अनुसंधान

Guru Gobind Singh Indraprastha University

NDIM

New Delhi Institute of Management

Highlights of NDIM

New Delhi Institute of Management in its journey of attaining several milestones in the areas of research and education, takes pride in sharing with the community its editorial masterpiece, 'Anusandhan-NDIM's Journal of Business and Management Research'.

NDIM, a unit of the Society for Employment and Career Counseling, was established in 1992 by Sh. J.R. Bansal (Member, UPSC; Chairman, PPSC), along with seniormost bureaucrats and secretaries, GoI, as well as top industrial houses of Ambujas and Jindals.

NDIM is affiliated to the Guru Gobind Singh Indraprastha University, an 'A' grade NAAC accredited University. NDIM has consistently been rated A+ by high-powered committees constituted by GGSIP University, Directorate of Higher Education, and the State Fee Regulatory Committee, after qualifying their strict and stringent norms.

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From the Patron's Desk

It gives me immense pleasure to introduce the second issue of NDIM's flagship research journal Anusandhan. There is a deep visceral joy to be gained from watching a research journal, in itself a meditation on the resolute human spirit to uncover even the deepest secrets of the world, blossom under the guidance of the most able team of editors. Anusandhan has benefited greatly from the expert inputs of its team, curated from amongst the sharpest minds in the country, the support of the Guru Gobind Singh Indraprastha University officials, who have stimulated intellectual discussion at every level, as well as the missionary zeal of those whose papers have been published. It is this zeal, this primal need that drives an idea from its genesis to its conclusion, that drives research.

In 2019 NDIM took a leap forward into the world of high-quality research with its path-breaking National Conference on Paradigm Shift in Management Practices for Fostering Excellence, which featured eminent speakers like H.E. Ambassador Augusto Montiel, Embassy of Bolivarian Republic of Venezuela, Mr. Rajiv Yadav, IAS, Secretary, Parliamentary Affairs, GoI, Mr. S. Rajagopalan, Chairman, Public Relations Society of India, and many others. Anusandhan, which itself means research, is merely another chapter documenting the ideas of the world's sharpest minds, and the most difficult, elusive topic to write about – people.

And more than anything else, that is what this issue is really about – people. What are their needs, their drives, their aspirations? What is it that drives someone in Mexico to invest her life's savings into a micro-enterprise, if not the freedom that only comes from only being answerable to oneself? What makes us buy luxury items, if not the instant gratification described so lucidly by Freud in his ideation of the id? What do the people of Sikkim demand from their commuter services – is it merely the Spartan comforts of travel, or the feeling of being taken care of and respected? Lest anyone make the cardinal mistake of refuting the symbiotic relationship between social aspirations and economic robustness, we bring into focus the fact that female illiteracy has a direct impact on the economic health of the nation. And a nation like India with a burgeoning demographic dividend can hardly close its eyes to half its population.

Anusandhan brings together copiously researched papers from across the world, and tries to be as diverse as possible in its coverage of topics. In a globalized, inter-connected world, living in an informational silo is no longer an option – the integration of ideas and concepts lies at the heart of synthesis. New ideas must build on the old, the existing paradigms providing the scaffolding for a revolutionary and transformative tomorrow. Much as Isaac Newton said in 1675, if we can see further today, it is by standing on the shoulders of Giants. We sincerely hope Anusandhan will be your pair of binoculars as we peer into the future.

Bindu Kumar
Chairperson
New Delhi Institute of Management

Editorial Desk

Welcome to the second issue of "Anusandhan – NDIM Journal of Business and Management Research". The response to the first edition from the academic community was overwhelming. Anusandhan is a peer-reviewed journal that provides a platform to academicians, management thinkers, experts, professionals, practitioners, researchers and students to share their knowledge and experience in all areas of Contemporary Management Research. We are committed to build a congenial atmosphere to create an intellectual community through national conferences, seminars and workshops. Our distinctive learning methodology through all modern teaching facilities are designed to equip the students to meet the challenges of global market.

The present issue of "Anusandhan – NDIM Journal of Business and Management Research" Volume I, Issue II, August 2019 encompasses an excellent assembly of articles and research papers on the themes like Finance, Economics and Marketing.

The first paper co-authored by José G. Vargas-Hernández, Ofelia Barrios Vargas and Rafael Casas Cárdenaz, emphasized on the life expectancy of micro, small and medium enterprises in Mexico according to official data is 6.9 years, a worrying fact considering that they generate more than 70% of the jobs in the country, thus having important participation in their economy.

Second paper co-authored by Sunita Bharatwal and Apoorva Kumar Seth, is based on the secondary data available with the Himachal Pradesh Consumer Commission to analyze the types of consumer cases filed between 2012-16 and their disposal mechanism.

Third paper, co-authored by Anu Priya Arora and Dr. Nawal Kishor, aims to examine the effects of functional value, individual value and social value dimensions on consumer attitude towards purchasing luxury fashion brands.

Fourth paper, co-authored by Dr. Vishal Srivastava and Biren Chettri, identifies the quality of present commuter services, provided by unorganized private taxi operators. This research paper is based on time-tested SERVQUAL model to measure the expectation and perception of the passengers towards these services.

Fifth paper co-authored by Dr. Anubhuti Dwivedi and Maroof Ahmed, examines the trend of technical efficiency, technological change and TFP growth in the Indian manufacturing sector during 1981-82 to 2011-12. Data Envelopment Analysis based Malmquist Index has been calculated to arrive at the estimates of technical efficiency, technological change and total factor productivity growth and a comparison has been made between pre-reform and post reform period.

The last paper authored by Dr. Tanu Kathuria, emphasizes the fact that the journey to become a successful nation begins with Universal Education for Women. The paper also tries to cover the schemes those have been introduced by the government to increase the access, expand coverage and improve the quality of education among women in different parts and segments of the country.

I am grateful to all the members of editorial board of this journal for their contribution, in soliciting papers and reviewing them. The editors of our journal have long-standing and distinguished careers in their respective fields. I would also like to thank the authors for contributing high quality papers. I would like to extend my heartfelt thanks to our patrons from the GGSIPU, and the corporate world for their constant association and guidance in the successful accomplishment of our academic & research endeavors. I am hopeful that this edition will be enjoyed by all. I welcome comments and suggestions from all our intelligent and valuable readers. I look forward to your continued help and suggestions for publishing many more meaningful and informative issues.

With best wishes
Dr. Gitanjali Bhatnagar
Principal
New Delhi Institute of Management

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The Budget in the Financial Management of the SMEs Assisted by the Administrative Process as a Competitive Tool

José G. Vargas-Hernández
Universidad de Guadalajara, CUCEA.

Rafael Casas Cárdenaz
Instituto Tecnológico de Lázaro Cárdenas

Ofelia Barrios Vargas
Instituto Tecnológico de Lázaro Cárdenas

Abstract

The life expectancy of micro, small and medium enterprises in Mexico according to official data is 6.9 years, a worrying fact considering that they generate more than 70% of the jobs in the country, thus having important participation in their economy. This research paper has the purpose of making an analysis of strategies that contribute to the productivity and competitiveness of SMEs, which positively impacts their life cycle. For this, the adoption of better administrative practices is proposed, such as the implementation of operational and financial budgets linked to the administrative process as a means to ensure an efficient and reliable process. The above hypothesis is based on field information collected in the present investigation.

Keywords: *Competitiveness, SMEs, budget, administrative process and productivity.*

Introduction

The SMEs worldwide represent a determining factor in economic activity and job creation. The General Secretary of the Organization for Economic Cooperation and Development, José Ángel Gurria (2018), said that between 50 and 60% of the aggregated value of the economies is provided by the small and medium enterprises (SMEs), considering also in the present study the micro companies, for the significant number of them. Normally in Mexico, large companies are installed in development poles, derived from the communications infrastructure that favours them in terms of logistics. However, the SMEs are attending needs at the local and regional level, contributing to employability and micro-financial development.

In Mexico it is not the exception, the economic contribution of the SMEs is transcendental, because according to the National Institute of Statistics and Geography (INEGI), the National Institute of the Entrepreneur (INADEM) and the National Bank of Foreign Trade (BANCOMEXT), in the National Survey on Productivity and Competitiveness of Micro, Small and Medium Enterprises (2015), 97.6% are microenterprises and concentrate 75.4% of the total employed personnel. It is followed by small companies, which are 2% and have 13.5% of the staff employed. Medium enterprises represent 0.4% of economic units and have just over 11% of jobs.

Because of the importance they represent for the national economy, it is necessary to look for strategies that contribute to their consolidation, mainly because of the short life expectancy of these organizations. According to data presented by the INEGI

(2016), the average life of these organizations at a national level is 6.9 years, since they face various challenges. Among them are those of an administrative nature, since these establishments are usually run by a person who makes all kinds of decisions, without counting in many cases on external advice, which affects the correct implementation of plans, the effective organization of processes, or the proper measurement of results.

Background
The budgets represent a control tool for the organizations, mainly in financial matters. They allow the organization to establish its own direction, and by means of their appropriate inspection, they channel the established plans in monetary terms.

According to Mendoza (2013), these are related to the capacity of strategy and execution. In small companies, the challenge is to overcome inexperience and draw up a plan that allows and facilitates growth.

For the purposes of delimiting the study, this research work focuses on these organizations in the city of Lázaro Cárdenas, Michoacán. The above is motivated by the information obtained from INEGI (2016), which states that the national life expectancy of businesses is 6.9 years, while for the state of Michoacán the average is 4.9 in the commerce sector, a worrying fact and for which the search for solutions is urgent. Below is a graph of the mentioned results (Figure 1).

Figure 1: Life expectancy of businesses in the state of Michoacán
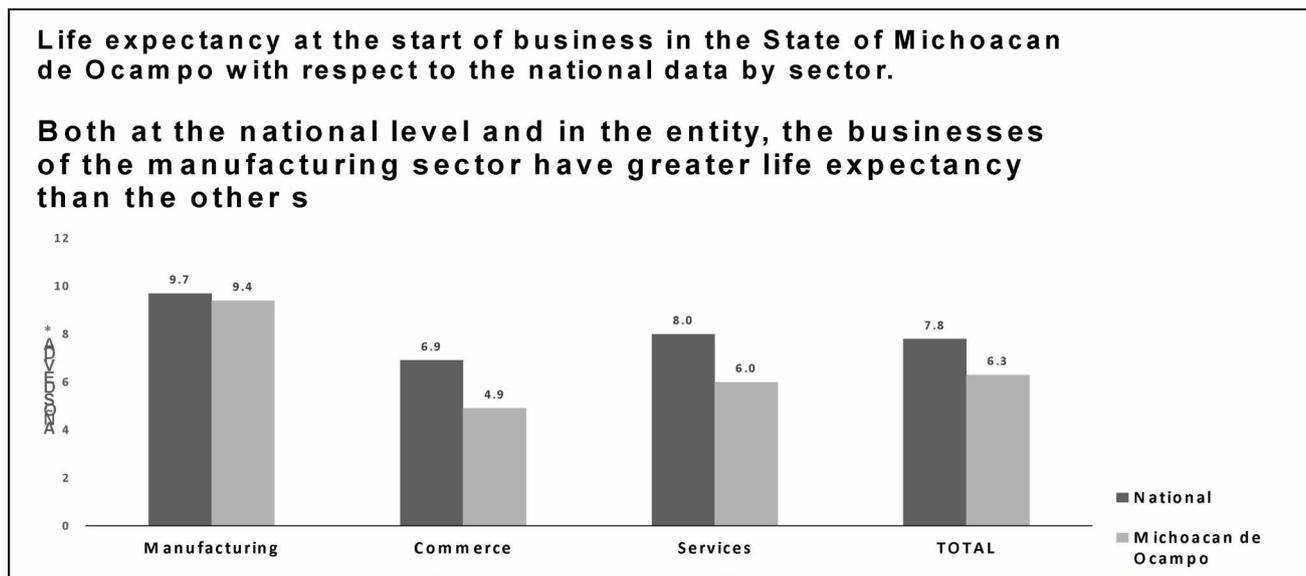
Source: National Institute of Statistics and Geography (2016).

In the City of Lázaro Cárdenas, according to the information of the INEGI (2016), there are 3,645 economic units that correspond to the retail trade sector, and 193 to wholesale, and in terms of manufacturing companies there are a total of 731 establishments. The life expectancy in business is 6 years and 6 months, surpassing the figure presented at the state level. However, it is a few points below the figure determined at the national level. The above is presented in the following figure of results.

Figure 2: Life expectancy of businesses in the state of Michoacán

Life expectancy at the start of business by municipality in the State of Michoacán de Ocampo
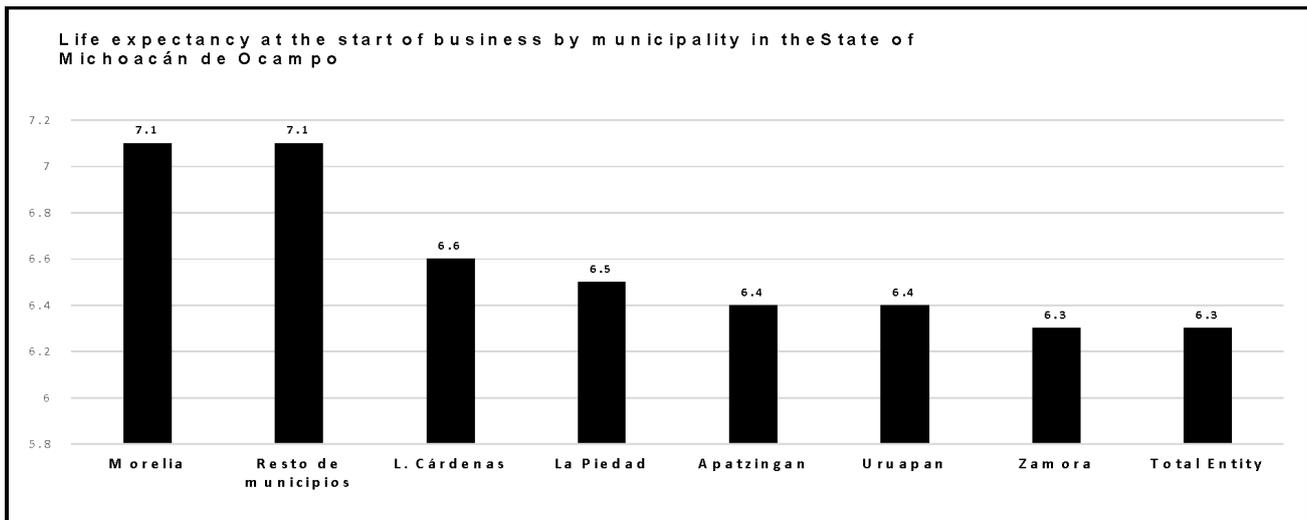
Source: National Institute of Statistics and Geography (2016).

The above data presents an unfavourable scenario for these establishments, since their life cycle is relatively short, affecting the economic and employment contribution in the region, especially in terms of payment of taxes, in terms of their tax participation. This requires the adoption of strategies to improve their competitiveness, which in turn contribute to their organizational permanence, consolidating and achieving sustained growth. The administrative part is of vital importance since it involves the coordination of resources whether material, human and financial, the latter being the lever to move the previous ones. Therefore, the present research work focuses on the establishment of budgets as a tool that develops its potential in a globalized market.

