the fairness based on the concepts of systemic, configural, informational, and interpersonal justice of performance appraisal and related employee reactions to such systems should provide decision makers with more specific information needed to improve the effectiveness of the system in achieving organizational goals

Keywords: perception of fairness; performance appraisal; public and private sector bank

1. The Changing Landscape of Indian Banking

Indian banking has entered the new era of technology-enabled and customer-centric banking. It is bracing itself to catch up with the global trends in banking – in the matter of up-gradation of service quality standards, provision of multiple delivery channels, newer innovations in products and services and provision of financial services beyond the traditional boundaries of banking. Whilst pursuing these endeavors, Indian banking continues to readjust itself to the demands and compulsions of evolving global prudential standards. In this journey, the banking sector is supported by a robust supervisory system.

While reforms in the matter of financials, technology, supervisory system, etc, have been pursued with vigor in the last couple of years and

have taken deep roots, reforms in the area of HR have been lagging behind. In the past few years, Indian banking has witnessed radical transformation in the way it operates. This is only the beginning of the journey. For successfully operating in the new banking order, they need to build new capabilities. For pursuing frontline excellence, they need to redefine and readjust the roles and responsibilities of the frontline organization and the staff. Retraining and re-skilling of employees in tune with the new requirements would also have to be afforded prime place in the organizations' agenda.

In tune with the paradigm shift in Indian banking, the HR function in the banks has to extricate itself from the mode in which it found itself over the last four to five decades. As the market has changed, the customer too has changed, customer expectations have taken new forms, and people policies also have to change, as it is the people who will be the key differentiators in the new era. Together with financial capital and technology capital, human capital contributes to the capabilities of the banking organizations.

Moreover with the arrival of new private and foreign banks the force of competition have intensified on the Public sector banks, it has given them a cause to be more competitive, effective and innovative in their approach. There exists a vast literature that distinguishes the working of public sector banks from private sector ones. One such report by McKinsey & Company (2007), in their study, highlighted the clear divide between the performance of attackers (new private and foreign banks) and incumbents (public sector and old private sector banks). It indicates that in between 2000 and 2007, attackers have increased assets from 12 to 26%, profits from 21 to 32%, and market capitalization from 37 to 49%. Apart from this, the study posits that attackers also excel in corporate leadership, marketing and sales, distribution efficiency, IT, credit policy, and skills

as compared to incumbents (McKinsey & Company 2007).

Besides the competitive, strategic and technological differences that exist in public and private sector banks, differences have been observed with respect to performance appraisal practice. New private banks are introducing newer approaches to regulate and measure their employees' performance. Appraisal mechanisms like, 360-degree feedback and balanced score card (BSC) are being used in new private sector banks, whereas most of the public sector banks are still adhering to the traditional and highly confidential way of doing appraisals (Juneja, Shankar and Bhattacharya 2007). Apart from that, performance appraisals are not linked with pay and promotion decisions in public sector banks and thus are not perceived as motivating by employees. It has been regarded as one of the processes generating maximum dissatisfaction among employees (Rao 2004). A kind of general apathy has been observed among employees and employers toward performance appraisal and the need to conduct employees' perception studies has been felt.

Furthermore, there is a dearth of studies which relate performance appraisal with issues of fairness in the Indian context (Agrawal and Gupta 2007). Therefore, the main objective of the study was to study the differences between public and private sector banks with respect to perception of fairness of the performance appraisal system and employees' satisfaction with performance appraisals.

2. Theoretical Perspectives

2.1 Satisfaction from Appraisal System

Employee satisfaction towards performance appraisal has been the most frequently measured (Keeping and Levy, 2000) and it has been primarily conceptualized in three ways: (a) satisfaction with the performance appraisal interview, (b)

satisfaction with the appraisal system, and (c) satisfaction with performance ratings. Keeping and Levy (2000) argued that it is necessary to address employees' reactions toward their performance appraisal for many reasons, including (a) the notion that reactions represent a criterion of great interest to practitioners and (b) the fact that reactions have been theoretically linked to determinants of appraisal acceptance and success but have been relatively ignored in research.

Pettijohn, Pettijohn and Taylor, (2000) indicate that appraisals can have a positive impact on job satisfaction when employees believe that they are being evaluated by the "proper" criteria. This finding makes a strong case for the implementation of either salesperson participation in the development of the evaluation criteria used or for managers to communicate the "logic" underlying their use of specific criteria in the evaluation process. Boswell and Boudreau, (2000) investigate how perception of performance appraisal use relates to employee satisfaction with both appraisal and appraiser. They bring renewed support for the importance of individual development in the performance appraisal process and focused on employee perceptions of performance use, thus the result support the importance of employees perceiving developments as part of the performance appraisal process.

Organizations should perhaps make the developmental aspect of the performance appraisal process clear so employees understand and believe that a primary purpose of their performance appraisal is for job and career development.

Jaworski and Kohli (1991) identify other benefits that can be obtained from performance appraisals. Among these benefits are increases in role clarity, performance, and job satisfaction. Given the positive returns obtained from performance

appraisals, one could reasonably expect that organizations would devote considerable resources to the appraisal process.

Correspondingly, it may be anticipated that managers try to make certain that the dimensions of the appraisal process are known, understood, and supported by the participants. Contrary to expectations, research has indicated that performance appraisals are often conducted on only annual and perhaps perfunctory basis. (Morris et al., 1991) contend that most managers fail to use the evaluation process to its fullest potential in motivating employees.

In one study, Jawahar (2006) reported that satisfaction with appraisal feedback was positively related to job satisfaction and organizational commitment and negatively related to turnover intentions. Blau (1999) also reported that employees' satisfaction with performance appraisal system significantly affected overall job satisfaction. In his study, Blau (1999) measured general satisfaction with appraisal and not satisfaction with appraisal feedback. Ratees who are satisfied with the appraisal process, especially with appraisal feedback, should have higher levels of commitment. In summary, theoretical arguments and empirical evidence suggests satisfaction to be among the most important of reactions to the appraisal process.

2.2 Fairness in Performance Appraisal

Understanding fairness or organizational justice in performance appraisal process and practices is extremely important for organizations because of its relationship with employees' job satisfaction and organizational commitment and, subsequently, their propensity to search for another job.

Employee perceptions of fairness of performance appraisal have been shown to be linked to

satisfaction with the system. Fairness of performance appraisal has been studied by a number of researchers over time. In their review of performance appraisal research Bretz, Mikovich and Read (1992) indicated that the most important performance appraisal issue faced by organizations is the perceived fairness of the performance review and the performance appraisal system. Their findings suggested that most employees perceive their performance appraisal system as neither accurate nor fair. Skarlicki and Folger (1997) suggest that the appraisal process can become a source of extreme dissatisfaction when employees believe the system is biased, political or irrelevant. A major problem for organizational leaders is that the performance appraisal process and the performance evaluation system are often perceived as both inaccurate and unfair (Latham & Wexley, 1981).

Ahmed (1999) investigated the measure of effectiveness that a state agency uses to assess its performance appraisal function. Some of the criteria for assessment as suggested by the respondents included impact on employee motivation, employee satisfaction with the system, employee's perception regarding fairness and objectivity, and the degree to which it provides adequate and valuable feedback.

Gabris and Ihrke (2000) reported that leadership credibility of immediate supervisors is significantly associated with whether employees perceive performance appraisal systems as procedurally fair and instrumentally just and appropriate. Boswell & Boudreau, (2000) found a significant positive relation between employee attitudes and procedurally just performance appraisals and underscored the importance employees place on fairness.

The literature as well as the direction of recent research indicates that employee reactions towards performance appraisal variables or the

satisfaction from performance appraisal system is dependent of the amount of fairness they perceive in it.

2.3 Organizational Justice Theory

Organizational justice may be defined as the study of fairness at work (Byrne and

Cropanzano, 2001). Organizational justice researchers generally agree that fairness can be divided into two primary types with a third, less clearly defined type often proposed. The first commonly accepted type of justice is referred to as *distributive* justice. Distributive justice considers the fairness of the outcomes of a particular decision. *Procedural justice*, the second type, is generally defined as the fairness of the process that leads to the outcome. These two areas form the backdrop of majority of research conducted in the field in the last twenty years (Byrne & Cropanzano, 2001). A third type of justice is often referred to as *interactional* justice. Beyond distributive and procedural justice, the third form of justice proposes that the quality of interpersonal treatment received during the enactment of organizational processes and distribution of organizational outcomes is an important contributor to fairness perceptions. These researchers contend that interactional justice can be understood as separate from procedural justice on the grounds that it represents the enactment of procedures rather than the development of the procedures themselves.

The study of interactional justice focuses on how formal agents of the organization treat those who are subject to their authority, decisions, and actions (Cobb, Wooten & Folger, 1995). Early studies of interactional justice focused on the social accounts or explanations that agents (most often leaders) gave for their decisions and actions (Bies, 1987).

The concepts of procedural and distributive justice are relatively well accepted in the study of

organizational justice. The third component of justice, the interpersonal, social or interactional factor, is acknowledged, but is not integrated consistently in the formulation of justice models. Researchers have proposed a variety of models ranging from the two-factor distributive and procedural factor model excluding interactional type justice to two and three factor models incorporating interactional justice as part of procedural justice or as a standalone component. Greenberg's four-factor model is an additional proposition that may help researchers and practitioners in sorting through the complex issues of performance appraisal.

Greenberg (1993) emphasized the need to consider more fully the social determinants of fairness that were not recognized by the prevailing emphasis on the structural aspects of outcome of distributions and procedures. He proposed taxonomy of justice classes formed by cross cutting the two commonly accepted categories of justice, procedural and distributive, with two focal determinants, social and structural. The distinction between social and structural determinants is based on the immediate focus of the just action (Greenberg, 1993). Structural determinants reflect the situation whereby justice is sought by focusing on the environmental context in which the interaction occurs. Structural determinants ensure fairness by structuring a decision-making context. The social determinants

of justice focus on the treatment of individuals and help ensure fairness by focusing on the interpersonal treatment one receives. Greenberg's four proposed classes of justice include: systemic (structural-procedural); configural (structural-distributive); informational (social-procedural); and, interpersonal (social-distributive).

The concepts of procedural and distributive justice are relatively well accepted in the study of organizational justice. The third component of justice, the interpersonal, social or interactional factor, is acknowledged, but is not integrated consistently in the formulation of justice models. Researchers have proposed a variety of models ranging from the two-factor distributive and procedural factor model excluding interactional type justice to two and three factor models incorporating interactional justice as part of procedural justice or as a standalone component. Greenberg's four-factor model is an additional proposition that may help researchers and practitioners in sorting through the complex issues of performance appraisal.

Description of the perceptions of fairness allocated across the four categories may provide practitioners with valuable information to better manage the complex system of performance appraisal. Figure 1, shows Greenberg's four-factor taxonomy of justice as applied to performance appraisal.