Approach and Delimitation of the Problem
This research is aimed at highlighting the scope of the SMEs in Mexico and specifically in Lázaro Cárdenas, Michoacán, the problems they face regarding their permanence in the market. This is how the proposal to establish budgets as a permanent plan that contributes to the achievement of organizational objectives, positively impacting their competitiveness and productivity, as well as a strategy to address the low level of life expectancy. From the previous approach, the following question arises: Can budgets be adopted in the SMEs as a strategy that impacts their productivity and competitiveness?

Research objective
Examine and propose the formal implementation of the budgets for the SMEs, as a strategy to improve their productivity and competitiveness, also strengthening their life cycle.

Justification
As already mentioned, in Mexico the SMEs represent a very important sector in their economic development, because according to the information presented by INEGI (2015), regarding the National Survey on Productivity and Competitiveness of the Micro, Small and Medium Enterprises of the Year 2014, there are a total of 4, 048,543 companies, of which the micro enterprises constitute a 75% percentage share.

Figure 3: Percentage share of SMEs in employment
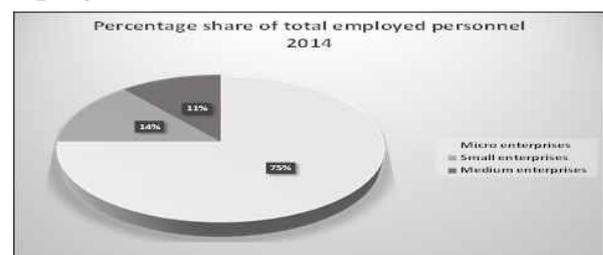
Source: National Institute of Statistics and Geography (2015).

If the above is taken into account, out of the total number of establishments in the country, 95.40% are micro businesses and only 0.20% are large companies, according to data from INEGI(2015).

Figure 4: Total establishments by sector
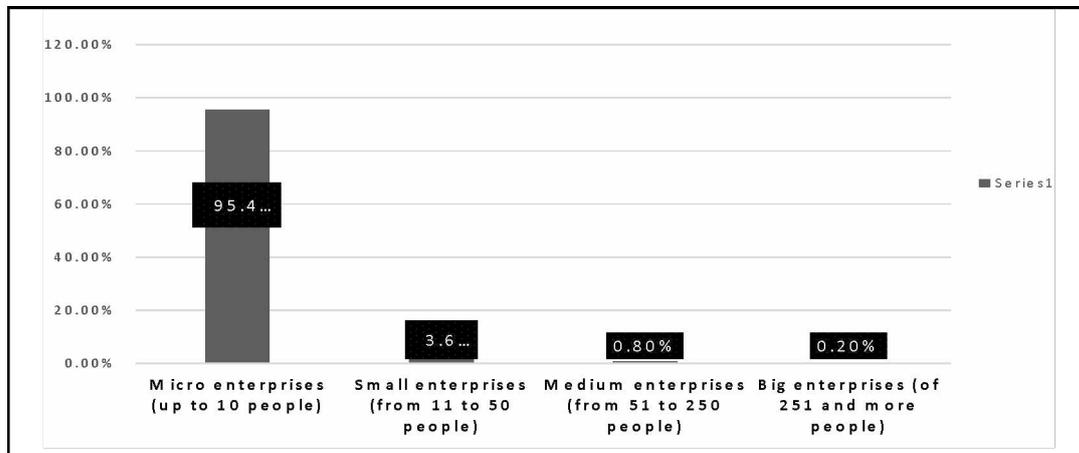
Source: National Institute of Statistics and Geography (2015).

Therefore, if strategies are sought that strengthen micro enterprises, contributing to their growth and competitiveness, they will achieve their permanence in the market, and by representing the majority of the establishments in percentage terms, will allow them to consolidate as small and subsequently as medians, thus increasing their average lifespan, positively impacting on employment, the national and regional economy, without neglecting the tax collection that in any case would benefit naturally.

Theoretical foundations
A. Definition of Competitiveness
Competitiveness in the present work is analyzed as a consequence derived from the adequate planning of budgets and their efficient application. It is therefore addressed in the business world, as a result of a strategy that improves its life cycle and strengthens productivity and competitiveness. Competitiveness is defined as the set of institutions, policies and factors that determine the level of productivity of a country. The level of productivity, in turn, establishes the level of prosperity that can be gained by an economy (Forum, 2014). Regional competitiveness can be defined as the administration of resources and capacities to steadily increase business productivity and the well-being of the region's population (Benzaquen, Del Carpio, Zegarra, & Valdivia, 2010).

Business competitiveness is derived from the competitive advantage that a company has through its production methods and organization (reflected in price and quality of the final product) in relation to those of its rivals in a specific market (Ibarra, González, & Demuner, 2017). Comparative advantage is driven by differences in the costs of inputs such as labor or capital. Competitive advantage, on the other hand, is driven by differences in the ability to transform these inputs into goods and services to obtain maximum utility (Romo & Abdel, 2005).

From the above definitions, the term competitiveness is considered from the national level, which reflects the productive capacity of a country, as well as the level of welfare of its citizens. Similarly, it is dealt with in a regional manner, considering as such the productivity that it is capable of generating, for the benefit of the population and a territorial margin. It also addresses the business environment, the objective of this work, specifically SMEs, considering as such the potential level in the market, as a

result of the quality in their process of transformation and organization. Finally, the difference in costs of inputs and labour is mentioned, however, to be able to plan, measure and control them, it is necessary to budget them.

Competitiveness is considered the capacity of an entity with economic or social purposes, to fulfil its mission through the completion of its processes efficiently, identifying the needs of the client and through the use of technologies, maintaining a process of continuous improvement and innovation, for its own benefit, and of its human capital, consumers and suppliers.

B. Definition of Budget
The Budget is the systematically programmed estimate of the conditions and results to be obtained by a company in a given period. It is the essential device that allows a company to work financially in the best conditions, obtain the maximum benefit in easy periods and safeguard it in difficult periods (Martínez, 2007). The budget is a starting point that allows to appreciate what will happen in a given period, providing a broad view of the activities that will be developed throughout the year (Martínez, 2012).

Budgets are a common accounting tool that companies use to implement a strategy. Management uses budgets to communicate the guidelines and goals to the entire company. Budgets drive managers' perspectives and help in the planning and control of actions that managers must take to satisfy their clients and to succeed in the market. Budgets provide measures of the financial results that a company expects from its planned activities and help define the objectives and chronologies against which progress is measured. Thanks to budgets, managers learn to anticipate and avoid potential problems (Horngren, Datar, & Rajan, 2012).

In the review of literature it is observed that the authors consulted in the present investigation agree that the budget is a tool that anticipates the activities of an organization and the results. Therefore it can be said that they represent an administrative tool that allows a glimpse into the future of a company or organization, in a globalized environment, expressing its objectives aligned with its mission and vision, in monetary terms, likewise, through planning, coordination, direction and control, achieving desired and competitive results.

The budgets according to the literature examined, have a broad classification, according to the different authors. However, for the purposes of the present investigation, budgets are addressed from the operational and financial point of view. According to the field of applicability in the company, and taking into account in a simple way the needs of SMEs, the point of reference is taken as expressed by Díaz, Parra & López (2012), who group them as follows:

1. Operating or economic budgets: They are related to the operative part of the company, that is, operational income, non-operational income, costs (production, sales and services) and operational and non-operational expenses.

2. Financial budgets: They are related to the budget of the items in the balance sheet, mainly due to the treasury budget, which generates a large number of accounts.

C. Financial Management
Financial management is the process of analyzing and making decisions about the financial needs of an entity, trying to use the best financial resources, ensuring that they are sufficient for it to work, thus contributing to the fulfillment of the proposed objectives (Alvarez, 2017, pp. 338-358). Financial Management is the activity carried out in an organization that is responsible for planning, organizing, directing, controlling, monitoring and coordinating all the management of financial resources in order to generate greater benefits and/or results. The objective is to make the organization develop effectively, support the best

financial decision making and generate investment opportunities for the organization (Terrazas, 2009, pp. 55-72).

Basically, financial management encompasses everything related to money, investment, administration and ownership, so that it is properly managed so that it is lucrative; therefore, its objective is focused on maximizing the value of the investment of the owners of the company (Nava & Marbelis, 2009, pp. 606-628).

The aforementioned authors agree that financial management optimizes resources for the benefit of the organization and the achievement of established objectives. From the above it is concluded that it is the activity aimed at obtaining, managing and applying resources in an efficient and effective manner, with the purpose of ensuring the usual development of economic operations necessary for the achievement of the mission and business vision, also ensuring the planned results.

D. SMEs

According to data from the National Institute of Statistics and Geography (2009), the MSMEs represent, on a global level, the segment of the economy that provides the greatest number of economic units and employed personnel; hence, the importance of these type of companies and the need to strengthen their performance, as these influence fundamentally on the global behavior of national economies. In accordance with the Ministry of Economy (2010), microenterprises are all those businesses that have less than 10 workers, generate annual sales of up to 4 million pesos and represent 95 per cent of the total of companies and 40 per cent of the total employment in the country. In addition, they produce 15 per cent of the Gross Domestic Product.

The small company is an independent entity, created to be profitable, that does not predominate in the industry to which it belongs, whose annual sale in value does not exceed a certain limit and the number of people that make up does not exceed a certain limit, and like any company, it has

aspirations, realizations, material goods and technical and financial capacities, all of which allow it to dedicate itself to the production, transformation and/or rendering of services to satisfy certain needs and wishes existing in society (Thompson, 2007).

Considering the information of the Ministry of Economy, (2010), medium-sized businesses are businesses dedicated to trade that have from 31 to 100 workers and generate annual sales that range from 100 million to 250 million pesos. For greater clarity regarding the segmentation of the SMEs, considering the employed workers and the income received, in the Official Gazette of the Federation, of June 30, 2009, the stratification was published according to the following table:

Table 1: Micro, small and medium company stratification

Size	Sector	Rank of number of workers	Annual sales amount range (mdp)	maximum combined stop
Micro	All	Until 10	Hasta $4	4.6
Small	Commerce	From 11 to 30	From $4.01 to $100	93
Small	Industry and services	From 11 to 50	From $4.01 to $100	95
Medium	Commerce	From 31 to 100	From $100.01 to $250	235
Medium	Services	From 51 to 100	From $100.01 to $250	235
Medium	Industry	From 51 to 250	From $100.01 to $250	250

* Maximum Combined top = (Workers) X 10% + (Annual Sales) X 90%.
Source: Official Gazette of the Federation (2009).

E. Administrative Process

The administrative process is a means of integrating different activities to implement the business strategy, after defining the business objectives and formulating the strategy that the company intends to develop, analyzing the environment surrounding the company, the task to be performed and the technology which will be used, as well as the people involved. The business action that will implement the selected strategy must be managed (Chiavenato, 2001).

The administrative process is a fundamental methodology for the

application of the administration, regardless of whether it is part of the administrative process school, it is an indispensable tool around which other administrative schools or approaches can be applied. Its importance is similar to that of basic arithmetic operations; without these, it is not possible to perform other mathematical operations. Likewise, the stages of the administrative process are basic to apply to any style or school of administration (Munch, 2007). The functions of managers provide a useful structure for organizing administrative knowledge. No new ideas, research findings or techniques have been presented that cannot be easily placed in the classifications of planning, organizing, staff integration, directing and controlling (Koontz, Weihrich, & Cannice, 2008).

The administrative process in relation to the budget is an essential element that comes to strengthen from the integration process, its administration and application of the same, contributing in an efficient way in its consolidation. The established plans require a mechanism to ensure their efficient and effective development, meeting established goals, controlling deviations at the appropriate time, as mentioned in its definition (Munch 2007), its importance is similar to that of basic operations.

F. Productivity
The current reference to productivity alludes to different factors that intervene and determine it, such as: financial resources, the quality of products or services, the use of technologies, human capital, machinery and equipment and administrative accounting, elements that when applied efficiently in the respective processes, contribute directly to the results of the organization. With the above, it is clear that it is not the volume of production itself, but the ability to meet the needs of customers or the market, through the efficient gearing of the resources available to the organization.

Productivity is the ability to achieve objectives and generate high quality

responses with the least human, physical and financial effort, for the benefit of all, by allowing people to develop their potential and get a better level of quality of life in return (Fernández, 2010). Productivity is a strategic objective of companies because without it the products or services do not reach the levels of competitiveness needed in the globalized world (Medina, 2010). Productivity is a relative indicator that measures the capacity of a productive factor, or several, to create certain goods, so by increasing it, better results are achieved, considering the resources used to generate them. The importance of productivity lies in the use as an indicator to measure the real situation of a country's economy, an industry or business management (Miranda & Toirac, 2010).

The previously stated definitions of productivity are directly associated with the results. However, it is important to consider other factors that intervene in their achievement. Considering the above, it can be defined as the ability to generate goods and services that meet the needs of customers, by efficiently gearing the resources of the organization and the administrative process as a regulatory element, meeting their institutional objectives, developing competitiveness and favorable results.

Methodology
In the present research work, the methodology used is based on an empirical approach with qualitative analysis, based on electronic, literary and scientific sources, as well as government statistical information, obtaining in this way the data considered useful for this study, by its degree of contribution to the problem to be solved, it is considered a descriptive study because it provides useful information to the SMEs. It seeks to specify properties, characteristics and important features of any phenomenon that is analyzed to describe trends of a group or population (Hernández, Fernández, & Baptista, 2014).

To give greater certainty to the findings of this investigation, a survey was applied to 30 establishments in the city of Lázaro

Cárdenas, Michoacán, to understand the SMEs' elaborate budgets as part of their administrative activity. The validation of the instrument for collecting this information, processed using the Likert scale as a reference for its elaboration, without considering all its elements, composed of 5 questions, and was carried out using the statistical package IBM SPSS Statistics, version 25, determining reliability through the coefficient alpha of Cronbach, throwing a degree of reliability of .812 on 5 elements that integrated it.

Analysis of Results

Mexican companies need to start using financial tools that allow them to know where they are currently, where they want to go and in what way they are going to achieve it. One of those tools is the budget since there is no worse scenario in any activity and more in the economic dynamics of business than uncertainty (Gutierrez & Frausto, 2016). According to the results of the survey applied to the SMEs establishments, mentioned in the part of the methodology of this research, the need to implement budgets as a tool to improve productivity and competitiveness is reaffirmed, considering the following:

Table 2. Results of question 3

Answers	Amount
Always	8
Almost always	5
Sometimes	9
Never	8

Source: Own elaboration

Are your budgets prepared annually in your company?

Figure 5: SMEs that elaborate budgets
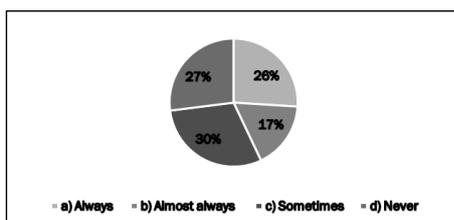
Source: Own elaboration

In the previous figure, it is observed that 26% of the establishments surveyed, always elaborate budgets, sometimes 30% and never 27%, which shows that there is a degree of improvisation.

Table 3. Results of question 4

Answers	Amount
Always	8
Almost always	7
Sometimes	9
Never	6

Source: Own elaboration

Is your income planned in advance and is compliance monitored?