		Procedural Justice	Distributive Justice
Structurally Determined	<i>Systemic Concerns about procedures to assign raters, set criteria, gather information and seek appeals</i>		<i>Configural Concerns about the norms that lead to ratings and the</i>
Socially Determined	<i>Informational Concerns about the way raters communicate with their ratees.</i>		<i>Interpersonal Concerns about the treatment that ratees receive from their raters.</i>

Figure 1: Greenberg's (1993) Taxonomy of Justice Perceptions Applied to Performance Appraisal (Thurston, 2001)

Thurston (2001) developed ten scales to reflect Greenberg's (1993) four-factor taxonomy of justice. These scales were allocated to each factor according to Thurston's (2001) interpretation of Greenberg's theory. The study included measurement of employee perceptions of the fairness of performance appraisal based on a hypothesized four-factor model of organizational justice (Greenberg, 1993) as operationalized by Thurston (2001). The relationships of these perceptions to employee reactions indicating satisfaction with key components of performance appraisal were investigated.

Based on the above stated literature, the study draws the following hypothesis:

H1: The perceived fairness in the system positively impacts the Satisfaction of employees from Performance Appraisal.

3. Methodology

3.1 Sample organizations

The data were collected from two banks belonging to public sector and a private sector. Purposive sampling method was used to select different banks with different performance appraisal practices. Other public and private sector banks were also approached for the purpose of data collection; however, final selection of the banks was made on the basis of the permission granted by the banks to collect information and data.

3.2 Participants

The total sample of 300 managerial and executive staff members was taken, 150 questionnaires were circulated among the public sector relevant bank employees and 150 questionnaires were circulated among the private sector relevant bank employees. Out of them the response figure was 123 public sector bank employees and 97 private sector bank employees. The total number of respondents compounded to 220. The response rate was 73.33%.

3.3 Procedure

Information on performance appraisal practice was collected by distributing questionnaires to the

bank employees. Employees were personally approached and given the questionnaire. In many cases, respondents were called in the conference room and briefed about the study and were requested to fill the questionnaire and confidentiality was assured. The questionnaires were personally distributed to and collected from the managers from different branches of the respective banks.

3.4 Measurement of variables

3.4.1 Satisfaction from the Performance appraisal system

Employee satisfaction with the Performance Appraisal system was measured with four items adapted from Greller (1978). These items include: "I am satisfied with the evaluation," "I am satisfied with the feedback I received from my supervisor," "The overall process is capable enough to measure all the efforts that I put in my job". Respondents rate this parameter using a five point Likert type scale, anchored 1 (strongly disagree) and 5 (strongly agree). The content validity of the scales for use in this study was further established through use of an expert panel consisting of human resources department staff, representatives of other departments familiar with the performance appraisal system.

3.4.2 Perceived Fairness in system

The items and scales utilized in this study to measure perceptions of performance appraisal fairness are based on Greenberg's (1993) four-factor model of organizational justice. The four factors include systemic, configural, informational and interpersonal aspects of justice. Systemic (structural-procedural) and configural (structural-distributive) justice perceptions include structural dimensions of performance appraisal practices.

Informational and interpersonal include the social aspects of performance appraisal. Perceptions of fairness were measured on a five point scale with 1 = strongly agree; 2 = agree; 3 = neither agree nor disagree; 4 = disagree; and, 5 = strongly disagree.

4. Findings

4.1 Demographic Profile of the respondents of the study

In all 300 questionnaires were administered from which 259 were filled and returned. Out of those 259 questionnaires only 220 were utilized for interpreting the results of the study because rests of them were not completely filled. The Demographic characteristics were summarized using frequencies and percentages for all variables including: type of Bank to which the respondent belongs, age, number of years with the bank, number of years in the current job and educational level, familiarity with the existing performance appraisal system. Tables below contain the details of demographic characteristics of respondents.

Table1: Bank wise composition of respondents

Type of Bank	Number of Employees	Percentage
Public Sector	124	56.3
Private Sector	96	43.63

Table 1 depicts the composition of respondents based on their association with the type of bank (public sector bank/ private sector bank) according to this table 124 respondents from the entire sample were associated with various public sector banks and 96 were from private sector bank.

Table 2 Age Group of respondents

Age Group	Number of Employees	Percentage
18 - 26 years	41	18.6
26 - 40 years	73	33.1
41 - 50 years	68	30.9
51 - 60 years	38	17.2

According to Table 2, out of the total sample size considered for study, 18.6% people falls in the age group of 18-25 years, 33.1% belong to the age

group of 26-40 years. 30.9% of the people taken as sample were in the age group of 41-50 years. Only 17.2 % of the sample size falls in the age group of 51-60 years.

Table.3 Number of years of association with the present bank

Number of Years of Association	Number of Employees	Percentage
Less than one year	2	0.009
1-3 years	40	18.1
4-6 years	70	31.8
7- 9 years	64	29.09
≤10 years	44	20

Table 3 depicts the Number of years of association of employees with the present bank. Out of the total sample size 31.8% of the people had 4-6 years of experience with the present bank in which they were working and 29.09% of the sample had 7-9 years of experience. 20% people had more than 10 years of association with present bank .only .009% of the people had less than one year of experience.

Table 4 Number of years on the current designation

Number of Years on current designation	Number of Employees	Percentage
Less than one year	16	7.2
1-3 years	152	69
4-5 years	52	23.63
6-10 years	0	0
More than 10 years	0	0

Table 4 depicts that 69% of the sample size was on the same designation from past 1-3 years and 23.63% were on same position from past 4-5 years while only 7.2 % of the sample was on the same position for past one year.

Table 5: Familiarity with Appraisal System

Response	Number of Employees	Percentage
Yes	183	83.1
No	37	16.8

Table 5 reflects that out of the total sample size 83.1% of the population was familiar with the performance appraisal system in their respective organizations and 16.8 % people were unaware of it.

Table 6: Education level of Respondents

Education Level	Number of Employees	Percentage
High School	0	0
Graduate	37	16.8
Post Graduate	135	61.3
Professionally Qualified	48	21.8

Table 6 portrays that out of the total sample size 61.3% of the population was Post Graduate 16.8 % were graduate and 21.8 % people were professionally qualified.

4.2 Scale Reliability Analysis of Variables

The reliability of composite variables is presented in Table 2. Hair et al. (2009) suggested that usual lower limit for Cronbach alpha is .70. Table 7 below depicts, all the variables were having Cronbach alpha of more than .70 So all the variables listed below are significantly reliable

Table 7: Cronbach's Alpha, Mean, and Standard Deviation of all variable

Items	Cronbach's Alpha	Mean	Std. Deviation
Systemic (F1)	0.914	2.8	1.23
Configural (F2)	0.854	3	1.21
Informational (F3)	0.766	2.5	0.94
Interpersonal (F4)	0.854	2.5	0.95
Satisfaction with the evaluation of PA (S1)	0.768	2.9	1.22
Satisfaction with quality of feedback that PA System provides. (S2)	0.914	2.9	1.26
Satisfaction with overall process of evaluation (S3)	0.854	2.9	1.26
Total Satisfaction (S4)	0.923	3	1.2

Table 8: Correlations of all variables

	1	2	3	4	5	6	7
Systemic (F1)	1						
Configural (F2)	.651*	1					
Informational (F3)	.493*	.518*	1				
Interpersonal (F4)	.547*	.498*	.428*	1			
Satisfaction with the evaluation of PA (S1)	.437*	.491*	.421*	.630*	1		
Satisfaction with quality of feedback that PA System provides. (S2)	.471*	.501*	.502*	.640*	.655*	1	
Satisfaction with overall process of evaluation (S3)	.453*	.534*	.391*	.517*	.454*	.471*	1
Total Satisfaction	.540*	.608*	.532*	.728*	.896*	.874*	.733*

*Correlation is significant at the 0.01 level (2-tailed).

Correlations analysis was conducted to test relationship between performance appraisal fairness factors with satisfaction factors. Table 8 shows these relationships. It was found that systemic, configural, informational and interpersonal aspects of justice were significantly related with satisfaction factors ratings. It was also found that overall satisfaction is significantly correlated to all justice variables (systemic, configural, informational and interpersonal).

Their correlation coefficient (r) values are 0.540, 0.608, 0.532, and 0.728 respectively, and they were significant at $p = 0.01$ level.

To further test hypotheses in this study, a stepwise regression analysis was conducted.

The purpose of stepwise regression is to select a small subset of variables that account for most of the variation in the dependent or criterion variable.

Table 9 shows the regression analysis result between fairness variables and satisfaction with the evaluation process of performance appraisal. It was found that configural justice and interpersonal justice were significantly related with satisfaction with the evaluation process of performance appraisal. Adjusted R², the strength of association or the explanatory power of the model in Model 1 is 0.424 and 0.462 in Model 2. The models are significant at 0.01 levels.

Table 9: Regression Analysis between performance fairness Variables and Satisfaction with the evaluation process

9a - Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	0.652	0.425	0.425	0.68426	279.683	0
2	0.682	0.465	0.462	0.66104	163.854	0

9b - Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.457	0.201	0.652	7.238	0		
Interpersonal	0.699	0.042		16.724	0	1	1
2 (Constant)	0.702	0.241		2.909	0.004		
Interpersonal	0.572	0.047	0.534	12.185	0	0.74	1.352
Configural	0.281	0.053	0.232	5.294	0	0.74	1.352

Dependent Variable: Satisfaction with the Evaluation process in PA

Table 9 shows the stepwise regression analysis result between performance fairness variables with satisfaction with quality of feedback provided. The result shows that informational justice, interpersonal justice and configural justice were significantly related with satisfaction with quality of feedback. Adjusted R² for Model 1, Model 2 and Model 3 are 0.413, 0.464 and 0.476 respectively. The models are significant at 0.01 levels.

Table 10: Regression Analysis of Fairness Variables with Satisfaction with quality of feedback

10a - Model Summary

Model	R	R Square	Adjusted R Square	Std. Error Of the Estimate	F	Sig.
1	0.644	0.414	0.413	0.69974	267.446	.000a
2	0.683	0.467	0.464	0.66851	165.082	.000b
3	0.693	0.48	0.476	0.66126	115.58	.000c

10 b - Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.57	.206		7.624	0		
Interpersonal	0.699	0.043	0.644	16.354	0	1	1
2 (Constant)	0.764	.237		3.223	0.001		1.22
Interpersonal	0.582	0.045	0.536	12.905	0	0.819	1.22
Informational	0.283	0.046	0.253	6.095	0	0.819	
3 (Constant)	0.449	0.256		1.754	0.08		
Interpersonal	0.526	0.048	0.484	10.89	0	0.7	1.429
Informational	0.23	0.049	0.206	4.682	0	0.717	1.395
Configural	0.173	0.057	0.141	3.05	0.002	0.647	1.546

Dependent Variable: Satisfaction with the quality of feedback from PA

Table 11 shows the stepwise regression analysis result between fairness variables and satisfaction with process of performance evaluation. The result shows that configural factor and interpersonal justice were significantly related

with satisfaction with process of performance evaluation. The strength of the relationship (Adjusted R²) for Model 1 and Model 2 are 0.310 and 0.390 respectively. The models are significant at 0.01 levels.

Table 11: Regression Analysis fairness Variables with Satisfaction with the process of Performance Evaluation

11a - Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	0.558	0.312	0.31	0.57066	170.862	0
2	0.627	0.394	0.39	0.5364	122.036	0

11b - Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant) Configural	2.12	0.193		11.011	0		
	0.516	0.039	0.558	13.071	0	1	1
2 (Constant) Configural Interpersonal	1.59	0.196		8.12	0		
	0.359	0.043	0.389	8.326	0	0.74	1.352
	0.271	0.038	0.332	7.12	0	0.74	1.352

Dependent Variable: Satisfaction with the Evaluation process in PA

Table 12 shows the stepwise regression analysis result between fairness variables with overall satisfaction. The result shows that interpersonal justice, configural justice and interpersonal informational justice were significantly related

with the overall satisfaction. Adjusted R² for Model 1, Model 2 and Model 3 are 0.544, 0.621 and 0.636 respectively. The models are significant at 0.01 levels.

Table 12: Regression Analysis fairness Variables with the Overall Satisfaction

12a - Model Summary

Model	R	R Square	Adjusted R Square	Std. Error Of the Estimate	F	Sig.
1	0.738	0.545	0.544	0.46956	452.265	.000a
2	0.789	0.623	0.621	0.42826	310.456	.000b
3	0.799	0.639	0.636	0.4195	221.325	.000c

12b - Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.861	0.138		13.47	0		
Interpersonal	0.61	0.029	0.738	21.267	0	1	1
2 (Constant)	1.048	.156		6.708	0		
Interpersonal	0.473	0.03	0.573	15.569	0	0.74	1.352
Configural	0.303	0.034	0.324	8.787	0	0.74	1.352
3 (Constant)	0.825	0.162		5.075	0		
Interpersonal	0.444	0.031	0.538	14.498	0	0.699	1.43
Configural	0.25	0.036	0.267	6.927	0	0.646	1.547
Informational	0.128	0.031	0.151	4.107	0	0.715	1.399

Dependent Variable: Satisfaction with the Evaluation process in PA

As shown in Table 9b, 10b, 11b and 12b, the tolerance value for all variables are above 0.5 as well as VIF values are all quite close to 1.0, thus the result from this study denotes low collinearity between the independent variables. Tolerance is a measure of collinearity between two independent variables or multicollinearity among three or more independent variables (Hair et al., 2009). It is the proportion of variance in one independent variable that is not explained by the remaining independent variables. Multicollinearity is a data problem that can adversely impact regression interpretation by limiting the size of the R-squared and confounding the contribution of independent variables (Hair et al., 2010). For this reason, two measures, tolerance and VIF, are used to assess the degree of collinearity among independent variables. Each independent variable will have a tolerance measure and each of measure should be close to 1 (Hair et al., 2009). A tolerance of less than .5 or large VIF values (a usual threshold is 10.0, which corresponds to a tolerance of 0.1) indicate a high degree of collinearity or multicollinearity problem (Hair et al., 2009).

5. Implications

The main objective of this study is to explore the relationship between fairness of performance appraisal system and employee satisfaction toward the system. Literature on employees' perception on the fairness in performance appraisals predicted that fairness is significantly and positively related to satisfaction to performance appraisal. This study found that specific fairness components proposed by Greenberg (i.e. Configural, interpersonal and informational justice) are significantly and positively related to specific component of employee satisfaction while systemic justice was not found to be related to any of satisfaction variables. Systemic justice failed to show any relationship with satisfaction variables. One explanation for this phenomenon is that procedural justice or perception of fairness of the procedures or the means of appraising employee's performance is perceived less important by the respondents as compared to other justice components. Since performance appraisal system is part and parcel of their routine human resource practices; it was perceived as the system must

have been complying with all procedural standards. Further research is needed to examine this problem.

This study found that configural justice is significantly and positively related to satisfaction with the evaluation of appraisal as well as satisfaction with the quality of feedback. This is congruent with the previous studies which found that perception of fairness of allocation of resources or rewards or outcomes that are distributed to employees (Milkovich and Newman, 2005) may lead to emotional feelings and emotional behaviours (Greenberg, 1987). Configural justice or perception of fairness of distribution of outcomes affects employee satisfaction with the performance appraisal ratings and satisfaction with the supervisor who facilitate the appraisal process.

Informational justice was found to be significantly and positively related to employee satisfaction with quality of feedback. This finding shed some light to our understanding of relationship between interactional justice, which consists of interpersonal justice, and informational justice, and employee satisfaction.

Literature does recognize the important of this relationship but empirical evidence has yet to surface to test this relationship. Informational justice or treatment of employee with politeness, dignity and respect during performance appraisal process do affect employee satisfaction with the quality of feedback.

Finally, this study found that interpersonal justice is significantly and positively related to employee satisfaction with the evaluation of performance, satisfaction with the quality of feedback and satisfaction with the process of performance evaluation. This finding again provides some evidence to the importance of interpersonal justice in performance appraisal process which may affect the satisfaction of employee towards the

system and process. Literature in performance appraisal fairness postulates this relationship but little empirical evidence has been provided to prove this relationship. This study found that informational justice or explanation of why procedures were used in a certain way or outcomes were distributed in a certain fashion is significantly and positively related to employee satisfaction with the performance ratings, satisfaction with the supervisor and satisfaction with the performance appraisal system.

6. Conclusion

This study explores the relationship between perception of fairness of performance appraisal system under the purview of organizational justice theory and how this perception of fairness affects employee satisfaction. Overall, this study found that fairness of performance appraisal does affect employee's satisfaction.

Cardy and Dobbins (1994) suggest that dissatisfaction feelings of unfairness in the performance appraisal process and perceived inequality in evaluation may doom any performance appraisal system to failure. Murphy and Cleveland (1995) also contend that reaction criteria are almost always relevant and unfavorable reactions may result in the failure of the most carefully constructed performance appraisal system. The important of employee reactions toward performance appraisal system may play an increasingly important role in the performance appraisal practices because the continuous development and improvement of the system (Hedge and Borman, 1995). Findings from this study could possible contribute to our understanding of relationship between organizational justice in performance appraisal system and employee reactions emotionally and behaviorally. For human resource practitioners, these findings could be used as guidelines in the process of development, institution and

implementation of performance appraisal system. They must recognize that organizational justice affects employee reaction toward performance appraisal system implemented by the organization and, in turn, this will affect the effectiveness and efficiency of the system.

In conclusion, this study has explored the literature detailing the relationship between perceptions of fairness of performance appraisal system and how it affects employee reaction toward the system. A review of theoretical and empirical research appears to indicate that employee perceptions of fairness and their reactions would normally have chain effect, which most likely to affect the benefits of the system. Hence, an in depth understanding in the dynamic relationship of organizational justice in performance appraisal is vital in facilitating and enabling performance appraisal to be a productive means for both organization and employee to achieve their goals.

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Awareness in Consumer about Consumer Protection Act. & Consumer Right in India

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Abstract

To satisfy various wants people purchase goods and services by paying price. But what to do if the goods and services bought are found out to be bad in quality or unreasonably priced or measured less in quantity etc. In such situations the consumers, instead of getting satisfaction, feel cheated by the sellers who have sold the goods and services. The Paper has been written to study the general awareness among consumer for consumer protection and specially awareness of provisions of Consumer Protection Act. It specifically studies the level of awareness with regard to procedural formalities to be completed while filing a complaint in consumer forum. It also explains the important theoretical points related to protection of consumer's interest. For this purpose a sample of 50 respondents has been taken. Data has been collected through well structured questionnaire. Analysis and interpretation of data have shown very interesting, alarming and informative results and findings. At the end some recommendations have been given for strengthening the present setup more effective. They also feel that they should be properly compensated for the loss. So there should be a system to redress such issues. On the other hand consumers should also realize that they do have responsibilities not just rights.

Key words: Consumer awareness, Consumer Protection act., Data Collection , Consumer Exploitation

Introduction

In the current financial age, when generally business transactions are directed online or by means of electronic means, consumers must be particularly industrious about drilling consumer awareness –ensuring their characters and their assets against lawbreakers who might misuse them. Consumers ought to be vigilant and aware of potential issues so they don't get ripped off by extortionists. Consumers can study how to secure their security, analyze advertisements, distinguish tricks and turn into a keen auto purchaser and home purchaser using online and disconnected from the net assets. Consumer Awareness anyone who consumes goods is a consumer. Consumer awareness is the practice where consumers are aware of what they are buying. This relates to price, benefits of products, potential scams, and other alternatives to name brand products. Consumers should research items thoroughly before purchasing them in order to know exactly what they are buying and what to expect. Consumers get exploited in the market. They respond to advertisements and buy goods.

Generally advertisements do not give all the information that a consumer needs know or wants to know about a product. Consumer awareness is the understanding and knowledge that a buyer should have of his rights as a customer. The awareness is very important for the buyer since it permits him to get the most from what he buys. Some of the common methods of exploitation are Under weight and under measurements -not measured or weighed correctly Substandard Quality -defective home appliances and medicines beyond expiry date High prices-charging above the retail price Duplicate Articles-selling fake items in the name of the original Adulteration and Impurity-is done to get higher profits Lack of safety Devices-absence of inbuilt safe guards in appliances Artificial Articles-selling fake items in the name of the original Adulteration and Impurity-is done to get higher profits Lack of safety Devices-absence of inbuilt safe guards in appliances Artificial cars require constant and regular service. Rough behaviour and Undue conditions-harassment in getting LPG connection or a telephone connection..Factors causing exploitation of Consumers. The history of the customer in the sense of one, who consumes anything, may be said to be have started with the history of mankind. The legal, technical or perfect definitions of the consumer have been given in the consumer protection Act. 1986. Under this Act, the term „consumer has been defined into two categories:

(1) Consumer of goods:- Consumer of goods means a person who buys any goods for a consideration and includes the user of goods. Under this Act a consumer is one who has paid or promised to pay the consideration or partly paid and partly promised to pay or under any deferred payment system such as hire purchase system or installment system. But it does not include a person who buys the goods for resale and for any commercial purpose.