Figure 6: SMEs who plan their income
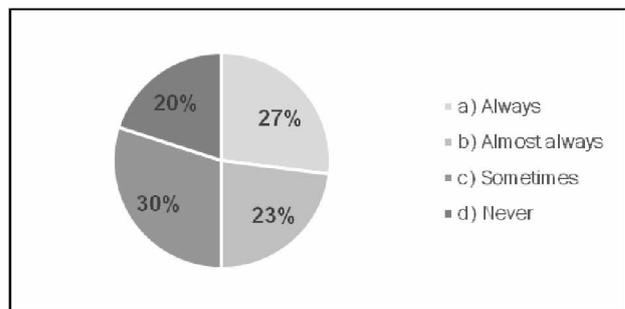
Source: Own elaboration

27% of the establishments consulted always plan their income, 20% never and 30% sometimes, observing a correspondence with the previous question, especially in this response, confirming the lack of budgetary culture as an administrative control tool, that makes evident the financial problems that propitiate the disappearance of a large number of them.

Table 4. Results of question 5

Answers	Amount
Always	11
Almost always	6
Sometimes	8
Never	5

Source: Own elaboration

Are your costs and expenses planned in advance and is compliance monitored?

Figure 7: SMEs that plan their costs and expenses
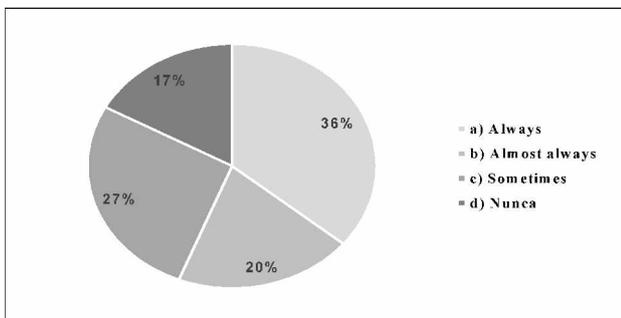
Source: Own elaboration

As for the planning of costs and expenses, 17% never do, 27% sometimes, 36% always and 20% almost always. The lack of proper handling of cash outflows generates non-payment of payments to suppliers, payroll, taxes and other expenses, affecting the results. Likewise, in the absence of an orderly predetermination, it is not possible to establish continuous improvement programs in these areas, tending to the optimization and standardization of the same.

With the above, the proposal regarding the implementation of the basic budgets for SMEs is strengthened as a strategy to improve productivity and competitiveness, through a simple process that facilitates their understanding, considering that these organizations do not have a departmental distribution, being only one person in most cases who performs the administrative operations. However, having the necessary and timely accounting information, as well as the advice of the public accountant, as an external consultant, may carry out its preparation, mainly in that of financial statements. For this purpose, the integration of operating and financial budgets is suggested in the following order:

Figure 8: Operating budgets for an industrial activity
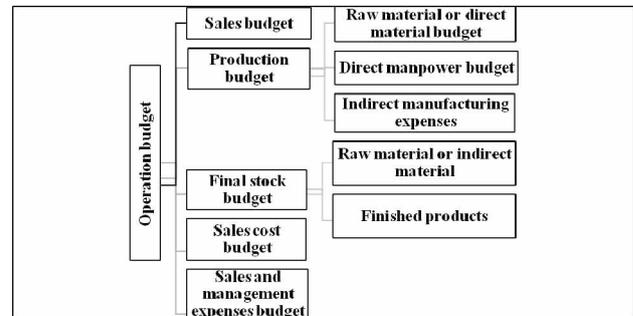
Source: Own elaboration

As previously mentioned, for this study, the budgets are dealt within two categories. First of all, the operating budgets, as represented in the previous figure and which have the following order, which is explained in a simple manner to facilitate their understanding to those responsible for administering or managing an SME, based on the bibliographic sources consulted:

1) Sales Budget : As Tamer & Guerra (2010) describes it in a simple way, it is integrated by the estimated sales quantity and is determined through the sales forecast, once an analysis of the possible future demand of the market is made, the result by the unit sale price.

2) Production Budget : They are commonly expressed in physical units. The information needed to prepare this budget includes types and capacities of machines, economic quantities to produce and availability of materials (Mendoza, 2013).
The industrial SMEs to integrate their production budget should formulate the following budgets:

a. The budget of raw materials or materials to be used: Quantifying physically according to their unit of measurement and in monetary terms in order to determine the value of the purchases to be made.

b. The budget of direct labour: According to the production, the number of workers, in their case the salaries to pay, through the established system, to quantify the cost of the payroll of the workers or workers who intervene directly in the production process.

c. The budget of manufacturing overhead : This is related to each of the expenses that indirectly are part of the production, such as depreciation of machinery, indirect labor, fuel, electric power, maintenance of equipment, that is, those expenses that originate in the productive process and that are not physically identified in the unit produced, but that are produced and through proration applied to the process. For this, it is important to identify and quantify them.

d. Budget of final inventories: The established policies must be taken into account regarding the stocks that are to be maintained at the end of each period, both raw materials or direct materials, as well as finished articles, which will form the final inventories. They can be integrated into a single document.

e. Cost of sales budget: It presents a complete overview of the entire budget process described to this point, starting with the raw materials, following through the elaboration of the same and concluding in the warehouse of finished products. That is, it is a budget that allows a general appreciation of the fable activity in terms of monetary units (Rivadeneira, 2014). It involves the initial and final inventories, both raw materials and finished production, the production cost as a result of the sum of direct materials plus direct labour and indirect manufacturing costs.

3) The budget for sales and administration expenses.

a. Selling expenses are constituted as mentioned by Rivadeneira (2014), by the set of disbursements, depreciations, amortizations and applications related to the storage, dispatch and delivery of the goods produced by the company; the promotion and propaganda expenses and the expenses of the sales department and its personnel. In other words, all those expenses related to the activity of selling.

b. Administrative expenses mention the author cited in the previous paragraph; which are constituted by the set of disbursements, depreciations, amortizations and applications related to the management and direction of the general operations of a company. They usually include the functions of management, auditing, accounting, credit and collections and general offices. In the case of SMEs, they are those related to the activity of directing and administering.

c. For SMEs whose activity is commercial, the elaboration of their budgets is simpler, because instead of production budgets, they only elaborate one of purchases of merchandise, likewise the final desired inventory of the same ones. In the determination of the cost of what is sold in the same way, its elaboration will be easier. In the following figure 9, this all is shown diagrammatically.

Figure 9: Operating budgets for a commercial activity
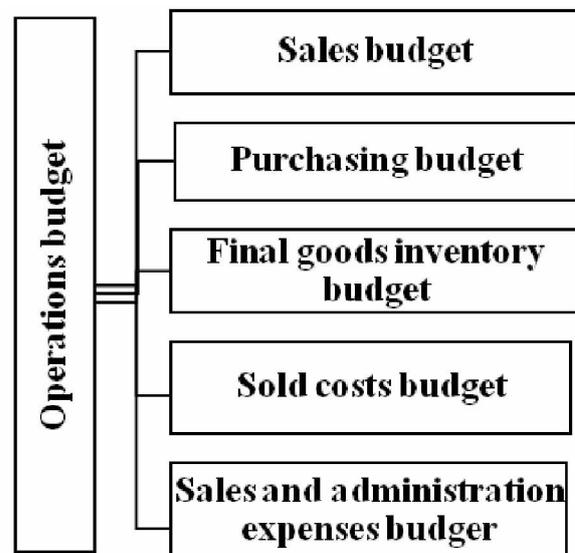
Source: Own elaboration

The financial budgets that correspond to the second category mentioned in this work, necessarily require the advice of the head of the accounting process, which is usually an external professional, the public accountant and are the same for a SMEs that performs industrial activities or commercial. In figure 10, this integration is depicted.

Figure 10: Financial budgets
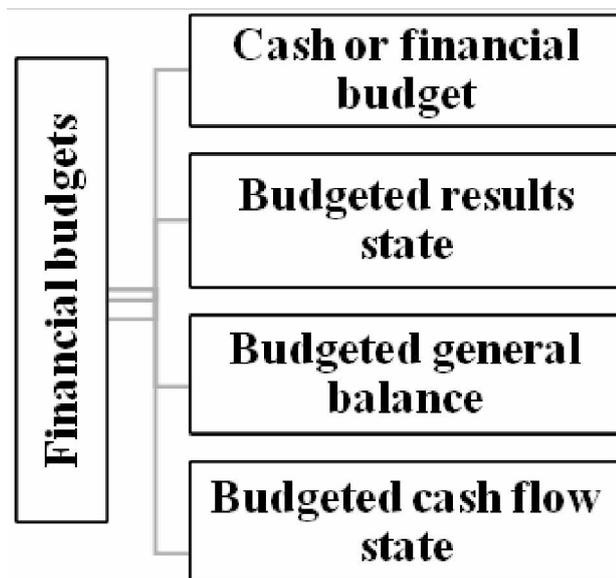
Source: Own elaboration

The financial budget, according to Horngren et al. (2012), is that part of the master budget formed from the budget of capital expenditures, the cash budget, the budgeted balance sheet and the statement of budgeted cash flows. A financial budget focuses attention on the way in which planned operations and capital expenditures affect cash. Below is a brief explanation of each one:

1) Cash budget: Considering the structure presented by the different authors consulted, it is possible to verify the importance of the information presented, from the available resources, its application, in its case the lack thereof, to look for the possible sources of financing with all opportunity, in its case adjustment of credit and collection policies, optimization of resources among others.

2) Budgeted income statement: Once the cash budget has been drawn up, the effect of the financing derived from the payment of interest for contracted loans is known, therefore, there is enough information to make this projected financial statement, since there is also data on income, cost of sale and sales and administration expenses determined in the first category operating budgets. This accounting document presents the form in which the profit will be obtained or in its case the loss of the period to which the projections correspond.

3) Budgeted general balance: This projected accounting document reflects information related to goods, rights and obligations, among the most relevant with respect to budgeted data, accounts receivable and payable, inventories, profit determined in the income statement, credit debts, taxes to pay, utilities to distribute to workers, information generated in the previous budgets and that finally concentrates this financial statement.

4) State of budgeted cash flow: The efficient use of cash is one of the purposes of this accounting document. It shows the resources and their application, which allows making decisions in a timely manner when knowing the balance at the end of the period, which at a certain moment may represent a risk to make against immediate obligations or an excess in your case that merits planning your investment or appropriate use.

With the development of the aforementioned budgets, the SMEs will have tools that will allow them to visualize the needs in terms of income generation, production, expenses for purchases, salaries and salaries and other operating expenses, even to project the profit to be generated, or in its case the desired one, giving certainty to the business development, having clear where it is going financially. However, as previously stated, the elaboration of budgets requires mechanisms that ensure their efficient and effective application, proposing the administrative process for their strengthening, as described below in figure:

Figure 11: Budget preparation process assisted by the administrative process.
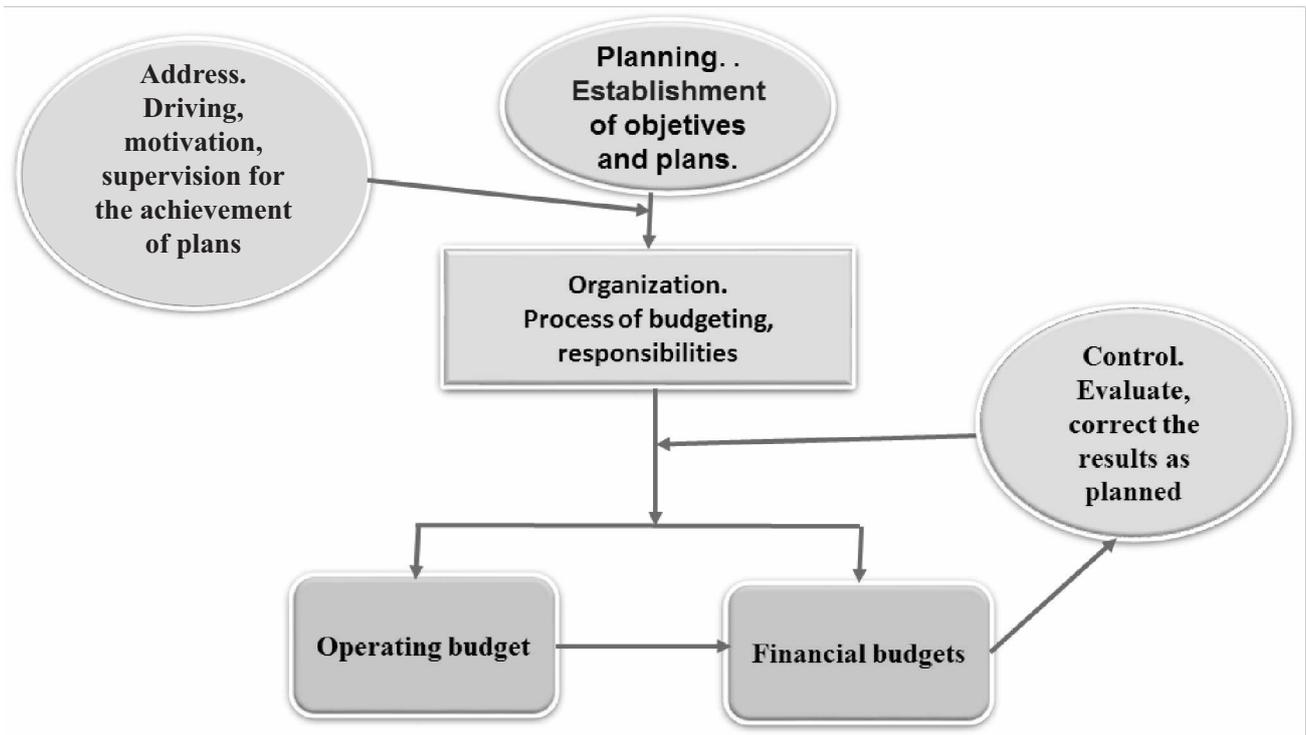
Source: Own elaboration

When preparing the budget through the application of the administrative process, it is possible to adequately define the objectives of the SMEs, and determine when, how, and by whom each action will be carried out, who will be responsible for directing each stage of their integration, in the same way timely execution in the evaluation of the results, which is part of the control phase, with the purpose of verifying that the goals consigned in the budgets are being carried out according to the plans, in case of presenting deviations, analyzing and determining their causes for applying the corrective measures that are necessary.

Conclusion

The information consulted in the different sources that make up this work, first confirm the importance of the SMEs in the national economy, likewise show their low average life, as well as an uncertain future for many of them, mainly because they do not have an effective planning that allows them to know their objectives in a clear and precise way, to have budgets that serve as a guide in the development of its economic

activity, that favor the obtaining of better financial results. Likewise the information obtained through an applied survey, reveals the need of better administrative practices that contribute to their productivity and competitiveness.

In this sense, the present investigation concludes with the proposal of implementing the operating and financial budgets for the industrial and commercial SMEs, being a strategy aimed at improving their productivity and competitiveness. For this their process is exposed graphically from figure number 8, indicating an order for effect of its elaboration, followed by a brief explanation of the different concepts that integrate them, by means of a simple language for its better appreciation. Regarding the part related to the financial budgets, it is necessary for the intervention of the person responsible for the generation of the accounting information.

One of the most important findings of this research is the need to combine the process of preparation, administration and application of budgets, with the

administrative process, because alone, its effective compliance is not assured, mainly due to the need to establish with precision the goals, how and when they will be carried out in a timely manner, who will direct the actions, finally how compliance will be monitored according to the established, verifying that there are no deviations, correct them where appropriate and evaluate the results.

With the above and according to the characteristics of the SMEs, among others, as mentioned that they are family businesses and who directs them does not have the preparation and updating in the administrative field, an area of opportunity for governmental organizations, employer groups and chambers of the different branches of the activity, direct training and assistance processes, mainly addressing basic aspects of the administrative process and the advantages of adopting best practices in their businesses, such as the implementation of budgets, to achieve better productivity and competitiveness.