(2) Consumer of Services:- Consumer of Services means a person who hires or avails of any services for a consideration which has been paid or promised or partly paid and partly promised or under any system of deferred payment and includes any beneficiary of such services. But it does not include a person who avails of such services for any commercial purposes. For the purpose of this clause ‘commercial purpose’ does not includes use by a person of goods bought and used by him exclusively for the purpose of earning his livelihood by means of self – employment. For example, if a person earns by purchasing computer, taxi, Photostat machines etc. that will be called consumer of goods. Here it is also important to mention that service has been clearly defined in the Act. It includes the services like banking, financing, insurance, transportation, processing, supply of electrical and other energy, boarding and lodging or both, housing construction, entertainment, amusement or the purveying of news or other information, educational institutions etc., but does not includes the rendering of any service free of charge or under a contract of personal service.

Objective

The main objectives of this study are -

- Understand the need for consumer awareness;
- Explain the consumer awareness about the consumer protection act in India.

Goods are those products which are manufactured or produced and sold to consumers through wholesalers and retailers. Service means service of any description which is made available to the potential user with respect to the provision of facilities in connection with banking, finance, insurance, transport, supply of electrical or other energy, housing, construction, water supply, health, entertainment, amusement etc. It does not

include any service rendered free of charge or under a contract of personal service.

Consumer Awareness

Consumer awareness refers to the combination of the following:

- The knowledge of the product purchased by the consumers in terms of its quality. For example the consumer should know whether the product is good for health or not, whether the product is free of creating any environmental hazard or not etc.
- The education about the various types of hazards and problems associated with marketing of a product - For example, one way of marketing a product is advertisement through news papers, television etc. Consumers should have proper education about the bad effects of advertisement. They must also verify the contents of the advertisement.
- The knowledge about 'Consumer Rights' - This means that, first, the consumer must know that he/she has the right to get the right kind of product. Secondly, if the product is found out to be faulty in some manner, the consumer should have knowledge of claiming compensation as per the law of the land.
- The knowledge about consumer's own responsibilities- This implies that consumers should not indulge in wasteful and unnecessary consumption.

Need for Consumer Awareness

The market today is flooded with very large number as well as varieties of goods and services. The number of producers and final sellers of the commodities have also increased many folds. So it has become very difficult to know as to who is a genuine producer or seller? It is practically not

possible for consumers to personally come in contact with a producer or seller. Moreover in the age of advanced information technology the physical distance between consumer and producer/seller has also increased, since consumers can get their commodities at door step by booking orders over telephone or through internet etc. Similarly from among large varieties of commodities, it has become very difficult to know as to which one is genuine? People think that a product which has appeared in some advertisement must be good or the producer whose name is known through advertisement must be selling the right product.

But this may not be true always. Much information is deliberately hidden in certain advertisements to mislead the consumers. In case of packed food products and medicines, there is an expiry date which implies that the particular product must be consumed before that date and not at all after that date. This information is very important because it involves the health of the consumer. Sometimes it so happens that either such information is not provided or the seller deliberately did not give the information since the consumer did not ask for it or notice the inscription written on the product. It also happens many times that a consumer buys goods and services without taking the bill or the seller does not provide the bill. This is done to avoid paying tax on the product to the government. Such a tax is value added tax (VAT) i.e. a type of tax that is place on a product whenever value is added at a stage of production and at final sale. If this tax is included then price of the product will be higher because of the tax and accordingly it will be acknowledged by providing the bill. But in order to attract the consumer by selling the product at a lower price, the seller deducts the tax and so does not provide the bill. Just because the price is less the consumer also does not bother to ask for the bill. Such practice creates two serious problems.

Another major issue is that the consumers are not united. Producers have become stronger and organized because there are Producers' and Traders' Associations to protect their interest. But the buyers are still weak and unorganized. As a result the buyers are duped and deceived quite often. Because of the above arguments it is very important for consumers to protect themselves from the unfair trade practices of the traders and service providers. They need to be aware of their rights as consumers and use them promptly. It should be noted that consumer awareness is not just only about consumers' rights. It is a well known fact that many consumers around the world have been indulging in mindless and wasteful consumption because of their money power. This has divided the society into rich consumers and the poor. Hence there is also need for consumer awareness to educate the consumers about their responsibilities. Consumers also need to act more responsibly and join hands with the government.

Consumer Exploitation

Mostly Indian consumer is poor, illiterate, ignorant, passive, unaware, and helpless. Due to illiteracy, unawareness, traditional or passive outlook consumer is being exploited in different ways. The manifestation of consumer neglect are evident in the adulterated food we eat, the spurious, unsafe and substandard product we buy, the repeated shortage of essential commodities accompanied by black marketing and profiteering, the hazardous drugs banned in some of the countries that are pushed through the counter, the glossy, unethical and manipulative advertisements with which we are bombarded, the humiliation, indignity and harassment that we are subjected to by public sector undertakings such as railways, transport corporations, nationalized banks insurance companies, etc. and the polluted water we drink and air we breathe. Business firms spend huge amount of money on advertising their

products and services. Most of these advertisements contain exaggerated and un-provable claims. Commonly seen advertisements of tooth-pastes, cosmetics, tonics, body-building, figure improving and height increasing instruments makes claims in very attracted way and catchy way. Through these advertisements do not explain how the claimed qualities of the products produce the benefits; the consumer believes them because of the appealing way of presentation, ultimately the consumer feel cheated at last. Although the above points clearly states the problems exploitation of consumer, but some other points can also be mentioned in support of these. This exploitation are in the forms of:

- (1) Unfair trade practices.
- (2) Spiraling prices.
- (3) Adulteration.
- (4) Poor quality products.
- (5) Deceptive packing.
- (6) Deficiency in goods and services
- (7) Monopolistic etc. employment.

Consumer Redressal System in India

There is legal and administrative machinery working in the field of consumer education in our country. It is important for you to understand it. Consumer redressal system is a system under which the consumers can file a complaint in a consumer court and demand justice when they are cheated by the sellers or manufacturers of the commodity or service they buy. It comprises of the Laws to protect the interest of the consumers and the Institutions to enforce the laws to uphold consumers' rights. Thanks to the government, we have consumer laws made through legislations in our country with a special focus on consumer education. The purpose is to help the people understand their rights and responsibilities as consumers and to redress their grievance. There

is also existence of Institutions in the form of government departments and consumer courts to deal with the grievances of the affected consumers. Let us discuss them below.

Government Legislations

We have had several government legislations in our country even before independence to protect the rights of the consumers. But Consumer Protection Act 1986(CPA) is the most important one and gives you as a consumer all the support and guidance against violation of your rights. CPA is specifically designed to protect consumer interest. There are a couple of other legislations aimed at providing consumer protection, enacted after independence, like Prevention of food adulteration Act(PFA)1954, the Essential Commodities Act ,1955 (ECA) and the Standard of Weights and Measures Act(SWMA) of 1976.

The CPA was enacted with the objective of providing 'cheap', 'simple' and 'quick' justice to the millions of consumers in the country. It ensures justice which is less formal, involves less paperwork, cut delays and is less expensive. CPA applies to all goods and services, unless specifically exempted. It covers the private, public and cooperative sectors. It also empowers a consumer to haul up municipal authorities in consumer courts if they fail to provide all the services ranging from street lighting and drinking water to drainage and health. Among other measures included in CPA some recent ones are:

- Consumers are allowed to decide where they want to seek redressal.
- A company cannot insist on being liable to be tried only in a court of its choice.
- Consumers are allowed to sue service providers of a company for passing on their personal information to salespersons e.g. banks, insurance company etc.

- Real estate developers are classified as traders and liable to be tried in a consumer court.
- Oversees agencies operating through e-commerce sites on the internet or telemarketing are not allowed to sell their products unless they maintain an office in India. They have to organize the inspection of goods prior to purchase, or refund goods within 30days.
- Officials and stakeholders like state government departments of post and telecom, passport offices, municipal services, Central Government Health Scheme (CGHS) and railways are demanding exemption from the Act fearing, they will have to face a barrage of litigation.

Institutions to Deal with Consumers' Grievances

The citizens of India have Institutional machinery, to deal with consumers' grievances, working at all levels: national, state and district. There are two types of institutions-

- (i) Government Councils and
- (ii) Consumer Courts.

Besides this there are also several Non-Governmental Organizations (NGOs) registered under the government law which provides various kinds of support to the aggrieved consumers.

(i) Government Councils

Read the following flow chart to know the government councils working at national and State levels.

As shown in the chart (Figure 1), there is a Central Consumer Protection Council (CCPC) at the National Level which is headed by a Central Minister in-charge of the Consumer Affairs in the

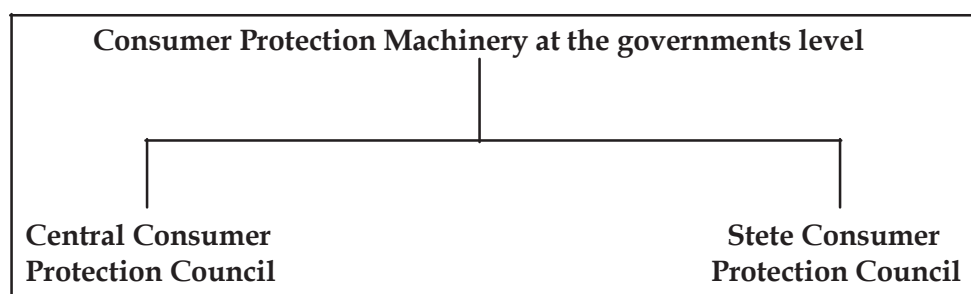


Figure 1: Consumer Protection Machinery

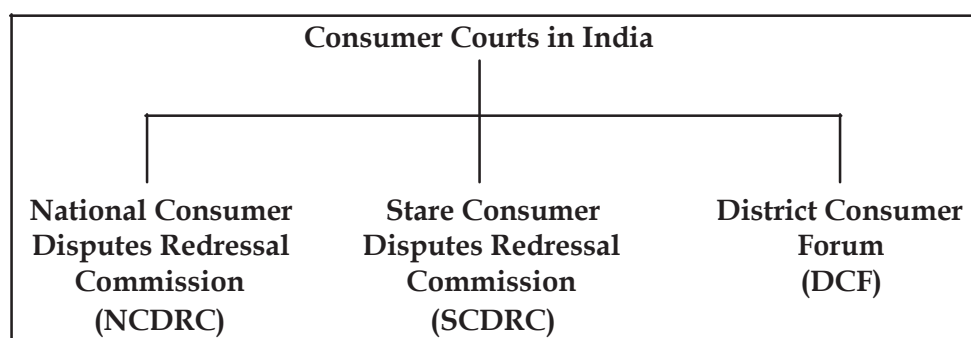


Figure 2 : Consumer Courts in India

Central Government at New Delhi. At the State Level there is a State Consumer Protection Council (SCPC) in each state of India which is headed by a State Minister in-charge of the Consumer Affairs in the State Government.

(ii) Consumer Courts

Read the following flow chart (figure 2) to know the types of Consumer Courts working at national and state and district levels.