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Consumer Complaints and their Disposal with Reference to Consumer Protection Act: A Study of Himachal Pradesh

Sunita Bharatwal
Assistant Professor, Department of Management, The Technological Institute of Textile & Sciences, Bhiwani

Apoorva Kumar Seth
Research Scholar, Himachal Pradesh University Business School, Shimla

Abstract

A consumer is a person who utilizes economic goods. The moment a person is born he/she consumes, i.e. uses available goods or services. Under section 2d of the Consumer Protection Act, 1986, A "Consumer" 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 other than the person who [hires or avails of] the services for consideration paid or promised, or partly paid and partly promised, or under any system of deferred payment, when such services are availed of with the approval of the first mentioned person[but does not include a person who avails of such services for any commercial purpose]

How does a "consumer" become a complainant?
According to Engel and Blackwell (1982), consumer's satisfaction of any purchase of product or service is of a binary type i.e. either he is satisfied or dissatisfied. Every consumer/user expects that the goods purchased or services availed should deliver value. When quality, quantity, safety or performance of these goods or services is compromised and does not deliver the value promised or expected, it creates dissatisfaction which later converts into complaints. If these complaints are not responded to, consumer disputes arise. This is how a consumer becomes a Complainant. This can be classified into two i.e. product related and service related. India enacted a specific Act called the Consumer Protection Act, 1986 for dealing with consumer complaints.

This study is based on the secondary data available with the Himachal Pradesh Consumer Commission to analyse the types of consumer cases filed between 2012-16 and their disposal. Findings show that the number of cases of new registration is increasing but proportionate disposal of cases in the prescribed time has not been seen. Standard-Deviation study reveals that there is no consistency in new registration compared to disposal rate showing consistency with low value. This study also describes the nature of cases filed during 2012-16, the highest number of complaints pertaining to Insurance services and lowest for Airlines. There are a few recommendations given by various judges and advocates working on consumer cases pertaining to improvement of a time frame within which cases should be disposed of.

Keywords: *Consumer, complainant, consumer dispute, redressal agency.*

*I*ntroduction

From the time of birth till one dies everyone is a consumer. No sooner a person purchases a commodity or pays for certain services than he becomes a consumer. In the present socio-economic scenario, we find that the consumer is a victim of many unfair and unethical practices adopted in the marketplace. Most of the consumers are largely poor, illiterate, ignorant, apathetic or just defeatist and continue to be at the receiving end. This is due to a lack of awareness on the part of the consumer. Besides this, the development of modern technology and a large number of goods have added to the misery. Modern technological developments have no doubt made a great impact on the quality, availability and safety of goods and services. But the consumer knows little about these highly sophisticated goods. The Industrial Revolution has ushered in radical changes in the lives of human beings as regards the goods and services for their day to day life.

As society was *laissez faire,* the State used to intervene in the lives of its citizens very rarely. There was no effective law to regulate the relationship between the buyer and seller. In the era of the open market, buyer and seller came face to face, where the seller exhibited his goods, and the buyer thoroughly examined and then purchased them. It was presumed that he would use all care and skill while entering into the transaction. In fact, the consumer was not in a position to know the quality and quantity of goods. This helps the trader to monopolize the market and the trader became the king. The consumers are abused and exploited by unscrupulous practices of the traders mainly to make profits. This resulted in the exploitation of consumer in a market place.

In the olden days the principle of *'Caveat emptor'* – 'let the buyer beware' governed the relationship between the buyer and seller. The consumer required protection by law when the goods and services provided failed to achieve the purpose. There is widespread dissatisfaction with respect to the quality and cost of goods provided to the public. In addition, with the revolution in information technology, newer kinds of challenges have been thrown on the consumer like cybercrimes, plastic money etc. All the above factors culminated in a new phenomenon resulting in the abuse and exploitation of consumers. This led to the consumer movement throughout the world. In the present situation, consumer protection has assumed greater importance as well as relevance.

Consumerism is a recent and universal phenomenon. It is a social movement. Consumerism is all about protection of the interests of the consumer. The concept of consumerism came into existence and consumer protection became one of the primary duties of the State. Responsibility was imposed on the State to protect the interest and rights of the consumer through appropriate policy measures, legal structure and administrative framework. In a country like India, the average consumer is not in a position to evaluate in detail the worth of the goods and services provided to him. The average consumer in India is faced, on the one hand with inflation and the resultant price rise of essential commodities, and on the other hand, with problems of black marketing, artificial shortage, adulteration, short weights, misleading advertisements, etc.

In recent times, the educated public has become aware of their rights as a consumer and is willing to fight against exploitation. India adopted a mixed economic model, where the State has to perform different functions to protect the interests of citizens. It being a Welfare State is the guardian and protector of social interest. Our Indian Constitution spells out the philosophy of a Welfare State. The preamble to the Constitution resolves to secure to all its citizens political, social and economic justice.

There has been no dearth of laws that have been enacted in the interest of the

consumer. Since 1930s, the legislature has from time to time brought various legislations to redress specialized aspects of consumer interest. For example, The Sale of Goods Act, 1930, The Standard of Weights and Measures Act, The Drugs Control Act, 1940, Prevention of Food Adulteration Act, 1954, The Essential Commodities Act, 1955, The MRTP Act, 1969 and so on. In addition to these legislations, the Indian Penal Code, 1860 and the principles of Common law contained in the Law of Torts are also applicable.

All the above legislations have failed to protect the interest of the consumer. To obtain consumer justice under these legislations, the consumer has to move from pillar to post. The litigation involved high cost and proved to be troublesome to a small consumer. The procedures were complex, cumbersome and time consuming and the redressal available was limited in scope. These legislations failed to protect the rights of the average consumer. To a large extent, they created confusion and chaos.

In this complex scenario, the role of a court in protecting consumer rights cannot be overemphasized. They have proved responsive by widening the concept of *locus standi* (the right or capacity to bring an action or to appear in a court) and considerably allowing any individual or organization to go to court in the larger interest of the society. Even small courts have given wide-ranging judgments relating to Public Interest Litigation. None of these legislations provided for any remedy to the consumer enabling him to seek redressal against the offending parties. He was left high and dry with only the choice of instituting civil litigation. Litigation before the civil court is time-consuming, expensive and causing enormous delay. However, the ordinary consumer is not in a position to approach these courts.

The growth of the law on the protection of the consumer has been haphazard and piecemeal. The provisions scattered over a number of unrelated statutes did not ensure adequate protection to a consumer in a particular situation. Consumer movement remained confined to the elite

section and failed to mobilize the masses who were the real victims of the system. Various legislations and regulations permitting the State to intervene and protect the interest of the consumer have become a haven for unscrupulous ones, as the enforcement machinery either does not function or it functions ineffectively and inefficiently.

The government is trying to provide a legal umbrella to safeguard the interest of the consumer, but these legislations help us know the exact nature and extent of dishonesty. The legislation also provides the punishment for such dishonest practices, and the authorities with their powers, to whom the consumer can approach for the redressal of grievances. A close observation of the different enactments reveals that the procedure is so complicated that it is out of the reach of common man to understand and think of taking shelter under these laws. This is because of their ignorance, illiteracy, weak economic position, time-consuming and different institutional structures, in redressing the grievances.

To improve this situation by removing the difficulties faced by the consumers and protecting the ill-informed consumers, the Parliament enacted important legislation namely, The Consumer Protection Act, 1986, which was amended in the year 2002. This enactment is the first step for safeguarding the interest of the consumer community. Legislation for the benefit of a consumer has been sporadic and as a part of social welfare legislation. This Act was enacted as a supplementary of the present laws that heralded a new era in consumer protection in India.

The Consumer Protection Act has opened a new era in the field of business. It imports new dimensions to the concept of law as a tool of social engineering. Any legislation, however perfect, is futile unless it is enforced. The Consumer Protection Act, which was passed by the Central Government in 1986, brought a significant change in the prevailing situation. This Act made a new beginning and was a step forward in the establishment of egalitarian consumerism. The importance of the Act

lies in promoting the welfare of society by enabling the consumer to participate directly in the market economy.

The main objective of the Act is to promote and protect the rights of the consumer. This Act recognizes various rights of consumers such as a right to safety, right to information, right to redress, right to representation, right to choice and right to consumer education.

The Act envisages the formation of Consumer Protection Councils at the Central, State and District levels. The main object of the Councils is to promote and protect the rights of the consumers. This Act also provides for setting up of three-tier quasi-judicial authorities for redressal of consumer disputes at District, State and National level. The main thrust of the Act is to provide simple, speedy and inexpensive redressal to consumer grievances. The aim of the Act is better protection of the consumer by way of settlement of consumer disputes. The dispute settlement machinery has got the power to penalize those who do not comply with the orders. It is significant to note that the Act recognizes the role of the consumer organizations in assisting the consumer in seeking justice through a nationwide network of consumer disputes.

The Act applies to all goods and services in public, private or the co-operatives sector. Thus the consumer can initiate an action under the Act against the defective goods or deficient services rendered even by the public sector or government undertaking such as Railways, Telephones, Airlines, Banks, Insurance, State Electricity Board, Housing Development Authority, etc.

Since the enactment of Consumer Protection Act, 1986 there has been a demand to make the Act more effective and purposeful. There has been a feeling that the Act was drafted in a hurry and needs improvements. This Act was amended from time to time for the better protection of consumer in the year 1991, 1993 and recently in the form of The Consumer Protection (Amendment) Act, 2002. Changes introduced by these amendments

will work wonders in the life of the consumer by protecting his rights. It was enacted by Parliament in the Sixty-Seventh Year of the Republic of India as follows: — This Act may be called the Consumer Protection (Amendment) Act, 2016. In case of grievance, it provides an appropriate remedy that is compensation or penalizing the seller or trader.

Consumer
The word consumer has a simple meaning "one who consumes the goods and services". An individual who buys products or services for personal use and not for manufacturing or resale is a consumer. A consumer is a person or group who pays to consume the goods or service produced by a seller (i.e company, organization). In common words, each person is a consumer who consumes anything after paying consideration either directly or indirectly. Anyone who spends money or exchanges article for goods and services may be called a consumer.

Complainant
According to Consumer Protection Act 1986 section 2/1/b 'complainant' is -

A consumer, any registered voluntary consumer association, the central government or any state government who or which makes a complaint, one or more consumers having a common interest, in case of death of a consumer his legal heir.

It means complainant is not only an individual person but also a group of persons having the same dispute with the same marketer or same service provider. In simple words complainant is a person who makes a complaint to show he/she is not fully satisfied by purchased products or availed service. A complaint is usually a written allegation, but negative voicing towards product performance is also a complaint. Thus, we have a number of oral complainants existing in society without any relief. This situation is not good for business also because unsatisfactory consumers not only leave the product/service but also motivate others to reject them.

Consumer Dispute

Under section 2/1/e, of CPA 1986 consumer dispute means-

A dispute where the person against whom a complaint has been made, denies or disputes the allegations contained in the complaint.

Consumer dispute appears when a person is not satisfied with the product or service. The consumer may not be satisfied due to imperfection or shortcoming in the quality, quantity, potency and purity, or deficiency in services. The axle of the jurisdiction of the CPA is 'consumer dispute'. Any relief under this Act is available to the consumer on consumer disputes, so it is a conditional precedent that complainant must be a consumer and his dispute is a consumer dispute. If these conditions are not fulfilled, then that complaint would not get relief from consumer courts. It has been decided by various judgments that following are not consumer disputes –

1. Disputes related to a civil matter
2. Disputes related to immovable property.
3. Disputes of breach of contract
4. Services as to sovereign nature.
5. Matters pending in other courts.
6. Criminal proceedings

Redressal Agency:

Redressal agency is a platform where an unsatisfied consumer goes for seeking relief or getting redressal. There are three levels of consumer dispute redressal agencies established under section 9 of CPA. These are -

1. A Consumer Dispute Redressal Forum which is known as 'District Forum' established by the state government in each district.

2. A Consumer Dispute Redressal Commission to be known as 'State Commission' established by the state government.

3. A National Consumer Dispute Redressal Commission to be known as 'National Commission' established by the central government.

The Composition of District Forum:

Each District Forum shall consist of –
A person who is or has been or is qualified to be District Judge, who shall be its President. Two other members, one of whom shall be a woman, who shall have the following qualifications namely-
1. Be not less than thirty-five years of age.
2. Possess a bachelor degree from a recognized university.
3. Be a person of ability, integrity and standing and have adequate knowledge and experience of at least ten years dealing with problems relating to economics, law, commerce, accountancy, industry, public affairs or administration.

Significance of The Study

Consumer protection is one of the latest developments in India. It has gained attention only during the last two decades. Consumer Protection has taken solid shape after the enactment of the CP Act, 1986, to protect the interest of the consumer. This Act provides for the establishment of Consumer Redressal Agencies, whose main objective is to provide simple, speedy and inexpensive justice. The active campaigning by the consumer organizations and the innovation of science and technology has brought unforeseen changes in the life of the Indian consumer through a myriad of consumer goods and services. These factors played an important role in enacting new and comprehensive legislation.

The Consumer Protection Act, which was passed by the Central Government in 1986, brought a significant change in the prevailing situation. This Act made a new beginning and was a step forward in the establishment of egalitarian consumerism. According to the Act 'consumer' means a person who purchases goods and hires services for consideration. Goods and services have been brought under the purview of this Act. In case of a defect in goods or deficiency in service the consumer can approach Redressal Agency and avail appropriate remedy.

We have witnessed the growing awareness among the consumers. Consumers became

aware of their rights incorporated under the Consumer Protection Act through newspapers, magazines, television and consumer organizations. People started fighting for their rights and started approaching Consumer Redressal Agencies to lodge the complaint. The number of complaints lodged before the Consumer Redressal Agencies was increasing day by day.

At the same time, we also witnessed the lack of implementation of the objects of the Act in letter and spirit. Now and then articles are appearing in the newspapers and journals about the non-implementation of the objectives of the Act. Implementation of the objectives depends upon the functioning of the Consumer Dispute Redressal Agencies. Non implementation of these objectives is a problem not only at the National level but also at the State level. As per the Central Government guidelines, the State Governments also tried to implement the Act by setting up Consumer Fora for the purpose of disposal of consumer cases.

State of Himachal Pradesh also established Consumer Fora for the speedy disposal of consumer complaints in Shimla in the year 1987. The State Government established the District Consumer Redressal Forum in the year 1991. To enable the aggrieved consumer to prefer an appeal, the Himachal Pradesh Consumer Redressal Commission was set up in the year 1987. From 1987 onwards complaints were preferred before the appropriate Consumer Redressal Fora. Most of the consumers are unhappy with the functioning of the Redressal Agencies in providing consumer justice. Consumers are dissatisfied with the orders passed by these Redressal Agencies. Most of the people in Himachal Pradesh are literate, as a result of which the litigation rate is high as compared to the other states. Various consumer organizations are working regularly to create awareness at the grass root level about consumer rights, consumer fora and remedies in case of consumer complaints. Due to this awareness about a speedy remedy, people are approaching Consumer Redressal Agencies. Disposal rate of consumer complaints in the prescribed time is very slow and the orders passed by the

Consumer Fora are against the interest of the consumer. As the establishment of Consumer Redressal Fora is not sufficient by itself, there is a need to look into the functioning of these Consumer Fora.

Implementation of the objectives of the Consumer Protection Act, 1986 at State level, depends on the functioning of District and State Consumer Fora. No research has been done in this area in the State of Himachal Pradesh.