As given in the chart, there are three layers of Consumer Courts in India. At the bottom is the District Consumer Forum (DCF) at the district level in the state. There are 604 District Forums in the country now. At the mid level there is State Consumer Disputes Redressal Commission (SCDRC). There are 35 State Commissions in the country. Finally at the top there is an apex body known as National Consumer Disputes Redressal Commission (NCDRC) working hand-in-hand to provide cheap, speedy and simple redressal to consumer disputes in the country. A Consumer Court is quasi-judicial in nature and is directly

accountable to the people. The central and the state governments are responsible for making policies with respect to the working of these courts.

Consumer Awareness in Rural India

On account of the globalization and liberalization, increase in middle income and high income population in the villages our rural markets are also expanding. So companies are reaching with their products to our rural markets as well. But the rural consumers in India are generally ignorant and illiterate. So they are exploited by the manufacturers, traders and service providers. Rural consumers face problems like fake brands, spurious products, lack warranties and guarantees, imitation, unreasonable pricing, lack of varieties and so on. There is a need for spreading consumer awareness in the rural areas more seriously.

Timely Delivery of Justice

You know that justice delayed is justice denied. Unlike the civil courts, the consumer courts are quasi-judicial bodies that need to follow a simple,

summary procedure for quick disposal of complaints. However repeated adjournments, delays on the part of the state government to fill up the posts of judges and unnecessary technicalities slow down the process of justice for the consumers. Delays often take away the essence of the law. Read the following case that illustrates these points. The Government amended CPA in 2003 to eliminate such delays.

Consumer Protection

Consumer Awareness in India is growing. The growing feeling among them that they are ruthlessly exploited and taken for a ride which has organized the consumer movement. Many sellers even do not response to the genuine grievance of consumers and many products fails to satisfy the requisite quality and safety standards. Due to all these consumer have been more critical/aware of the policies and practices of business houses in the recent years than ever before. Consumers are organizing themselves for the protection of their interests. Such a move to better the protection offered to the consumer is called „consumerism , which in other word is also called consumers protection awareness. In this context it is necessary that the various groups of society such as Government, Judiciary, and Voluntary Associations of consumers play their role to protect and promote the consumer-interests – economic, social, and environmental.

Consumer Protection Methods

Consumer protection measures/methods can be understood by dividing them into two categories:

(A) Self-Regulation:- In this part, two types of association come to the rescue of customers and business community namely consumer-associations and business associations.

1 Consumer Associations:- It is a fact that every one of us is a consumer and it is therefore important that we should unite together to protect our interests. The consumer associations are ideal

set up to come together to provide collective resistance against all kinds of associations. The main function of consumer associations are: (1) To educate consumers. (2) To protect the consumers. Many consumer associations are playing an important role in the direction of consumer protection.

2 Business Associations: Another part of self-regulation is Business associations. Self regulations by business community through fair-deal to reseller and consumers does wonders. It can create healthy atmosphere in the society especially in relation to consumer protection

(B) Government Interventions or legislative measure: As we all know that consumers constitutes the largest unorganized public body in the country and protection of their interests and rights is of vital importance in a well regulated and independent mechanism to provide quality goods, services and utilities to the satisfaction of consumer. The government has enacted more than 50 Acts/ laws which can be interpreted in favour of consumers. These enactments have empowered the government to control production, supply, price, distribution and quality of a large no. of goods and services. Most of these types of power or practices are mentioned in a number of business laws aimed at regulating trade and providing justice to consumers and protecting their rights and interests. Some of them are being mentioned here : The Indian Penal Code 1860, Indian contract Act 1872, Sale of Goods Act 1930, Agricultural produce grading and marking act 1937, Drugs and Cosmetics Act 1940, Drugs and Remedies (objectionable Advertisements) Act, 1954, Essential Commodities Act 1955, Trade and Merchandise Act 1958, Standards and Weights and Measures Act 1976, Supplies of Essential Commodities Act 1980, The Bureau of Indian Standard Act 1986, The Environment (protection) Act-1986, Banking Regulation Act 1949, Railways Act 1989, etc... These are just some names, the list

is so long to be mentioned and described here. All these Acts/laws show that government has a well - established system or a approach for the protection of consumer's interests and for creating an healthy business environment. But at the end, still it can be said that the interests of the consumer were not being safeguarded due to many reasons. A number of objectives of the above pieces of legislations overlap. The multiplicity of laws for trade regulations and consumer protection has been characterized by weak implementation as a result of which unfair and exploitative practices abound in the Indian markets. Most of the legislations are punitive in nature and none of them is compensatory in nature. In spite of all these there was no separate mechanism for the redressal of consumer grievances and it were covered under civil courts, which are known for expensive, time - consuming, complex and inordinate delays. All these points show that there was a strong need in the economy, to set-up a Independent Act for the settlement of consumer grievances. So in order to overcome these limitations in different legislations and implementing machinery and keeping in view the UN guidelines, Consumer Protection Act 1986, came into existence, which proved to be the milestone in the sovereignty of the customers.

Some Important Provisions of the Act Who Can File Complaint The followings can file a complaint under the Act: (1) A consumer. (2) Any consumer organization (3) The central Government. (4) The state Government. (5) One or more consumers on behalf of numerous consumers who are having the same interests.

What Constitute a Complaint Under the Act 'Complaint' means any allegation in writing made by complainant in regard to one or more of the following: (1) any unfair trade practice or a restrictive trade practices adopted by any trader. (2) The goods bought by him or agreed to be

bought by him suffer from one or more defects.

(3) The services hired or availed of or agreed to be hired or availed of by him suffer from deficiency in any respect.

Where to File a Complaint A written complaint as amended by consumer Amendment Act, 2002 can be filed:

(A) If the cost of the goods or services and compensation asked for is upto Rs. 20 lakh, then the complaint can be filed in District Forum which has been notified by the state

The Consumer Protection Act 1986, (herein after to be referred to as 'Act') is one of benevolent social legislation intended to protect the large body of consumer from exploitation. The Act has come as a panacea for consumers all over the country and has assumed the shape of Government for the district where the cause of action has arisen or where the opposite party resides. A complaint can also be filed at a place where the branch office of the opposite party is located.

(B) If the cost of goods or services and compensation asked for is more than Rs. 20 lakh, but less than Rs. 1 crore, then the complaint can be filed before the state commission notified by the state commission or UT concerned.

(C) If the cost of goods or service and compensation asked for exceed Rs. 1 crore then the complaint can be filed before the National Commission at New Delhi.

How to File a Complaint Procedure for filing complaints and seeking redressal are simple. There is no prescribed Performa for the submission of complaint. However it must be written. It may be submitted directly or by post. A nominal amount of fees is also required to be deposited for making complaints before District Forum. A complaint should contain the following information:

(1) Name and address of the complainant.

- (2) Name and address of the opposite party or parties.
- (3) Description of the fact of the complaint. (4) Documentary evidence collaborating the complaint. (5) Relief expected as redressal of complaint. The complaint can be filed within two years from the date on which cause of action has arisen. Complainant can plead his case/complaint on his own; this means that he is not under compulsion to hire the services of lawyer.

Relief Available to the Consumer If after the proceedings conducted under section 13, the District Forum is satisfied that the goods complained against suffer from any of the defect specified in the complaint or that any of the allegation contained about the services are proved, it may give orders for one or more of the following reliefs: (1) Removal of defects from the goods. (2) Replacement of the goods. (3) Refund of price to the complainant. (4) Award appropriate compensation for the loss or injury suffered. (5) Removal of deficiencies from service.

Procedure for Filing Appeal

Any person aggrieved, by an order made by District Forum may prefer an appeal against such order to the state commission within a period of 30 days from the date of order, in such form and manner as may be prescribed. No appeal shall be entertained by the state commission unless the appellant has deposited in the prescribed manner 50% of that amount in terms of an order of the District Forum or Rs. 25000, whichever is less. Further any person aggrieved, by the order made by the state commission, may prefer an appeal, against such order to the national commission within a period of 30 days from the date of the order in such form and manner as may be prescribed. In this situation appellant has to deposit in the prescribed manner 50% of the amount or Rs. 35000 whichever is less. Appeal

against the order of the National commission can be filed before the Supreme Court within a period of 30 days. At this stage the appellant is required to deposit in the prescribed manner 50% of that amount or Rs. 50000 whichever is less.

Findings

Results show that consumer awareness and skills are worryingly low. However, there is a considerable potential to empower consumers and thereby to improve consumer welfare and reduce consumer detriment. The internet and the media have a key role to play in consumer empowerment with more than 38% of consumers using the internet to compare products and given the media's capacity to reach citizens directly.

Consumers' detriment and redress

More than one in five Indian interviewed had encountered a problem for which they had cause for complaint. Consumer detriment is estimated at 0.4% of EU GDP. The less educated and elderly are more reluctant to seek redress, although they are no less likely to have problems. The survey confirms the importance of access to good redress. Many of these problems could be solved if we had more alternative dispute resolution (ADR) mechanisms.

Consumers' skills

In terms of numerical skills, consumers struggle with simple calculations: only 45% could answer three consumer related questions correctly. In terms of financial skills, two out of ten people interviewed were not able to choose the cheapest option when buying a flat screen TV. Only 58% could correctly read an ingredients label and 18% could not identify the best-before date. Only 2% of consumers recognized five common public information logos. 33% of consumers thought that the CE mark meant "made in India", and only 25% correctly knew it meant that the product 'complies with India legislation'. Many could not name a consumer organization in their country.

Consumers' knowledge of their rights

A majority of consumers were not aware of their fundamental rights such as the right to have a faulty product repaired, replaced or reimbursed 24 months after purchase, the right to cancel an online financial services contract within 14 days if they change their mind or find a better offer, or similarly, the right to cancel a contract with a doorstep salesman.

Conclusions and Suggestions

Consumer Awareness in India is growing day by day. Consumer Associations, Business Associations and Government Legislations are working to safeguard the interests of the consumers. The consumer protection Act 1986 is the benevolent social legislation intended to protect the large body of consumers from exploitation. It has become vehicle for enabling consumers to secure speedy and inexpensive redressal of their disputes. It clearly specify the concept of goods, services, defect, deficiency etc. It clearly explains the procedure for filing complaint, relief available, appeals etc. It is working as a three tier system (District, State, National) as a quasi-judicial machinery. The survey clearly shows that all the respondents are having general awareness in relation to consumer protection. They are well-versed with the term 'Jago Grahak Jago' almost in all respect. Quality parameters/standards like ISI, ISO, Agmarks etc. are also not new for them. To overcome this unawareness it is hereby suggested that although huge amount is being expended by the government for creating awareness, but the procedural part is not being shown in the advertisements. Special advertisements should be created to educate the consumers regarding procedure for filing complaint, where to file complaint, when to file complaints etc. News Paper, News Channels should also come forward to educate the consumers on these points. Consumer Association

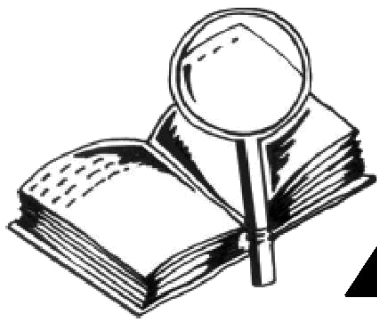
should also come forward to should work more and more to aware the consumers to raise voice against exploitation. Last but not the least; the consumers must educate himself/herself about his rights and availability of redressal mechanisms.