Hence, the researcher has the opinion that there is a need for in-depth study in this area to find out the loopholes in the functioning of Redressal Agencies and to provide suitable suggestion to implement the objectives of the Consumer Protection Act in practice.

Review of Literature:
Singh, R. (1989) in his study conducted in the Union territory of Chandigarh, found that 51.6 per cent of the consumers were fully aware of the existence of a District Forum in the city, while a significant percentage of consumers were not at all aware of it. Of those who were aware, 50 per cent were found to be members of some consumer organizations. However, the rest of the respondents said that although they felt the need, they did not have time to approach the District Forum. In their opinion, it was useless to become a member of the consumer organization.

Kiran, S. (1992) conducted a study on consumer awareness in Hisar district and it was found that consumer awareness about consumer protection legislations, was lacking among both the rural and urban population. The study reveals that almost all people in rural areas and nearly 90 per cent of the urban population had never heard of any consumer protection legislation.

Singh, G. (1993) book 'Law of Consumer Protection' traces the development of consumer protection movement and the history of consumer legislations in different countries of the Western World and briefly summarizes the objects of consumer laws and the importance of consumer guidance.

It includes the model petition of complaint and appeal, etc. for the guidance of consumers. It also provides comprehensive information on all aspects of the consumer protection and is of great assistance, value and utility to the Consumer Organizations, individual consumers as well as to the legal profession. Though this pioneering work has filled a void in the legal literature relating to consumer protection, it does not deal with the concept of consumer awareness as such.

Singh (1997) in 'Law of Consumer Protection: Principles and Practice' talks about the Consumer Protection Act, as a new instrument of social justice. The basic concepts and definitions have been examined in general terms in the context of established legal principles and also their applied version. The book deals with different kinds of consumer goods and services and analyses them subject wise on the basis of decisions delivered by the National Commission and State Commissions.

Mujumdar K. (1997) in his book 'Law of Consumer Protection in India', has referred to a large number of rulings of the Supreme Court, the High Courts, the National Commission and the State Commissions. It is a practical guide to the District Forums, Bench and Bar, Chartered Accountants, Company Secretaries, various Consumer Organizations, Government Offices, students and the public at large. It contains extensive coverage of case laws from various Journals published in India on consumer disputes viz, Consumer Protection Reporter, Consumer Protection Journal, Consumer Protection Cases, Consumer Protection and Trade Practices Journal.

Gosh, P.K. (2000) in his article traces the consumer rights of the consumer and he stresses that consumer education is a powerful tool that can take consumers from the current disadvantageous position in the marketplace to that of strength.

Kaul, S.Z (2000) in her study focused on the contribution of these consumer courts to the development of consumer law. The output in terms of redressal decisions delivered by the authorities under the act has far exceeded the expectations.

Sharma D. (2005) study has analysed the mechanism of grievance redressal of consumers as provided under the Consumer Protection Act in providing relief to the consumers against defective goods, deficient services, unfair trade practices, restrictive trade practices and overcharging etc.

In Himachal Pradesh, the State Government has established the State Commission and a District Forum in the first instance with its headquarters at State Capital Shimla which started functioning w.e.f. 01.11.1989, and also the H.P. State Consumer Protection Council was formed.

The posts were created in the Department of Food and Supplies, and the Director, Food and Supplies, being the Head of Department, filled up all these posts. In the lone District Forum, at Shimla, staff was provided by the Director Food and Supplies, H.P. During March 1995, the State Government established two more full-time District Forums one at Mandi and the other at Kangra at Dharamshala in addition to one at Shimla which was already functioning as a full-time District Forum. The Jurisdiction of these District Forums was notified as under:

- Shimla District Forum: Shimla, Solan, Sirmour and Kinnaur Districts.
- Mandi District Forum: Mandi, Kullu, Lahaul Spiti, Bilaspur, Hamirpur and Una Districts.
- Kangra District Forum, at Dharamshala: Kangra ,Chamba and Una Districts.

The State Government during the year 1997 set up another full- time District Forum, at Una with its jurisdiction for the Districts of Una, Hamirpur and Bilaspur. With the opening of this District Forum, the jurisdiction of all the full-time District Forums is as under: -

- Shimla District Forum: Shimla, Sirmour and Kinnaur Districts.
- Mandi District Forum: Mandi, Kullu, and Lahaul Spiti Districts.

- Una District Forum: Una , Hamirpur and Bilaspur Districts.
- Kangra District Forum at Dharamshala: Kangra, Solan and Chamba Distr.

A consumer forum in Himachal District was established in 1989 but consumer awareness about getting redressal has increased gradually. This study is the inclusion of number and nature of cases filed in a forum and their disposal during 2012-16, which can explain how many cases filed per year, the nature of dispute [i.e. product related or service related]. The study of per year disposal will be able to explain the efficiency of the forum. By this study, the researchers are trying to understand the increase or decrease in numbers of cases.

Objectives of the Study:
1. To know the increase or decrease in numbers of Consumer Complaint cases.
2. To compare the total cases and the cases disposed of in the state and district forums of Himachal Pradesh during 2012-16
3. To know the rate of pending cases per year during 2012-16.

Research Methodology:
This study is based on secondary data available on the Himachal Pradesh Consumer Commission database which is further analyzed through appropriate statistical method.

Purpose of The Study:
In Himachal Pradesh, one Consumer Dispute Redressal Agency was working, currently, one state and three district forums are operational which work full time and are a link court to cover all Districts. Purpose of this study is to know the total number of cases with the state and district forums during 2012-16. The comparison chart will be made between the cases being reported and being disposed of, also understanding the number of cases that remain pending. This study will help us understand whether awareness of victim consumers increased for filing complaint over years or decreased.

Population of the Study:
The population of this study is State Commission and District Fora Consumer Redressal Agency of Himachal Pradesh .

Sample of the Study:
The sample of this study is the number of total cases filed in State Forum during 2012-16.

Collection of Data:
The study is based on secondary data which are collected from the state Consumer Redressal Forum by the researcher. Collected data are tabulated on the basis of the objectives, which have been filed during 2012-16.

Analysis and Findings:
Analysis of data required some specific tools for the clear explanation of data. In this study, data is explained by a simple percentage for per year disposal of cases, and the monthly average percentage of total cases. The total cases are the sum of newly filed cases in the current year and all previously pending cases. The Line Comparison chart has been drawn which clearly explains in which year disposal has highest and in which year disposal has been lowest. The next statistical tool is standard deviation which is the most commonly used measure of dispersion. Standard deviation helps in ascertaining the degree of variation or uniformity in two or more data sets. It helps to gauge the representativeness; if we have two or more comparable distributions with the same mean then the distribution with the smallest standard deviation has the most representative mean.

Table 1

Year	State Forum			District Forum		
	Total Cases	Disposed Cases	Pending Cases	Total Cases	Disposed Cases	Pending cases
2012	2463	2021	442	5499	2104	3359
2013	2026	1673	353	5383	2313	3070
2014	2298	1700	598	4930	1981	2949
2015	1687	1132	555	4562	1718	2844
2016	1864	1260	604	4522	1882	2640
Average	2067.6	1557.2	510.4	4979.2	1999.6	2972.4
% Monthly Average	1.723%	1.297%	0.425%	4.149%	1.663%	2.477%
Standard Deviation	26.26	29.98	9.11	37.70	18.75	22.30

Line Chart- 1

COMPARISON CHART
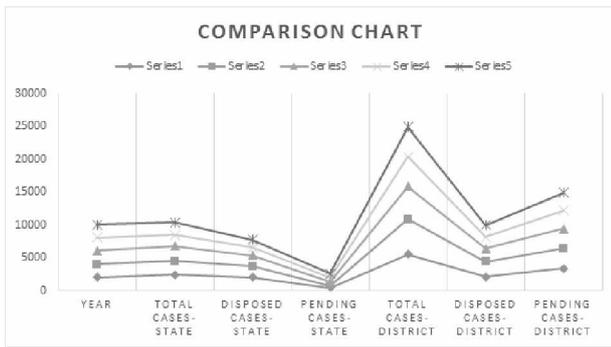
From the above table 1, it can be seen that in the year 2012 the number of cases pending with the state forum was 442, but in the same year, 3359 cases remained pending with district forum. It is clear from the statistics that absence of district forums in all the districts could be an important factor for the same. In 2013, new registered cases were 1584 and same year disposal of cases was 1673, in addition, 442 cases were pending so final result showed pendency of 353 cases in state forum and 3070 in district forums. In 2014 the cases disposed of in state and district forum was 1700 and 1981 still 598 and 2949 cases were undecided upon in the same year. The number of cases being filed is declining and the number of cases being disposed of is happening yet the number of pending cases was 604 and 2640 at the beginning of 2017. It is also seen that the number of new registrations increased every year but the proportion in which cases are being disposed of is not how it should be. It is clear from the table every year number of pending cases has gradually increased in state forum and there is a huge noumber of cases pending with the district forums.

Table 1 also reveals the average status of cases - as per data 2067.6 is average of total cases in five years period for state forum and 4979.2 in case of districts, while an average of disposal is 1557.2 and 1999.6 which is less than the sum of registration and previously pending cases. It is desirable that the number of disposals should also increase proportionately. In some years the trend depicts that rate is proportional even higher as in order to make sure the previously pending cases have some results.

With the help of calculation of standard deviation of given data again it is clear that deviation values are higher in all cases except disposed cases in district forum and pending cases in state forum which is only 18.75 and 9.11 respectively. The highest deviation appeared in disposed cases in state forum (29.98) because no consistency appeared in how cases were being disposed and in cases of the district since there was no consistency in the way new cases were being registered deviation was high (37.70). Every year`s pendency depends upon disposal of cases, if number of new cases increases then the number of disposals should be increased in same proportion, but it not happened in District forum, therefore instead of increasing rate of disposal of cases still current pendency shows average 2972.4 cases being pending which is very high.

Conclusion:
Data reveals that average rate of complaints is high, consumers of Himachal being educated are aware of their rights i.e. right to be protected against unfair trade practices, right to safety, right to choose, right to be heard etc. Therefore, it is a primary duty of manufacturer, shopkeeper or distributer to satisfy consumers, but when they fail to satisfy them, then consumers have right to go to District Consumer Forum or State forums for seeking redressal.

In case of Himachal Pradesh, the reasons for pending cases given by a few advocates working for consumer rights revealed delay in cases where due to ineffective services of opposite parties. Expert reports were never given to court on time or when it is needed.

Himachal Pradesh Consumer Commission has ensured that the reply of the opposite party has to be filed within 45 days from the date of service if not ensured in the timely prescribed manner the case will be closed by order of a court.

Limitation of the Study:
This study is based only on secondary data, therefore, the perception of complaint has not been explored. The experience of consumers with marketers who exploited

them and the reasons for them filing the complaints remains a question as it is subject to primary study. This study is also not able to describe the experiences of complainants after the final decision, whether they were satisfied or not.

Future Implications:

This study is about the comparison of the number of cases filed and disposed of by the state and District Consumer Forum of Himachal Pradesh during 2012-16 to understand which forum works effectively. Future researchers may use this data in comparison with the nature of products and kind of services in question. These studies will also be helpful for non-government consumer associations working for the protection of consumer rights.

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Consumer Attitude Towards Luxury Fashion Brands: A Study of Delhi-NCR

Anu Priya Arora
Research Scholar, School of Management Studies (SOMS), Indira Gandhi National Open University (IGNOU), Delhi
Nawal Kishor
Professor, School of Management Studies (SOMS), Indira Gandhi National Open University (IGNOU), Delhi

Abstract

Purpose – This paper aims to examine the effects of functional value, individual value and social value dimensions on consumer attitude towards purchasing luxury fashion brands.

Methodology– The study is designed to determine whether the functional value, individual value and social value perceptions positively impact the attitude towards luxury fashion brands. A total of 200 respondents living in Delhi and NCR participated in the survey. Snowball sampling method is used in the study. Rating scale items were adapted from Wiedmann, Hennigns and Siebels (2009) study to investigate consumer attitude towards luxury brands. Correlation and regression analysis techniques along with crosstab analysis are used to test the relationship between variables.

Findings – The findings suggest that the functional value positively influences attitude towards luxury brands. Individual value is also positively related to attitude towards luxury brands and the last variable social value too has been found to have significant positive impact on consumer attitude towards luxury brands, using regression analysis. However, the correlation results showed significant positive association between functional, individual value and attitude towards luxury brands but the correlation between social value and attitude towards luxury fashion brands was not significant at significance level of 0.01. And by using multiple regression technique, it has been found that the most important factor out of these three factors is Individual value which has the highest impact on attitude towards luxury brands.

Practical implications – This study provides valuable managerial implications that enable the marketers to approve and formalize effective strategies that will facilitate them to capture additional target market and to enhance consumption of fashion products. Further given that functional value, individual value and social value have a significant impact on attitude towards luxury, marketers could realize large scale economies by standardizing their policy for these dimensions of luxury.

Originality/value – Given that the Indian market provides growth opportunities for luxury brands, there has been limited empirical research on Indian consumers relating to functional, individual, and social value dimensions and their attitude towards luxury brands. In this regard, this paper is designed to fill this research gap.

Keywords: *Luxury, Functional value, Individual value, Social value, Attitude, Indian luxury market.*

Introduction

Luxury Goods have always been linked with power, wealth and exclusivity, ever since they have been recognized as fulfillment of non-basic necessities. The word 'luxury' is derived from the Latin word 'luxus' which means affluence, exuberance and luxuriousness (Alessandro Brun, 2008). The concept of Luxury is not new to India as it has been present in various forms since the beginning of civilization. For instance, during 1930s, 20% of Rolls Royce's global sales were from India.

The Indian Consumer Market

Global spending on luxury brands has amplified and is expected to reach USD40 trillion by 2020 (ASSOCHAM, 2013). Along with India and China, other Asian countries such as Japan, Singapore, Hong Kong and South Korea have developed luxury markets that are also growing rapidly (Chadha and Husband, 2007; Dasgupta, 2009). India is one of the biggest emerging markets and is the fastest growing economy in the world. With increasing brand awareness among the Indian youth and purchasing power of the upper class in tier II and III cities, the Indian luxury market is likely to touch $18.5 billion in 2017 from the current level of $14.7 billion, growing with a compound annual growth rate of about 25% (ASSOCHAM, 2016). According to the Kearney report most luxury product categories witnessed over 15 per cent growth over the past few years (including recession years).

In the last few years, luxury has been seen as an area of interest to both academicians and marketers due to incomparable growth witnessed in this sector. The factors imputing to this growth include globalization, digitalization, growing number of young upwardly mobile customers, increasing number of older premium consumers, and continuous rise in high net worth individuals, new growth opportunities and radical change in socio-cultural, economic and political conditions of the emerging economies. The increase in consumption rates of luxury fashion brands has been backed by the growth of upper and middle-class. There are many luxury fashion brands which have high potential in Indian market as far as their consumption is concerned. Many luxury goods companies have set up businesses in India to take advantage of India's booming economy and the emergence of a wealthy consumer group which is enamored by and can afford luxury goods. Although India's economic development will continue to create enormous opportunities for luxury goods companies, cultural differences, increasing consumer sophistication, and heterogeneity in the consumer market present significant challenges for these companies' operations in India. The purchase of luxury goods by Indian consumers may be motivated by factors different from those in the traditional luxury markets.