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Case Study

An Assessment of Delhi Tourism Sector: A Socio-Economic Developmental Perspective

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Abstract

Tourism is one of the most important sectors in the Delhi economy. Delhi has become a major player in the international tourism market since the country opened its doors to the outside world in the last few decades. Tourism is a diversified and decentralized industry. The commercial imperatives drive tourism change according to the location, as do the environmental, social and cultural impacts of tourism on particular communities. Tourism is now considered as an efficient tool for promoting economic growth of the host country. Tourism industry in India and especially Delhi being the capital has been growing at a rapid pace generating of foreign exchange besides giving a fillip to the country's overall economic and socio-cultural development. It is thus imperative to examine the dynamics of the relationship between tourism sector expansion and economic growth in Delhi. This paper is an attempt in this direction. The methodology of the present study relied on the secondary data and information, review of print literature and visit to the selected sites to witness food security status in India. To broaden our research, one conducted the literature review based on two approaches: thematic approach and coverage approach. Paper suggest that as a part of the policy implications it is necessary that all wings of the central and state

governments, private bodies and voluntary organisations should become the active partners in the endeavour to attain sustainable growth in tourism and overall economy as well.

Keywords: Delhi, Tourism, Tourism Industry, Socio-Economic Growth, Sustainable Growth

1.0 Delhi Tourism

Tourism is one of the important sectors in the social and economic development of any region and it true in the case of Delhi. It is significant issue to consider whether the development through Tourism is sustainable or not. Though the concept of sustainability of tourism is not an easily measurable, the occurrence of any negative impacts on the society and ecology is often taken to indicate lack of sustainability. In fact, the heart of any development process is proper planning and management based on assessment of all the factors directly or indirectly involved and interacting with the existing environment and extraneous monitoring of the planning strategies and objectives.

A main barrier to planning and local management, both right now and in decades ahead, is to increasingly external forces on local development so that development achieves the

shared with the local population. In a metro city like Delhi, the primary responsibility for this rests with the local government and its different agencies.

As stakeholders of services, builders of economic infrastructure, regulators of Individuals and institutions and managers of natural environment, local authorities in Delhi have many direct instruments to influence overall development. Yet in addition to stakeholder's roles in the development process, perhaps the most important role that local agencies can play is that of facilitator for the diverse interests seeking to influence development. Only with such a facilitator can a community of different interests define a shared vision and act consistent with this objective. The true proof of tourism is the development of the local community. Tourism is a recognised as global industry, like any other industry, tourism business can enforce considerable impact on local environment which are often diverse and unique for the economy. This structural diversity produces unique social changes upon the local community, including changes in local demographics, and changes in local labour markets.

The commercial activity of tourism industry is to promote the "saleable" and appealing aspects of the community, transport non-residents into the society, and to manage the hospitality for and guide the activities of these visitors, and provide them with all the goods and services to purchase during their stay in the place. If these commercial activities degrade the community's heritage and wealth, then the community suffers more directly than the consumer

Management of adverse tourism impacts are to be found in the shared interest of stakeholders such as local communities, tourism businesses, and tourism consumers in maintaining the natural wealth and social heritage of this region.

Discussion must take place in an open and transparent way. If interaction among parties is to have impact on social and economic development, it must have accountability among the parties with regard to investments, practices and policies.

Tourism has become the biggest socio economic activity in the world over the time, and for a country like ours with abundant tourism resources it is a matter of far more significance. Consciously or otherwise, any talk of tourism today implies attracting the travellers from abroad and his needs and comforts seem to be the concern of those connected with the tourist industry. While we should continue to assist development of tourism for its benefits, we cannot neglect the many millions of domestic tourists who travel long distances every year to visit various tourist and pilgrim centres. It needs to recognise that international tourist facilities in the country cannot have the good foundation unless a more effort is made to stimulate domestic tourism.

2.0 Socio-Economic Profile of Delhi

This chapter gives the present socio- economic profile and parameters of Delhi. The data is important as it is an indicator of economic growth of Delhi. In 1991 the population of Delhi was 9420644 which was increase by 1.38 % over to 1.67 crore as per census of 2011. As per estimates released by Registrar General of India the present population of Delhi is more the two crore. The sex ratio is 866 female per 1000 males. The Density of population in urban areas of National Capital Territory of Delhi is 11297 per sq. km.

The National Capital Territory (NCT) is rich and ancient cultural heritage and living traditions. Delhi is a metro city of monuments of colour and contrasts. In this great city the medieval and the modern, the hoary past and the youthful present, the old and the new have blended into one to unfold the past grandeur and the present

excitement. Connectivity plays a crucial role for Delhi to be a global destination. Delhi is well connected to the rest of the world and the all corners of the country by road, rail and air. In 2011, Delhi ranks 2nd among states in India with respect of FTA arrivals which constitute good numbers in terms of pan India tourism.

2.1 Profile of Tourists

2.1.1 Profile of International Tourists Visiting Delhi

Tourism is important to the economic and social life of developing countries and the increasing numbers of developing countries is recognised all over the world. The evolution of international travel started in 1987 and gathered strength in the few decade. All regions of the world shared in this rising tide of trend. In developing countries such as India, tourism industry represented almost one third of the trade in services. International tourist arrivals in India increased from 1958272 in 2009 to 1893850 in the year 2010 with a decline of 3.14% over the previous year. An international tourist arrival in winter months is highest. Out of the total international tourists arrivals to India, about 61 % visit Delhi.

2.1.2 Profile of Domestic Tourists

Although the importance and significance of domestic tourism was recognise by the Indian planners as early as during the mid-1950s, the domestic tourism sector by and large remained neglected and was accorded a very low priority in the successive Five Year Plans of most state governments. Resources constraint with other more urgent development tasks led many a state government to give less priority to the domestic tourism.

Several Indian states have recently been showing keen interest in s planning for the development of domestic tourism. The fact that domestic tourism generates more employment (especially for unskilled labour) than foreign tourism, and also confers a varied range of benefits (facilitating the development of backward areas, promoting cultural and social diffusion, etc.)

Major barrier shortcoming that has repeatedly affected negatively domestic tourism planners is the lack of a comprehensive and uniform statistical base. Not only are domestic tourist statistics not compiled by many Indian states, but even where such data are gathered, these are not far from

Table 2.1: Domestic and foreign tourist visits during 2001-2010 for Delhi

Year	Domestic tourist visit	% of growth in domestic tourist visit	Foreign tourist visit	% of growth in foreign tourist visits
2001	1324636	NA	830092	NA
2002	1228059	-7.8642	543036	-52.86
2003	1430546	14.15	693827	21.733
2004	1866552	23.35	839574	17.35
2005	2061782	9.46	1511893	44.46
2006	2237130	7.83	1974836	23.44
2007	2388330	6.33	2018848	2.18
2008	2132970	-11.92	2339287	13.69
2009	8834037	75.85	1958272	-19.45
2010	13558353	34.84	1893650	-3.41

Source: A. Majumder, Department of Tourism and Private Tourism Operators in Delhi, 2012

complete and differ widely in both form and content from State to State, for want of a definition of 'domestic tourist' and methodology for collection of statistics.

The domestic tourism to Delhi has been rising at a fast pace since independence. Increase of domestic tourist visits is shown by rapid rise of unapproved hotels and inns apart from increase in approved hotels in one and two star categories. As country tourists visiting Delhi do not indicate a marked seasonal pattern of preference, it is the most sustaining factor for tourist facilities of all types in Delhi.

The diversity in domestic and international tourist visits over the last year has undergone considerable variations over the time 2001-2010. In 2002, a negative change has been observed for both domestic and foreign tourist visits mainly because of the attack on the World Trade Centre in 2001. Again, in 2008-09 a downward change has been observed because of the economic crisis.

From last many years, Department of Tourism had been the only organization promoting tourism in India on behalf of the Government of India. Rather it can be said that it had a monopoly status in the tourism industry in India in the initial period. As time passed by, public became aware of the potential of the tourism industry to act as an engine of growth for India. Introduction of the industrial reforms of 1991 was a noteworthy phenomenon for India. The industrial reform opened up the entry gate for the private participants into those areas where the private

sector was previously restricted to operate. Huge growth in the industrial and service sector was witnessed after the reforms have been introduced. Slowly, the growth of private tourist operators was observed all over the country.

Tourism agencies who provide only the transportation services for local sightseeing or who operate small sightseeing packages in and around a few tourist destination. Besides, there are many giant players in the tourism industry who provide a wide range of services. They have huge chain of luxury hotels, restaurants, A/C and non-A/C buses, private vehicles, expensive and luxurious tour packages, provision of booking railway and air tickets (both domestic and international). Most of private players generally operate through offices which they have all over country. But now their mode of operation has become much more advanced having a greater network all over the country. It was only in the beginning of the 21st century that India witnessed the power and range of internet or web. Slowly this virtual system has engulfed the whole country.

There are a huge number of private tourism operators that are operational in the tourism industry and they are multiplying in number day by day. The character of all these private tourism operators which operate through websites is similar.

2.1.3 Domestic Tourist Projections

Delhi has witnessed 1496882 domestic tourist visits in 1998 which increased to 1571726 in 1999 and 1728899 in the year 2000.

Table 2.2: Foreign Tourist and Domestic Tourists Visiting Delhi

Year	Foreign tourist visit to Delhi	Domestic tourist visit to Delhi
2005	1518309	2208184
2010	1807614	2667236
2015	2096919	3126289
2020	2386224	3585341

Source: Ministry of Tourism, GOI, 2012

In the year 2001 there was a marked decline in the tourist visits. The normal forecast of domestic tourist visits over the next 20 years from 2003 to 2022. The year 2005 will observe an estimated 2.20 million domestic tourists visits in Delhi. It will rise to 2.66 million in 2010 and 3.58 million in 2020. There will almost be 3.76 million domestic tourist visits in the year 2022.

Table 3.2 indicates the results of a sample survey of the most visited Tourist sites in Delhi. Some of the key inferences drawn are as follows:

Qutub Minar is the most visited monument by the Visitors staying overnight in Delhi- Domestic and International. Red Fort is comparatively less visited than Qutub Minar by the Foreign Visitors. Humayun's tomb is less popular with the domestic visitors in comparison to the foreign visitors. The

table gives us a view of the popularity in either the Domestic or International tourists of the tourist sites like Purana Qila, Jantar Mantar, Safdarjung tomb, Bahai temple, Raj Ghat, Lodhi Garden etc. support infrastructure at these sites.