Several studies have focused on the differences between Western and Asian consumers' luxury consumption motivations (Zhang & Schavitt, 2003; Wong & Ahvia, 1998) and value dimensions for purchasing luxury. However, there is limited research from the Indian perspective. In addition, India is a very big country from a demographic point of view and with a large population and thus differences in consumption pattern and behaviour are unavoidable. Delhi and NCR are the top two places for luxury consumption; however, there are limited studies on how functional value, individual value and social value dimensions affect attitude towards luxury consumption. Moreover, Delhi-NCR is selected to be the main focus of study as it is considered to be the heart of country which has developed quickly and has modernized its industry and economies to catch up with other countries. The focus of the current study is to fill the gap by addressing the hypothesis that functional, individual and social value dimensions affect luxury buying behaviour of consumers from Delhi-NCR. The current study results will help luxury brands to attract new luxury consumers as well as to keep their current ones.

Literature Review
Concept of Luxury Goods

Luxury is extremely selective and exclusive. Vigernon and Johnson(1999) stated that consumers develop their perceptions of luxury goods on the basis of object properties like best quality, interactions with other people like peer reference groups, and hedonic values like sensory beauty. Vigernon and Johnson incorporated the existing knowledge of luxury goods and proposed five perceived values revealed in these goods i.e. perceived conspicuous value, perceived unique value, perceived social value, perceived hedonic value, and perceived quality value. The first three values are influenced by interpersonal effects, and the other two values are supported by personal effects. Chadha and Husband (2006) opined luxury fashion products as "fashionable and high quality consumer goods made by reputed luxury brands". Wiedman, Hennigs, Siebel(2007) state that luxury has been defined as the notion of "buying to impress others" by concerning the reason for consuming luxury goods. It is now evident that luxury products fulfill one's need, not only functionally but also psychologically (Dubois, Czellar & Laurent, 2001). In order for any goods to be desired as a luxury, the possession of the goods must be able to provide pleasure (Berry, 1994). In addition, luxuries are by definition always out of the reach of masses (Berry, 1994) and uniqueness and rarity are thus features connected to the concept of luxury (Pantzalis, 1995).

Luxury Brands Consumption

Veblen (1899) was the first to talk about luxury consumption patterns by the 'leisure class' and stated that consumers use luxury products to signify wealth and status, when consumed conspicuously. These goods are used as a trademark for being recognized as belonging to the upper class of the society. Strauss & Howe (1999) state that the luxury market is vastly increasing, and there have been significant changes towards consumer behaviour. Consumption of luxurious products can realize three main objectives: the creation of identity, the sustainability of identity, and the presentation of socio-economic status (Wattanasuwan, 2005).

Arora (2005) states the reason that allows and supports the studying of luxury consumption in the very first place is that consumers strive to obtain a higher social status, and they attain this by purchasing and exposing luxuries. Hauck & Stanforth (2007) opined that consumer behaviour towards luxury goods can also be affected by age. Different age groups may view luxury items differently. Mature age groups may view luxury products differently in comparison with today's teenagers, due to the effect of technology that the previous generation did not have. So understanding buying behaviour is essential to understand a move towards brands.

Consumer's Need for Luxury

Nowadays luxury is important for everyone though some people really do not need it practically. In today's scenario luxury is not exclusive to the upper class as it is spreading to and rooting at the lower class as well. So we need to study the reason that people want to buy these luxury products. What does luxury mean in their perspective? What persuades them to have such behaviour?

Wattanasuwan (2005) elucidated that one's appearance, gender, accent or outfit send a direct and powerful reflection to the perceivers. As a result, people start to utilize these luxurious materials as a display of social status and their abilities to afford them. Further they have a thought that the more they have, the higher perceived social level they can achieve.

'Buying to impress others' was the traditional motive for buying luxury brands. Conversely, recent studies showed that personal orientation has been integrated into consumption and it has been gradually increasing worldwide (Bhat & Reddy, 1998).

Luxury Consumer's Value Dimensions

Luxury translates money into an ethnically cultured product which has societal stratification. Both outward (conspicuousness, pretentiousness, status) and inward (self-gratification, perfectionism) directed motivations need to be taken into account while studying consumer motivations that prefer luxury.

Vigneron and Johnson (2004) proposed a model of luxury-seeking consumer behaviour which includes five perceived values that differentiate luxury and non-luxury brands. The first element is 'perceived conspicuousness' which states that luxury is vital to individuals who are influenced by reference groups and those who buy luxury to reveal social status. The second element is 'perceived uniqueness' which puts emphasis on the uniqueness and limited supply of products, which in turn augments the consumer's inclination towards the brand (Sproles & Burns, 1994). The third element 'perceived quality' influences consumers who perceive a higher value in the products apart from the cost, which guarantees the quality and reliability from the brand. The fourth element is 'perceived hedonism' which states that consumers' spending is mainly related with an emotional and sensory experience of aesthetic or sensual pleasure, fantasy and fun (Dhar & Wertenbroch, 2000). The last element is 'perceived extended self perceived social value' which helps consumers in making use of these luxury products for seeking recognition from others and being classified for being in certain prestigious groups (D'Astous & Ahmed, 1999).

Enthused by Vigneron and Johnson's five luxury dimensions, Wiedman net al., (2007) established a luxury value model comprised of four key dimensions of luxury value perception to mark out the relationship between value perception and luxury consumption in different consumers.

Firstly, the financial dimension which is linked to the monetary aspects of luxury consumption which the consumers are willing to spend on its acquisition like price, return on investment, resale value, etc. Secondly, the functional dimension which focuses on the mainstay benefit derived from the luxury product acquired like its quality, permanence, trustworthiness, usability etc. In other words it represents the perceived utility of a product resulting from its intrinsic attributes or characteristic-based ability to carry out its functional, utilitarian, or physical purposes (Sheth et al. 1991; Smith and Colgate 2007).

This factor includes elements from the perceived uniqueness and the perceived quality dimensions described above in the Vigneron model. Thirdly, the individual dimension that concentrates on the hidden oriented motivations or personal value or the individual value derived from luxury like self - distinctiveness, materialism and self-gratification etc. The perceived hedonism fits into this dimension. Shukla and Purani (2012) and Wiedmann et al. (2009) presented the fact that most people use luxury brands for their symbolic meanings, and it is well established in the Western consumer-based literature that luxury goods make people feel good about themselves. Lastly, the social dimension that comprises acknowledgment or being recognized as a part of a distinguished social group, conspicuousness and prestige value, etc. Prestige-seeking behaviour is the chief motivator for the purchase of luxury. The perceived conspicuousness and the perceived extended-self of a luxury brand can be linked to this last dimension. Brucks et al.(2000) stated that consumers associate prestige with a product through price and quality perceptions. Muhammad Ali, Muhammad Amir and Muhammad Wasim Akram (2016) stated that social comparison is found to have a positive relationship with the attitude towards the purchasing luxury fashion goods, whereas, materialism and fashion innovativeness are not. Moreover it has been proved that there is no relationship between attitude and purchase intention. Yan Liang, Sid Ghosh and Hiroko Oe (2017) designed research that has integrated different perspective values into one multidimensional model to explain directly why Chinese customers choose to buy luxury products, and what are these variables that impact their luxury value perceptions. It also provided a broader perspective in exploring the Chinese customers' self- and societal perceptions for purchasing luxury products. Preeti Tak and Ashish Pareek (2016) stated that consumers' need for uniqueness and fashion consciousness positively influence their attitude towards luxury brands. Paurav Shukla & Jaywant Singh & Madhumita Banerjee (2015) contributed to the knowledge on constituent luxury value perceptions, along

with providing theoretical explanations for the differences between consumers across Asian markets.

Objectives
- To examine the relationship between functional value, individual value, social value and the consumers' attitude towards luxury fashion brands.
- To make comparative analysis to find out which factor i.e. functional value, individual value and social value impact more on attitude towards luxury brands.

Hypotheses Development

From the review of above literature, there seems to be an association between functional value, social value, individual value perception and attitude towards luxury brands. To know whether such associations are applicable in the Indian context, they are examined through the following hypotheses:

H1: Functional value dimension positively influences attitude towards luxury brands.

H2: Individual value dimension is positively related to attitude towards luxury brands.

H3: Social value dimension positively impacts attitude towards luxury brands.

Data and Methodology

Quantitative research methodologies were selected for the current study. A survey of genuine luxury consumers was used to test the hypotheses. First, a structured questionnaire was developed based on existing scales. The questionnaire consisted of three sections. The first part deals with demographic details of the respondents. The second part deals with the consumption pattern of the respondents, while the third part measures consumers' behaviour towards luxury brands. Wiedmann et al., (2009) questionnaire was adapted in this current study. All measures used a seven-point Likert-type response format, fixed at "strongly disagree" and "strongly agree. The conceptual and functional equivalence were assessed subjectively by taking suggestions from two expert academecians in the field for content and face validity. The questionnaire was distributed in Delhi-NCR as these cities are major hubs of luxury stores in India. A total of 200 filled questionnaires were received and were found eligible for data analysis.

The data collected was analyzed using SPSS 20. Cronbach's alpha was used to confirm reliability of the data, after which Correlation and regression tests were adopted to test the hypotheses.

Reliability analysis was carried out to assess the internal consistency of each variable under study. As recommended by Hinkin (1995) reliability is commonly measured by internal consistency by using Cronbach's alpha. All the values are above 0.6, as recommended by Cavana et al. (2001). Table 1 presents the Cronbach's alpha for the three constructs and attitude towards luxury brands, which ranged from 0.754 to 0.915.

Table 1: Reliability Statistics

Construct	Cronbach's Alpha
Functional Value Dimension	0.846
Individual Value Dimension	0.915
Social Value Dimension	0.856
Attitude Towards Luxury Brands	0.754

Results and Discussion

In the second part of the questionnaire, in question one, respondents were asked "do you buy luxury fashion branded products such as LV, Channel, and Hermes etc". 90.5 percent of the respondents (n=181) said yes while 9.5 percent(n=19) said no. In question two respondents were asked "how often do you purchase luxury fashion branded products". 7.5 percent (n=15) said weekly, 61 percent (n=122) claim that they purchase every 6 months, 22 percent (n=44) once a year, while 9.5 percent (n=19) said they never buy any luxury product. Table 2 presented demographic differences on luxury branded product purchasing which are examined through cross tabulation with Chi-square.

Table 2 : Demographic Differences Between Respondents Who Have Bought Luxury Fashion Branded Products And Those Who Have Not						
Demographic Variable		**Yes**	**No**	**Chi-Square**	**df**	**Sig.**
City	Delhi	108	19	12.068	1	0.001
	NCR	73	0			
Gender	Male	44	0	5.922	1	0.015
	Female	137	19			
Age-Group	21-30	55	0	200	3	0.000
	31-40	111	0			
	41-50	0	19			
	51-60	15	0			
Civil Status	Married	126	19	7.963	1	0.005
	Single	55	0			
Qualification	Bachelor	106	0	23.675	1	0.000
	Masters	75	19			
Social Role	Student	12	0	5.086	2	0.079
	Self- Employed	27	0			
	Professional	142	19			
Annual Family Income	Under 15 Lakhs	20	0	98.974	3	0.000
	15 Lakhs-16.99 Lakhs	57	0			
	17 Lakhs-18.99 Lakhs	16	19			
	Above 19 Lakhs	88	0			

The results shows there are significant (p<0.05) differences between yes and no respondents who bought luxury fashion branded products, based on which city they come from, their gender, age, civil status, their qualifications, and their annual family income. However, there is no significant difference between yes or no respondents based on their social roles. This shows that people working on higher jobs do not claim that they have bought luxury products. The study results show people earning good annual family income commonly claim that they have bought luxury fashion branded products before.

Pearson correlation coefficients between consumers' attitude towards luxury fashion brands and functional value, Individual value and Social Value Dimensions is given in Table 3. The two correlations were found to be significant at 0.01 level. Therefore, the results indicate that consumers' perception for Functional value and Individual value significantly influence their attitude towards luxury brands. But correlation between Social Value dimension and attitude towards luxury is not significant at 0.01 level. Hence, we conclude that Social Value dimension does not significantly impact attitude towards luxury fashion brands.

Table 3 : Correlation Between Consumers Attitude Towards Luxury fashion Brands and Functional Value, Individual Value and Social Value Dimensions

		Functional Value Dimension	Individual Value Dimension	Social Value Dimension
Attitude Towards Luxury Brands	Pearson Correlation	.528**	.664**	.038
	Sig. (2-tailed)	.000	.000	.597
	N	200	200	200
Note: ** Correlation is significant at the 0.01 level (2-tailed).				

The summarized results of regression analysis are presented in Table 4. The multiple R for the relationship between the set of dependent variable (attitude towards luxury) and the independent variables (Functional value, Individual value and social Value) is 0.742. The adjusted R-square value tells us that the model accounts for 55.1% of variance in the attitude towards luxury brands by functional value, individual value and social value dimensions. Thus, it may be concluded that all three variables -

functional value, individual value and social value, have a significant positive impact on attitude towards luxury brands.

Table 4 : Summarised Results Of Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.742	0.551	0.544	0.617
Note: Predictors: (Constant),Functional Value, Individual value, Social Value				

ANOVA table gives us an F-test to determine whether the model is a good fit for the data. The final decision is made according to its p-value. The Table 5 reports the results of ANOVA, which assesses the overall significance of the model. As p < 0.001, the model is significant and supports the research hypothesis that there is a statistically significant relationship between the set of independent variables - functional value, individual value and social value, and the dependent variable, attitude towards luxury brands.

Table 5 : ANOVA Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	91.429	3	30.476	80.108	0.000*
	Residual	74.566	196	.380		
	Total	165.995	199			
Note : Dependent Variable: Attitude towards Luxury Brands and * Predictors(constant) Functional Value, Individual Value and Social Value.						

The values of coefficients in the regression model are presented in the Table 6. This table shows the extent to which one unit change in independent variable causes the change in the dependent variable. The t-values and the significance values for the constant and the coefficients (which are all below 0.05) help us to conclude that there is statistically significant relationship between attitude towards luxury brands and Functional value, Individual value and Social value dimension.

Table 6 : Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t-value	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.969	.306		6.438	.000
	Functional Value	.151	.063	.182	2.402	.017
	Individual Value	.616	.068	.696	8.994	.000
	Social Value	-.122	.046	-.211	-2.638	.009
Note: Dependent Variable: Average Attitude						

Table 7 depicts the multiple regression results. For the first model R-square value is .441, which means that individual value

alone accounts for 44.1% of the variation in attitude towards luxury.

Table 7 : Multiple Regression Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.664 a	.441	.438	.684	.441	156.335	1	198	.000	
2	.742 b	.551	.544	.617	.110	23.907	2	196	.000	2.026

a. Predictors: (Constant), Average ind. Value
b. Predictors: (Constant), Average ind. Value, average functional, Average social value
c. Dependent Variable: Average Attitude

brands. However, when all the three predictors are included in model 2, this value increases to .551 or 55.1% of the variance in attitude towards luxury. This shows that the inclusion of the other two predictors have not explained quite a large amount of the variation in attitude towards luxury. And most important factor out of these three factors is Individual value. The result answers our second question about which of the independent factors has the highest impact on dependent factor.

Conclusion and Recommendations
The findings suggest that the three dimensions of luxury perception i.e, functional value, individual value and social value are positively related to consumers' attitude towards luxury brands. Thus consumer likes to reflect their individuality and social value by adopting new fashion brands and styles.

The findings of this study provide us with some interesting facts. Functional value dimension is found to have a positive relationship with the attitude towards purchasing luxury fashion goods. These results support the findings of Paurav Shukla, Jaywant Singh & Madhumita Banerjee (2016). This result reflects that consumers assess the functional value of a luxury brand in terms of the status it brings and as a result are willing to pay a premium price. Further it is also seen that social value and individual value too have positive impact on attitude towards buying luxury brands. The findings confirm the argument presented by Berthon et al. (2009) which states that the consumers associate prestige through the price and product quality perceptions and thus buy luxury brands, which are perceived to offer higher status in the eyes of the society. Further, the

findings of Baugh and Davis (1989) and Phau and Chan(2003) also suggest that luxury products can give the owner social status they desire to receive and are associated with high image and prestige. The research proposes that luxury brands should project themselves as unique, as consumers purchase these products for their individual and social value.

Managerial Implications
The findings of this study may add in the body of knowledge as little information is available about these research constructs as they are not widely explored in Indian environment.

Marketers: Firstly, this research will enable the marketers to approve and formalize effective strategies that will facilitate them to capture additional target market and to enhance consumption of fashion products. Given that functional value, individual value and social value has a significant impact on attitude towards luxury, marketers could realize large scale economies by standardizing their policy for these dimensions of luxury.

Researchers: It will help them in exploring the research further in the Indian context relating to luxury goods as little information in available about these research constructs.

Limitations and Future Research Directions
The findings of this study are subject to some limitations, which also provide avenues for further research. The study included only Delhi and NCR. The sample size of this study was small and was restricted to these two cities only, and therefore generalizations are difficult for whole country. The subject of luxury brand consumption has been studied extensively, though it lacks research in specific cultures. Recent studies have found that culture may affect attitude towards consumption of luxury brands. A cross cultural research is also suggested for further studies, which would help readers to have a better understanding of what culture can influence consumers' attitude towards luxury brands.

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Assessment of Unorganised Commuter Service Quality in East Sikkim Zone Over Servqual Dimension

Vishal Srivastava
Associate Professor, Sikkim Manipal University, Gangtok

Biren Chettri
Assistant Professor, Sikkim Manipal University, Gangtok

Abstract

Sikkim is a State in the North-Eastern region of India. Being a part of the Himalayan Series, movement in this region is difficult as compared to the plains of the country. This research work tries to identify the quality of present commuter services provided by unorganized private taxi operators. The author used the time-tested SERVQUAL model to measure the expectation and perception of the passengers towards these services. The GAP score identified reflected that the local passengers are almost happy with the available services. However, the research indicates that further research on the demography needs to be done to understand the expectations and perception of the local passengers.

*H*ighlight

This research study identified the quality of present commuter services in Northeast India, specifically in Sikkim state, an under-studied area of India. The Study tried to identify the opportunities available, in this under-utilized economic geography of India. Although, the available commuter services are very basic, due to lack of exposure the passengers are found to be satisfied with it. The study identified that opportunities are available in improving the appearance and comfort of the vehicles provided by services providers. It was found that relationship marketing tactics & customer care activities are strong in this region. There is further need to do some research over the analysis of the demography of this region. Moreover, there is a large scope for analyzing the CRM activities adopted by the commuter services providers.

Keywords: *Service Quality, Commuter Services, Perception, Expectation*

*I*ntroduction

East Sikkim, one of the districts of Sikkim, is a landlocked district with area of 964 km (372 sq. mi). The climate in East Sikkim is subtropical to alpine with five seasons. The district is very sensitive and has strategic importance for India because almost every part of the district is covered with military presence for safeguarding the border from the People Republic of China in the North and Bhutan in the east.

East Sikkim has road connectivity with all other districts of Sikkim, and to the national highway NH10 with West Bengal.

Commuter services in East Sikkim are mainly taken care by unorganized cooperative societies registered with the transport department of Sikkim.

Sikkim does not have an airport or railway station due to geographical constraints, and the nearest airport is Bagdogra in West Bengal, which is 124 km from Gangtok. The nearest railway station is NJP which is 120 km from Gangtok. NH10 is an all-weather road, which runs parallel to river Teesta. In Sikkim, all the transportation of goods and passengers is through road transport, while

within the state, four-wheel commuter services are most popular mean of transport. Cabs operating on shared mode are the most prevalent mode of transport.

In Sikkim, there are two types of commuter services - Organized and Unorganized. SNT (Sikkim Nationalized Transport) is the organized transport system which has 183 buses and 83 tankers. SNT operates throughout the state and through NH10 towards Siliguri. Gangtok to Jorethang, Gangtok to Namchi, Gangtok to Mangan are the major routes.

Under Unorganized services, private taxis owned by individuals are the major transport system in east Sikkim for commuters. In Gangtok, Deorali taxi stand and Vajra Taxi stand are two major taxi stands. These taxi stands are operated by unorganized cooperative societies.

From Gangtok Private Taxi stand, which is below MG Marg, commuters can travel to South Sikkim & West Sikkim, whereas from Deorali Taxi Stand, which is located at Deorali Bazar on NH10, commuters can travel to West Bengal. From Vajra Taxi stand which is near Vajra Cinema, commuters can travel to North Sikkim and Tsango Lake. For long distance journeys, services are provided by ten-seater Bolero or Tata Sumo vehicles, while for short-distance travel in and around the city, small four-seated vehicles like the Omni, Alta, and WagonR, are made available.

The purpose of this study is to examine the relationship between customer satisfaction and service quality in East Sikkim with respect to various service quality dimensions, and consumer expectations towards commuters' services in East Sikkim.

Objectives
1. To study the unorganized commuter services of East Sikkim
2. To identify the consumer expectations towards commuter services of East Sikkim
3. To study the consumer perception towards commuter services of East Sikkim

Literature Review
SERVQUAL (Parasuraman, 1988) is recognized as the best tool to measure service quality over RATER (Reliability, Assurance, Tangibility Empathy and Responsiveness) dimensions (Fig. 1). The tools have been widely used & recognized to assess the service quality over customer expectation & perception. Considering its ease of administration & acceptance, the researcher has used this tool in this research.

Fig.1: SERVQUAL Model
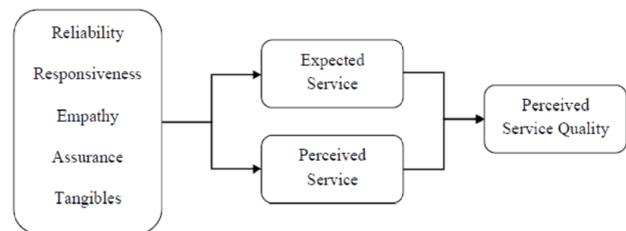
Source: (Parasuraman et al., 1988)

Commuter services, for limited area movement, are essential for growth and development of the community. Van de Velde, D. M. (1999) has developed two classification frameworks in order to clarify the discussion on regulatory reforms in public transport services. Horn, M. E. (2004) described planning conditions, the planning procedures, and reduction techniques that are used to obtain acceptable computational performance in commuter services. Paulley, N. (2006) has produced an up-to-date guidance manual on the factors affecting the demand for public transport for use by public transport operators and planning authorities. Mulley, C (2009), elaborated well-implemented Flexible Transport Services, which have the potential to revitalize bus-based public transport services and traditionally based on fixed networks with variable geographical coverage and levels of service. Thus, researcher has customized the SERVQUAL tool accordingly (Table 1).

Table 1: Items of Quality Measurement

Sr. No.	Scale	SERVQUAL DIMENSION
1	Modern Looking Vehicle	TANGIBILITY
2	Visually Appealing Appearance	
3	Employees Dress-up, Seat Covers, cleanliness etc. Visually Appealing	
4	Show a sincere interest in solving customer problems	EMPATHY
5	Service delivery at the time they promise to do so	RELIABILITY
6	No more waiting time to move	EMPATHY
7	Always willing to help customers.	RELIABILITY
8	Never be too busy to respond to customers' requests	RESPONSIVENESS
9	The behaviour of employees instils confidence in customers	RELIABILITY
10	Customers feel safe in travelling	ASSURANCE
11	Consistently courteous with customers	
12	Have the knowledge to answer customers' questions	RESPONSIVENESS
13	Give individual attention to customers	EMPATHY
14	Operating hours convenient to all their customers	
15	Have their customer's' best interest at heart.	
16	Understand the specific needs of their customers	

Hypothesis:

1. There is no significant Gap between Expectations and perception of Consumer towards Reliability of Commuter Services of East Sikkim (H01: $\mu e=\mu p$)

2. There is no significant Gap between Expectations and perception of Consumer towards Assurance of Commuter Services of East Sikkim (H02: $\mu e=\mu p$)

3. There is no significant Gap between Expectations and perception of Consumer towards Physical Appearance of Commuter Services of East Sikkim (H03: $\mu e=\mu p$)

4. There is no significant Gap between Expectations and perception of Consumer towards Empathy of Commuter Services of East Sikkim (H04: $\mu e=\mu p$)

5. There is no significant Gap between Expectations and perception of Consumer towards Responsiveness of Commuter Services of East Sikkim (H05: $\mu e=\mu p$)

Research Methodology:
To study the problem, the researcher used Exploratory & Descriptive Research Designs. For this, both primary as well as secondary data was used. The secondary data was collected from printed as well as electronic resources. For the study, 90 respondents of East Sikkim were selected through Random sampling technique; among them, 63 data sets were found complete & eligible for data work. The data was collected through a structured questionnaire. The questionnaire was developed on the SERVQUAL model, to record the expectation & perception of respondents. The Gap analysis was done primarily to identify any gap between Consumer Expectations and Perceptions. The service quality is measured on 16 items.

These items use a five-point Likert scale to measure the expectations and perception of customers. The categories used for measuring expectations are given in table 2.

Table 2: Expectations Measurement Scale
What do you feel about Excellent Commuter Services?

Must Have	Should Have	OK	Not Required	Not Required at All
1	2	3	4	5

Similarly, the categories used to measure perceptions are defined in Table 3.

Table 3: Perceptions Measurement Scale

Always	Most of the time	Not Always	Very Few	Never
1	2	3	4	5

How often have you traveled in Unorganized Commuter Services?

To test hypotheses, two sample Z-tests are used, as to compare the mean scores of expectations & perceptions towards present commuter services available in this satellite location.

Problem Discussion
In Sikkim, public transport is provided by SNT under transport department of Govt of Sikkim, which is only the organized commuters service provider in Sikkim. Though SNT is a major player in the sector a large number of unorganized service providers are in the market providing service to commuters for their journeys.

Sikkim has a passage through West Bengal which connects Sikkim with rest of the Indian state. NH10 is its only lifeline, and even this is sometimes blocked in case of agitation in neighboring districts of Darjeeling and Kalimpong. Sikkim has to face road blockages which lead to increase in fare for the commuters and non-availability of cab services in the unorganized commuter sector.

Due to the geographical location and difficult terrain, road infrastructure is underdeveloped, and landslide, potholes are major hindrances. Sikkim is one of the major tourist destinations during peak tourist season - cabs are mostly booked by tourists, and therefore for daily commuters it is difficult to find a cab on time, and even then, are made available on extra charge. Commuter services are under the unorganized sector so services given by the cab are variable depending upon the cab and the driver.

Data Findings
The data collected from 63 respondents reflects that the customers of Sikkim are quality oriented and expect high quality from the Commuter Service providers. In line with that, commuter service providers mostly provide them quality services, sometimes even beyond expectations.

Data Analysis & Hypothesis Testing
From the collected data, the researcher tried to find out the mean score of every item, selected to measure the expectation and experience of service quality delivered by commuter service providers. The gap between the mean ratings were considered a GAP. The more positive value reflected the more GAP to achieve the desired service quality, whereas the negative values reflected the better service quality over and above the expectations of the customers. The commenters' expectation scores are given in Table 4.

Table 4: Average Expectation Scores

Sr. No.	Scale	Mean Score out of 5	Mode
1	Modern Looking Vehicle (ES1)	1.6	1
2	Visually Appealing Appearance (ES2)	1.8	1
3	Employees Dress-up, Seat Covers, cleanliness etc. Visually Appealing (ES3)	1.7	1
4	Show a sincere interest in solving customer problems (ES4)	1.4	1
5	Service delivery at the time they promise to do so (ES5)	1.3	1
6	No waiting time to move (ES6)	1.4	1
7	Always willing to help customers. (ES7)	1.5	1
8	Never too busy to respond to customers' requests (ES8)	1.5	1
9	The behaviour of employees instils confidence in customers (ES9)	1.5	1
10	Customers feel safe in travelling (ES10)	1.4	1
11	Consistently courteous with customers (ES11)	1.5	1
12	Have the knowledge to answer customers' questions (ES12)	1.4	1
13	Give individual attention to customers (ES13)	1.6	1
14	Operating hours convenient to all their customers (ES14)	1.6	1
15	Have their customer's' best interest at heart. (ES15)	1.5	1
16	Understand the specific needs of their customers (ES16)	1.6	1

The data reflected that in all items the perceptions score is greater than the expectations. It is only the dressing of commuter service providers which is found at par or little lower than expectations of customers. However, the overall score of customer experience is much higher than their expectations (Table 5 & 6). The overall performance of quality of service is found 114.9 % over the customer expectations.

Table 5: Average Perception Scores

Sr. No.	Scale	Mean Score out of 5	Mode
1	Modern Looking Vehicle (PS1)	1.8	1
2	Visually Appealing Appearance (PS2)	1.7	1
3	Employees Dress-up, Seat Covers, cleanliness etc. Visually Appealing (PS3)	1.8	1
4	Show a sincere interest in solving customer problem (PS4)	1.7	1
5	Service delivery at the time they promise to do so (PS5)	1.7	1
6	No waiting time to move (PS6)	1.8	1
7	Always willing to help customers (PS7)	1.7	1
8	Never too busy to respond to customers' requests (PS8)	1.6	1
9	The behaviour of employees instils confidence in customers (PS9)	1.7	1
10	Customers feel safe in travelling (PS10)	1.6	1
11	Consistently courteous with customers (PS11)	1.7	1
12	Have the knowledge to answer customers' questions (PS12)	1.7	1
13	Give individual attention to customers. (PS13)	1.8	1
14	Operating hours convenient to all their customers (PS14)	1.7	1
15	Have their customer's' best interest at heart. (PS15)	1.8	1
16	Understand the specific needs of their customers (PS16)	1.8	1

Table 6: GAP Analysis

	Mean Score	GAP (ES-PS)	% Performance (PS/EP*100)	Overall GAP	Overall Performance over Expectations
ES1	1.6	-0.2	112.6	-0.2	114.9
PS1	1.8				
ES2	1.8	0.0	98.2		
PS2	1.7				
ES3	1.7	-0.2	109.5		
PS3	1.8				
ES4	1.4	-0.3	122.2		
PS4	1.7				
ES5	1.3	-0.4	127.1		
PS5	1.7				
ES6	1.4	-0.4	125.6		
PS6	1.8				
ES7	1.5	-0.3	117.4		
PS7	1.7				
ES8	1.5	-0.1	107.3		
PS8	1.6				
ES9	1.5	-0.2	114.9		
PS9	1.7				
ES10	1.4	-0.2	117.0		
PS10	1.6				
ES11	1.5	-0.2	112.4		
PS11	1.7				
ES12	1.4	-0.3	118.7		
PS12	1.7				
ES13	1.6	-0.2	111.9		
PS13	1.8				
ES14	1.6	-0.2	110.0		
PS14	1.7				
ES15	1.5	-0.3	118.1		
PS15	1.8				
ES16	1.6	-0.2	114.9		
PS16	1.8				

H_{01} : There is no significant Gap between Expectations and Perception of Consumer towards Reliability of Commuter Services of East Sikkim (H01: $\mu e = \mu p$)