3.0 Tourists and Most visited Destinations in Delhi

As per the rankings of WTO and that maintained by the Ministry of Tourism, GoI, it is observed that India with 5.8 million FTA ranks 40th (0.78%) in the world and 15th (2.4%) in Asia.

With 1.89 mn Delhi commands 32.95% of India's FTA which is a considerable count. As per statistics, there has been a dip in Delhi's count, though globally the FTA has been increased.

Table 3.1: Most visited Tourist Destinations in Delhi (2009-10)

Most visited tourist destination of Delhi	Percentage count		
	Domestic overnight visitors	Domestic day visitors	Foreign overnight visitors
Qutub Minar	51.9	13.9	61.4
Red Fort	45.1	21.8	32
Delhi Zoo	25.1	17	3.6
Pragati Maidan	21	14.7	15.4
Delhi Haat-INA	18.4	11.3	15.8
Jama Masjid	15.2	9	28.6
Akshardham	12.9	4.1	18.6
Bahai Temple (Lotus Temple)	12.4	4.9	20.4
Hazarat Nizamuddin Shrine	11.2	4.7	32.1
National Science Centre	9.3	8.4	4.2
Purana Quila	9.3	6.7	1.8
National Rail Museum	9	4.5	8.5
Gurudwara Bangle Sahib	8.6	5.5	6.9
Gurudwara Sisganj	8.5	6.2	6.6
Raj-Ghat	7.4	4.2	17.3

Source: Tourism Survey in the State of Delhi -Annual Final Report (Ministry of Tourism, Department of Tourism, Government of India)-2009-10

3.1 Most Visited Monuments of India

A survey conducted by the Government of India in 2009-10, provides an overview of facts and statistics in Delhi. The table 3.2 provides the highlights of the survey, based on which visitor management facilities can be analysed and envisaged.

Million) and Qutub Minar, Delhi (2.15 Million). In respect of foreign tourist visits Taj Mahal, Agra (0.49 Million) was the most visited monument in 2009 followed by Agra Fort, Agra (0.31 Million) and Qutub Minar, Delhi (0.22 Million), Humayun's tomb, Delhi (1.8 million).

Table 3.2: Most Visited Monuments of India

10 most popular centrally protected ticketed monuments for domestic visitors in 2010			10 most popular centrally protected ticketed monuments for foreign visitors in 2010		
Rank	Name of monuments	Domestic visitors	Rank	Name of monuments	Foreign visitors
1	Taj Mahal, Agra	2585560	1	Taj Mahal, Agra	491554
2	Qutub Minar, Delhi	2498907	2	Agra Fort, Agra	314116
3	Red Fort, Delhi	2262810	3	Qutub Minar, Delhi	21623
4	Sun Temple, Konark	1738696	4	Humayun Tomb, Delhi	183042
5	Charminar, Hyderabad	1509556	5	Fatehpur Sikari, Agra	210450
6	Agra Fort, Agra	1417641	6	Keshva temple	181078
7	Golconda Fort, Hyderabad	1373170	7	Red Fort, Delhi	142029
8	Ellora caves, Aurangabad	1187432	8	Mattencherry palace museum, Kochi	128753
9	Bibi-kamaqbara, Aurangabad	1100088	9	Western group of monuments	90721
10	Gol-gumbaj, Bijapur	1011341	10	Group of monuments, Mamallapuram	69758

Source: *Tourism Survey in the State of Delhi -Annual Final Report, 2009-10, Ministry of Tourism, GoI*

Delhi has rich cultural and historical heritage and the city possess three world heritage Monuments listed by United Nations Educational, Scientific and Cultural Organization (UNESCO). Of all the monuments in India, Taj Mahal (2.58 Million) was the most visited monument in 2009 for domestic tourist visits followed by Red Fort, Delhi (2.37

4.0 Accommodation for Tourists

4.1 Supply Demand Gap

There has been about 1161 accommodation visits with than 20600 rooms comprising of 5- star hotels, 4 -star hotels, 3 -star hotels, 2- star hotels, 1- star hotels and other type of accommodation

in Delhi. Out of these about 70 units consists of star category accommodation with 9184 rooms. Other accommodation consists of unapproved hotels, lodges, inns, youth hostels tourist camps, private rented or the paying guest, etc. In the year 2000, there were 1274177 international tourist visits and about 1728899 domestic tourist visits to Delhi. Indicates the forecasted visits of foreign and domestic tourists to Delhi during 2003-2022 AD.

4.2 The Demand Supply Gap

All the data and numbers presents the demand supply gap or shortage/excess of rooms in star category accommodation in Delhi during the period 2003-2022 AD. It may be seen that against the existing 9184 rooms in 2003 in star category accommodation in Delhi. In the year 2005 the shortage will increase to 1018 rooms. The shortage is likely to grow to 2988 in 2010 and 6926 in the year 2020. At the end of 2022 AD the shortage of rooms in star category hotels in Delhi is likely to be 7714 rooms. The shortage of rooms will require accommodation of various categories in the approved sector. The required additional rooms will involve construction of hotels, all of which cannot be accommodated in the N.C.T. DDA which is preparing the master plan 2002-2020 has to earmark land for hotels in various zones not only in N.C.T. but also in D.M.A. and N.C.R. taking into account the progress of other infrastructure facilities over the period 2002-2022. The spread of hotels in outlying areas of N.C.T. and D.M.A will ease the burden on existing civic amenities in N.C.T for a change and also bring about regional spread of accommodation facilities which will be in balance with the carrying capacity of the infrastructure facilities planned and thought out.

In the short term facilities provided by unapproved hotels can be improved to some extent. The criteria for improvement of unapproved hotels can be tackled by constituting

a committee of experts. There have been considerable complaints both by foreign and domestic tourists being cheated by touts and unscrupulous people. Local authorities have to understand the importance and psychology of tourists. Delhi police needs to introduce "tourist police" at all tourist centres and every police station has a separate number for tourist's complaints.

5.0 Perspective for Future needs: Travel Demand by 2022

Current situation and trends scenario says that 2022 appears to be quite alarming. The various indicators for assessment of travel demand are shown as under:

A tourism destination is composed of a series of accommodation and attraction (along with weather) which draw predictable volumes of visitor's traffic. Payrolls and revenues which comprise tourism success, it is essential to provide certain necessities of functional subsistence. The following action plans are suggested for Delhi for Tourism Infrastructure Development in phases from 2002 to 2022. Details of phased implementation program are given in the subsequent chapter. The supply-demand gap shows that there is a shortage of hotels of approved categories. The twenty years period has been divided in five year phases. The number of hotels required over the period is shown vide: Possibly one of the classic errors or shortcomings in tourism development programs lies in insufficient planning or provision for infrastructure facilities. Somehow, the costs of public works programs always seem to exceed initial estimates. Failure to look in to could costs and other implications can leave an area without sufficient capacity to support both tourists and its own citizens. In the worst case, tourism attractions and accommodations can stand unused or underutilised if the area does not provide the necessary support services. Inspite of

this rich and diverse cultural heritage, Delhi is used by a large number of domestic and foreign tourists only a gateway for traveling to Jaipur, Agra and other cities of tourist interest. Though, Delhi has the highest number of tourist arrivals, it is only used as an entry point to the country. The following action plans are suggested for Delhi for Tourism Infrastructure Development in phases from 2002 to 2022. Details of phased implementation program are given in the subsequent chapter.

The supply-demand gap shows that there is a huge shortage of hotels of approved categories. The twenty years period has been divided in five year phases. The number of hotels required over the period is shown vide table below. During the first phase no luxury hotel of 5- star category is required in National Capital Territory. During the subsequent phases the demand for 2- star and above categories increases assuming that civic infrastructure in outlying areas of Delhi meets or exceeds the projected demand. In the final phase (2018-2022) five luxury hotels are expected to come up more so in the Delhi metropolitan area.

Table 5.1: Number of hotels required

Hotel categories	2003-07	2007-12	2012-2018	2017-2022	Total
1-star	22	23	20	25	90
2-star	13	14	20	26	73
3-star	7	8	12	16	43
4-star	3	2	5	4	14
5-star/5star deluxe	-	1	2	5	8

Source: Working Paper, Centre for Civil Society, 2012

MRTS and outer expressways planned would have been implemented and this spread of hotels will have more forward and backward linkages with support industries in the surrounding States of Delhi. Fact that Delhi does not have an Airport Hotel. Given tourist distaste for ground travel immediately after long flight, it has become

standard to locate accommodation facilities and some attractions in the vicinity of most gateway airports and that needs to be changed.

People go on vacation to enjoy themselves and they don't have fun while they are sitting on airplanes – on trains or buses. So, the idea is to bring tourists to the activities which attract them as quickly and directly as possible. To illustrate it most of travellers do not enjoy completing a flight of several hours only to find themselves faced with a bus or train ride several more hours to reach their ultimate destination. So, it is important to think of all the traveling a tourist will do as part of a single experience. Travel within an area is an extension of the trip from home and the return trip home is an extension of the travel within the destination area.

6.0 Carrying Capacity Analysis

Tourism carrying capacity (TCC) is defined as '*the maximum number of people that may visit the tourist destination without causing destruction of the physical, economic and socio cultural environment and an unacceptable decrease in the quality of visitors' satisfaction.*' (Alvin Chandy, 2009).

Assessment of TCC is based on three most important indicators: Physical-Ecological, Socio-Demographic and Political- Economic. *Physical and Ecological Indicators* are based on fixed components (ecological capacity, assimilative capacity) and flexible factors (infrastructure systems like water supply, electricity,

transportation, etc). *Socio-demographic Indicators* refer to social and demographic issues and importance to local communities, as they relate to the presence and growth of tourism. Some of these can be expressed in quantitative terms but most require suitable socio- psychological research work. *Political-economic Indicators* refer to the impacts of tourism on local economic structures, activities, etc. including competition to other sectors.

The purpose of the interventions intended by the Ministry of Tourism, Government of India is to improve the quality and quantity of tourism

infrastructure at tourist destinations/circuits in a sustainable manner. Hence, for the purposes of this report the primary focus would be on the Physical and Ecological Indicators. It is expected that development in physical infrastructure at destinations/circuits would translate into improvements in the socio-demographic and political-economic conditions of these regions. According to the figures shown in Table 6.2, the territory of Delhi shows the available capacity both in present as well as till 2020. It is possibly due to expanding city limits of the Delhi-NCR.

Table 6.1: Evaluation Criterion for Physical and Ecological Indicators

Physical-ecological indicators	Evaluations criterion
Biodiversity	Threatened species, protected areas as a % of territory and type of ecosystem
Air quality	Population exposure to air pollution- SOX and NOX emission intensities
Noise pollution	Sensitivity to noise pollution. Allowable decibels limit if specified.
Availability of power	Hours of regular power supply from all energy sources
Water	Intensity of use of water resources. Drinking water availability @135 lpcd
Waste management	Generation of waste, moment of hazardous waste, availability of waste management system.
Cultural and heritage	Listed buildings and scheduled ancient monuments at risk. No. of community heritage groups active. Cultural traditions and communities which are at risk of getting extinct.
Tourist infrastructure	Availability of tourist infrastructure such as on site accommodation, wayside amenities, signage, restaurants, public conveniences, petrol pumps etc.
Land infrastructure	Area of land available for tourism development.
Quality of transport infrastructure	Inter and intra city transport connectivity in tourist town. Availability of last mile connectivity.

Source: White V., M. G. (2006). *Indicators of Sustainability and Sustainable Tourism: Some Example Sets*. Aberdeen: The Macaulay Institute.

Table 6.2: Town wise Carrying Capacity Analysis of Delhi

Town/city	Destinations	Existing load	Carrying capacity	Available capacity	Existing load	Carrying capacity	Available capacity
Delhi	All tourist	2010			2020		
	destinations in	20661973	37816500	17154527	32088304	32626000	537696

Source: Annual Report, Ministry of Tourism, Govt. of India, 2011

Table 6.3 shows the destination-wise carrying capacity of Delhi priority circuit. It can be observed that among the various key destinations, Dargah of Hazrat Nizamuddin shows the negative carrying capacity and remaining destinations still have scope for future primarily due to management aspects.

Since Dargah Hazrat Nizamuddin is a religious centre, it would be suggested to restrict the

dwelling time of the visitors so that its capacity could be increased. Table 6.3 shows all the diverse tourist attraction of Delhi and there carrying capacity. It also suggests that as a projected carrying capacity of tourist destination, how much Delhi can take as a tourist destination and how to go about it mainly in context of policy formulation and implementation for developing Delhi as tourist hub and realise its potential.

Table 6.3: Destination-wise Carrying Capacity of Delhi Priority Circuit

Place	Tourist destination	Existing load 2010	Carrying capacity	Available capacity Daily 2010	Estimated load 2020	Carrying capacity daily 2020	Suggested measures	Enhanced capacity daily 2020
Delhi	Qutub Minar	11843	19500	7657	37277	861	-	861
Delhi	Red Fort	14215	455500	16118	44744	7961	-	7961
Delhi	Jama Masjid	5545	2250	4955	17455	1772	-	1772
Delhi	Purana Quila	3239	27000	18361	10194	16503	-	16503
Delhi	Humayun Tomb & Isakhan Tomb	2941	32000	29059	9258	27371	-	27371
Delhi	India Gate	4121	42000	48379	12921	46015	-	46015
Delhi	Garden of five senses	2480	11000	19520	7806	18097	-	18097
Delhi	Safdarjung Tomb	328	9750	25672	1032	25484	-	25484
Delhi	Kotla Feroz Khan	277	12375	24473	872	24314	-	24314
Delhi	Tughlakabad	128	16000	21206	402	21132	-	21132
Delhi	Dargah Hazarat Nizamuddin	7000	1012.5	-925	22034	-4942	Restricting the dwell time to 45 mins crowd mgmt.	323

Source: Annual report, Ministry of Tourism, Govt. of India, 2011

7.0 Conclusion and Road Ahead

As this paper mainly talks about tourism in Delhi, its economic aspects and developmental aspects. The main goal of this study is to investigate the effect of tourism on the economic growth and development of Delhi. The results show that the spending of international and domestic tourists positively impacts the economic growth of Delhi. We have found that there is increase in the spending of international and domestic tourists and expenditure of government leads to increase in the GDP per capita income. According to the government agencies Delhi offer a considerable potential, not only for heritage tourism, but also for the environmental and ecotourism, cultural tourism, pilgrims tourism, and discovery tourism. This potential, however, is still yet to be fully harnessed. In addition, the results show that the conventional sources of growth such as investment in physical and human capital and the ability of households to have the wherewithal of spending on health, housing, nutrition, and other household items can enhance their productivity and spur their economic growth. A policy implication which may be drawn from this study is that Delhi can improve their economic growth performance, not only by investing on the traditional sources of growth such as investment in physical and human capital and trade in tourism sector, but also by strategically harnessing the contribution the tourism industry and improving their governance performance.

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Teaching Note

Case Overview

Tourism is one of the most important sectors in the Delhi economy. Delhi has become a major player in the international tourism market since the country opened its doors to the outside world in the last few decades. Tourism is a diversified and decentralized industry. The commercial imperatives drive tourism change according to the location, as do the environmental, social and cultural impacts of tourism on particular communities. Tourism is now considered as an efficient tool for promoting economic growth of the host country. Tourism industry in India and especially Delhi being the capital has been growing at a rapid pace generating of foreign exchange besides giving a fillip to the country's overall economic and socio-cultural development. It is thus imperative to examine the dynamics of the relationship between tourism sector expansion and economic growth in Delhi. This paper is an attempt in this direction.

The methodology of the present study relied on the secondary data and information, review of print literature and visit to the selected sites to witness tourism sector status in India. To broaden our research, one conducted the literature review based on two approaches: thematic approach and coverage approach. Paper suggest that as a part of the policy implications it is necessary that all wings of the central and state governments, private bodies and voluntary organisations should become the active partners in the endeavour to attain sustainable growth in tourism and overall economy as well.

Teaching Objectives

The main objective of this case study is mainly to understand how tourism sector has an impact on socio economic status of Delhi. To study the pattern and trend of both domestic and foreign tourist visit to capital city, same time to observe

the tourist destination attraction in quantitative term and an analytical index to study the carrying capacity of tourist destination to develop the future policy and framework for Delhi tourism.

Case Analysis

As this paper mainly talks about tourism in Delhi, its economic aspects and developmental aspects with analysis of secondary data and information. The main goal of this study is to investigate the effect of tourism on the economic growth and development of Delhi. The results show that the spending of international and domestic tourists positively impacts the economic growth of Delhi. We have found that there is increase in the spending of international and domestic tourists and expenditure of government leads to increase in the GDP per capita income. According to the government agencies Delhi offer a considerable potential, not only for heritage tourism, but also for the environmental and ecotourism, cultural tourism, pilgrims tourism, and discovery tourism. This potential, however, is still yet to be fully harnessed. In addition, the results show that the conventional sources of growth such as investment in physical and human capital and the ability of households to have the wherewithal of spending on health, housing, nutrition, and other household items can enhance their productivity and spur their economic growth. A policy implication which may be drawn from this study is that Delhi can improve their economic growth performance, not only by investing on the traditional sources of growth such as investment in physical and human capital and trade in tourism sector, but also by strategically harnessing the contribution the tourism industry and improving their governance performance. The major limitation of study has been it is completely based on analysis of

secondary data and information which are also available in limited scale and acute data source.

Assigned Case Questions

- How tourism sector has an impact on socio economic status of Delhi?
- What has been the pattern and trend of both domestic and foreign tourist visit to Delhi?
- What has been the Demand supply gap of Delhi as a tourist destination?
- What will be the carrying capacity of tourist destination to Delhi?

Teaching Plan

The teaching plan is an outline on how to allocate time within class. For most business school courses, this is 75-80 minutes. Typical components of a teaching plan are the following:

- **Class introduction:** Tourism is one of the important sectors in the social and economic development of any region and it true in the case of Delhi. It is significant issue to consider whether the development through Tourism is sustainable or not. Though the concept of sustainability of tourism is not an easily measurable, the occurrence of any negative impacts on the society and ecology is often taken to indicate lack of sustainability. In fact, the heart of any development process is proper planning and management based on assessment of all the factors directly or indirectly involved and interacting with the existing environment and extraneous monitoring of the planning strategies and objectives.
- **Major topics:** a listing of topics, each topic area and identification of items that is important to get on the board

1.0 Delhi Tourism

2.0 Socio-Economic Profile of Delhi

2.1 Profile of Tourists

2.1.1 Profile of International Tourists
Visiting Delhi

2.1.2 Profile of Domestic Tourists

2.1.3 Domestic Tourist Projections

3.0 Tourists and Most visited Destinations in Delhi

3.1 Most Visited Monuments of India

4.0 Accommodation for Tourists

4.1 Supply Demand Gap

4.2 The Demand -Supply Gap

5.0 Perspective for Future needs: Travel
Demand by 2022

6.0 Carrying Capacity Analysis

7.0 Conclusion and Road Ahead

• Wrap-up points

The main goal of this study is to explore the effect of tourism through international and domestic tourists on the economic growth and development of Delhi. We have found that there is increase in the spending of international and domestic tourists and expenditure of government leads to increase in the GDP per capita income. According to the government agencies Delhi offer a considerable potential, not only for heritage tourism, but also for the environmental and ecotourism, cultural tourism, pilgrims tourism, and discovery tourism. This potential, however, is still yet to be captured. In addition, the results show that the conventional sources of growth such as investment in physical and human capital and the ability of households to have the wherewithal of spending on health, housing, nutrition, and other household items can enhance their productivity and spur their economic growth.

INTRODUCTION

Globsyn Management Journal is an EBSCO enlisted bi-annual publication of Globsyn Business School, Kolkata, India. GMJ is also available in the Pro Quest database and is enlisted in the Cabell's dictionary. Its objective is to contribute to a better understanding of organizations and their functioning by presenting conceptually sound and methodologically rigorous articles which provide insights and advance knowledge on managerial, business and organization issues.

A typical issue of the journal would carry a mix of research articles, book reviews, perspectives, interfaces and case studies. *Research Articles* would be analytical and/or empirical in nature and focus on the analysis and resolution of managerial issues in organizations. *Book Reviews* would present reviews of current books on various domains of management. *Perspectives* would aim to identify and highlight emerging issues and paradigms in management. *Interfaces* would present articles from professionals focusing on managerial applications of management practices, theories, and concepts and *Case Studies* would aim at an intensive analysis of a real life decision taken at the individual or the organizational level, which may be functional, operational or strategic in nature.

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3. Objective of the Study
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The author/s should send three copies of the manuscript. The text should be typed double-spaced only on one side of A4 size paper in MS Word, Times New Roman, 12 font size with one -inch margins all around. The manuscripts should have a cover page bearing only the title of the article, author/s' names, designations, official addresses, phone/fax numbers, and e-mail IDs. The first page of the article must also provide the title of the article but it should not give the author/s' name and address. The author/s' name should not appear anywhere else on the body of the manuscript to facilitate the blind review process. The articles should be in clear, coherent and concise English. Professionally drawn graphs and diagrams must be provided wherever necessary along with the manuscript.

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Basu, I (2004). "India's thorny FDI rule under scrutiny," *Asia Times*, May 28, http://www.atimes.com/atimes/South_Asia/FE28Df03.html Accessed on April 27, 2004.

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