Items 5, 7 and 9 tried to measure the GAP in service quality on Reliability dimension. It was found in all the three dimensions, the performance was better than expectations. However the calculated Z-values (-0.54, -0.37 and -0.32) indicate the non-significance (p-values 0.59, 0.71 and 0.75 respectively) of variations and retain the hypothesis. (Table 7)

Table 7: Z-Values & Test of Significance of Reliability Dimensions

	Dimension	Mean Score	Std. Deviation	Z-Value	p-Value	Status at p=0.05
ES5	Reliability	1.3	0.68	-0.54	0.59	Non-Significant
PS5		1.7				
ES7		1.5	0.69	-0.37	0.71	Non-Significant
PS7		1.7				
ES9		1.5	0.69	-0.32	0.75	Non-Significant
PS9		1.7				

H_{02} : There is no significant Gap between Expectations and Perception of Consumer towards Assurance of Commuter Services of East Sikkim (H_{02}: $\mu e = \mu p$)

Items 10 and 11 tried to measure the GAP in service quality on Assurance dimension. It was found in all the three dimensions the performances were better than expectations. However, the calculated Z-values (-0.33 and -0.23) indicate the non-significance (p-values 0.74 and 0.81 respectively) of variations and retain the hypothesis. (Table 8)

Table 8: Z-Values & Test of Significance of Assurance Dimensions

	Dimension	Mean Score	Std. Deviation	Z-Value	p-Value	Status at p=0.05
ES10	Assurance	1.4	0.73	-0.33	0.74	Non-Significant
PS10		1.6				
ES11		1.5	0.84	-0.23	0.81	Non-Significant
PS11		1.7				

H_{03} : There is no significant Gap in between Expectations and Perception of Consumer towards Physical Appearance of Commuter Services of East Sikkim (H_{03}: $\mu e = \mu p$)

Items 1, 2 and 3 tried to measure the GAP in service quality on Tangibility dimension. It was found in all the three dimensions the performances were better than expectations. However the calculated Z-values (-0.24, 0.03 and -0.19) indicate the non-significance (p-values 0.81, 0.85 and 0.85 respectively) of variations and retain the hypothesis. (Table 9)

Table 9: Z-Values & Test of Significance of Physical Appearance Dimensions

	Dimension	Mean Score	Std. Deviation	Z-Value	p-Value	Status at p=0.05
ES1	Tangibility	1.6	0.85	-0.24	0.81	Non-Significant
PS1		1.8				
ES2		1.8	0.91	0.03	0.85	Non-Significant
PS2		1.7				
ES3		1.7	0.82	-0.19	0.848	Non-Significant
PS3		1.8				

H_{04} : There is no significant Gap between Expectations and Perception of Consumer towards Empathy of Commuter Services of East Sikkim (H_{04}: $\mu e = \mu p$)

Items 4, 6, 13, 14, 15 and 16 tried to measure the Gap in service quality on Empathy dimension. It was found in all the three dimensions the performances were better than expectations. However the calculated Z-values (-0.52, -0.45, -0.2, -0.2, -0.39 and -0.26) indicate the non-significance (p-values 0.60, 0.59, 0.84, 0.84, 0.69 and 0.40 respectively) of variations and retain the hypothesis. (Table 10)

Table 10: Z-Values & Test of Significance of Empathy Dimensions

	Dimension	Mean Score	Std. Deviation	Z-Value	p-Value	Status at p=0.05
ES4		1.4	0.61	-0.52	0.6	Non-Significant
PS4		1.7				
ES6		1.4	0.82	-0.45	0.65	Non-Significant
PS6		1.8				
ES13		1.6	0.96	-0.20	0.84	Non-Significant
PS13	Empathy	1.8				
ES14		1.6	0.80	-0.20	0.84	Non-Significant
PS14		1.7				
ES15		1.5	0.69	-0.39	0.69	Non-Significant
PS15		1.8				
ES16		1.6	0.91	-0.26	0.4	Non-Significant
PS16		1.8				

H_{05} : There is no significant Gap in between Expectations and Perception of Consumer towards Responsiveness of Commuter Services of East Sikkim (H_{05}: $\mu e = \mu p$)

Item 8 and 12 tried to measure the Gap in service quality on Responsiveness dimension. It was found in all the three dimensions the performance was better than expectations. However, the calculated Z-values (-0.15 and -0.39) indicate the non-significance (p-values 0.88 and 0.69 respectively) of variations and retain the hypothesis. (Table 11)

Table 11: Z-Values & Test of Significance of Responsiveness Dimensions

	Dimension	Mean Score	Std. Deviation	Z-Value	p-Value	Status at p=0.05
ES8		1.5	0.74	-0.15	0.88	Non-Significant
PS8	Responsiveness	1.6				
ES12		1.4	0.69	-0.39	0.69	Non-Significant
PS12		1.7				

Conclusion

From the above discussion, it is found that present commuter services available in East Sikkim region are very effective. The passengers are more than satisfied with these services; however, the appearance of the vehicle or the service providers needs to improve somewhat, but these are also not significant statistically.

The research reveals the fact that relationship marketing tactics & customer care activities are strong in this region. There is further need to do some research over the analysis of the demography of this region. Moreover, there is a large scope for analyzing the CRM activities adopted by the commuter services providers.

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Productivity Change in Indian Manufacturing: A Comparison of Pre Reform and Post Reform Period

Anubhuti Dwivedi
Professor & Associate Dean, Asian Business School, Noida

Maroof Ahmad
Assistant Professor, Asian Business School, Noida

Abstract

The economic reforms were initiated in 1991 as part of the structural adjustment programme in India. It constituted of the three-pronged approach of Liberalization, Privatization and Globalization to boost investment, production and productivity in the economy. This paper attempts to analyse the trend of, technical efficiency, technological change and TFP growth in the Indian manufacturing sector during 1981-82 to 2011-12. The period up to 1990-91 is considered as pre-reform while the subsequent period is regarded as post-reform. The data used in this study for calculating productivity and its various components have been sourced from the Annual Survey of Industries (ASI) for the relevant years. The manufacturing sector is modelled as an industry producing a scalar output measured by the gross value added at constant prices by employing two-factor inputs namely labour and capital. Data Envelopment Analysis based Malmquist Index has been calculated to arrive at the estimates of technical efficiency, technological change and total factor productivity growth and a comparison has been made between pre-reform and post-reform period.

Keywords: *Economic Reforms, Total Factor Productivity, Technical Efficiency, Technological Change, Malmquist Index, Data Envelopment Analysis*

Introduction

Productivity change is both the cause and the consequence of the dynamic forces operative in an economy. The concept of productivity and its various aspects have been discussed and debated in economic literature ever since Solow (1957) decomposed output growth into the contribution of input growth and a residual productivity term. The basic premises on which the industrial growth depends in the developing economies is the growth in the total factor productivity as there are resource constraints in these economies and production has to be raised given the limited amount of resources. The competitiveness of a firm or industry goes up due to technological progress and changes in technical efficiency.

The technological progress occurs through changes in the best practice production frontier, while efficiency increases when firms move closer to this frontier. Thus, the total factor productivity change is the sum of the rate of technological progress and changes in technical efficiency (Fare et. al. 1994).

One can identify four distinct phases of industrial growth in India since the inception of planning. The first phase 1956-65 was a period of rapid growth. The second phase of slow growth or deceleration extends from 1965-66 to 1979-80. The third phase is a phase of recovery and revival of growth since the 1980s. The fourth phase started with the 1991 economic policy reforms. During the 1980s, the government became supportive towards business but the steps taken were not concerted in the effort. Rodrik and Subramanian (2004) have characterised the policy changes of the

1980s and 1991 as pro-business and pro-market reforms, respectively. The economic reforms of 1991 focused on removing the bottlenecks in the markets through economic liberalisation by favouring new competition.

In this paper, estimates of total factor productivity (TFP) growth and its components technical efficiency and technological change are presented for Indian manufacturing and major industry groups for the period 1981–82 to 2011– 12. The objective is to compare the growth rate of TFP in Indian industries in the post-reform period, i.e. after 1991 with that in the pre-reform period of the 1980s.

Earlier Studies
Some of the prominent studies that examined the effect of policy reforms, particularly, trade policy reforms, on technical efficiency include Tybout et al. (1991) which analysed the effect of Chilean trade liberalisation on industrial efficiency and found that reduction in tariff protection is correlated with an increase in efficiency and decreases in variance of the efficiency scores. However, their results also show that eleven out of twenty-one industries included in the study registered a decline in the level of efficiency after the trade reform. The study by Alam and Morrison (2000) in the case of Peru shows that fifteen out of the twenty industries studied experienced an increase in efficiency after the trade reform. Tybout and Westbrook (1995) examine whether the changes in efficiency after the reform is correlated with changes in various measures of trade policy in Mexico. In an Indian context, a number of studies examined the effect of trade policy reform on total factor productivity in the nineties and these include studies by Balakrishnan et al. (2001), Krishna and Mitra (1998) and Kusum Das (1998). The study by Balakrishnan et al. (2001) used firm-level panel data of industries that faced a greater reduction in trade protection for the period 1988-89 to 1997-98. This study found that productivity growth is lower in the post-reform period. Krishna and Mitra (1998) also used firm-level panel data of some selected industries for the period 1986-1993. However, this study also could not

find strong evidence for the productivity effect of the reform. The study by Kusum Das (1998) analysed seventy-six three-digit industries covering the period 1980-81 to 1993-94 and found that productivity response to the trade policy reform is mixed. There are also studies that examined the technical efficiency of the manufacturing industry in the 1990s. These include Agarwal (2001), who analyses the performance of some selected public sector firms in terms of their technical efficiency. Agarwal and Goldar (1999) focus on the state-wise analysis of technical efficiency of the manufacturing industry for the period 1976-77 to 1992-93. Parmeswaram (2002) found that all the industries considered for this research paper registered a higher rate of technical progress in the post-reform period along with a decline in the level of technical efficiency.

Empirical Methodology
The concept of TFP growth date back to the work of Tinbergen (1942), Abramotivz (1956), Solow (1957), and Griliches and Jorgenson (1966) among many others. While these and a significant number of studies thereafter have often focused on the non-frontier approach to calculating TFP growth, the frontier approach to TFP measurement was first initiated by Farrell (1957). The frontier and non-frontier categorization are of methodological importance since the frontier approach identifies the role of technical efficiency in overall firm performance while the non-frontier approach assumes that firms are technically efficient.

Technical efficiency can be measured by the ratio of observed to maximum potential output given all the inputs and outputs observed in the economy (Farrell, 1957). In parametric models, an explicit functional form can be given to the production frontier which traces the set of maximum output obtainable from a given set of inputs and technology, and its parameters are econometrically estimated using observed inputs and outputs. The resulting measure of total factor productivity and technical efficiency depends crucially on the adopted functional form, which, if misspecified, may bias the efficiency estimate. Under the non-

parametric approach of Data Envelopment Analysis (DEA), a frontier refers to a bounding function, or more appropriately, a set of best obtainable positions. The production frontier is an unobservable function that is said to represent the 'best practice' function as it is a function bounding or enveloping the sample data.

The non-parametric measure of total factor productivity (TFP) change indices can be obtained by using the DEA-based Malmquist productivity index method described in Fare et al (1994) and Coelli, Rao and Battese (1998). This technique enables a change in TFP to be decomposed into two components, one measuring the change in efficiency (movements towards the production frontier) and the other measuring the change in the frontier technology (shifts in the frontier).

The Malmquist index is defined using distance functions. Distance functions allow one to describe a multi-input, multi-output production technology without the need to specify a behavioural objective (such as cost minimization or profit maximization). One may define input and output distance functions as input distance function characterises the production technology by looking at a minimal proportional contraction of the input vector, given an output vector. An output distance function considers a maximal proportional expansion of the output vector, given an input vector. This paper considers only an output distance function.

The Malmquist TFP index measures the TFP change between two data points (for example, those of a particular firm in two adjacent time periods) by calculating the ratio of the distances of each data point relative to a common technology. Following Färe et al (1994), the Malmquist (output-orientated) TFP change index between period t (the base period) and period t+1 is given by

$$(1)$$

where the notation $D_0^{t+1}(x^t, y^t)$,

$$M_0\left(x^{t+1}, y^{t+1}, x^t, y^t\right) = \left[\left(\frac{D_0^t\left(x^{t+1}, y^{t+1}\right)}{D_0^t\left(x^t, y^t\right)}\right)\left(\frac{D_0^{t+1}\left(x^{t+1}, y^{t+1}\right)}{D_0^{t+1}\left(x^t, y^t\right)}\right)\right]^{\frac{1}{2}}$$

represents the distance from the period t+1 observation to the period t technology, x^t is the input and y^t is the output in period t. A value of M_O greater than one will indicate positive TFP growth from period t to period t+1 while a value less than one indicates a TFP decline. Note that the above equation is, in fact, the geometric mean of two TFP indices. The first is evaluated with respect to period t technology and the second with respect to period t+1 technology. An equivalent way of writing this productivity index is

$$(2)$$

where the ratio outside the square brackets

$$M_0\left(x^{t+1}, y^{t+1}, x^t, y^t\right) = \left(\frac{D_0^t\left(x^{t+1}, y^{t+1}\right)}{D_0^t\left(x^t, y^t\right)}\right) \times \left[\left(\frac{D_0^t\left(x^{t+1}, y^{t+1}\right)}{D_0^{t+1}\left(x^{t+1}, y^{t+1}\right)}\right)\left(\frac{D_0^t\left(x^t, y^t\right)}{D_0^{t+1}\left(x^t, y^t\right)}\right)\right]^{\frac{1}{2}}$$

measures the change in the output-oriented measure of Farrell technical efficiency between periods t and t+1. That is, the efficiency change is equivalent to the ratio of the technical efficiency in period t+1 to the technical efficiency in period t. The remaining part of the index in the above equation is a measure of technical change. It is the geometric mean of the shift in technology between the two periods, evaluated at x^t+1 and also at x^t.

Hence the Malmquist productivity index is simply the product of the change in relative efficiency that occurred between period t and t+1, and the change in technology that occurred in the same periods. To calculate the Malmquist Productivity Index given in equation (1) we must calculate the four component distance functions, which will involve four linear programming problems (similar to those conducted in calculating Farell technical efficiency (TE) measures) [Coelli (1996)] .

Data and Variables
The data used in this study for calculating productivity and its various components come from the Annual Survey of Industries (ASI) for the relevant years. The two digit industry groups have been modelled as units producing a scalar output measured by the gross value added at constant prices by employing the factor inputs, labour and capital. The two-digit classification has been done according to NIC 2004 and the

two-digit industry groups of NIC 1970, 1987 and 1998 have been concorded to NIC 2004 as per EPW Research Foundation suggestions.

Using gross value added at constant prices is a common practice in the Indian empirical literature (e.g., Unel, 2003; Ahluwalia, 1991; Balakrishnan and Pushpangadan, 1994; and Goldar, 1986). Using Gross value added rather than gross output allows comparison between the firms that are using heterogeneous raw materials (Griliches and Ringstad, 1971). The use of gross output in place of gross value added makes it essential to use raw materials in the analysis, which may obscure the role of labour and capital in the productivity growth (Hossain and Karunaratne, 2004). Use of gross value added is also advantageous in accounting for differences and changes in the quality of inputs (Salim and Kalirajan, 1999). ASI reports gross value added data in value terms. Nominal values of gross value added were deflated by the wholesale price index for manufactured goods.

Labour input is measured by the total number of persons engaged in an average establishment. ASI also reports fixed capital stock data in value terms. The fixed capital stock was deflated by the price index for new machinery and transport equipment. Both of these variables are measured at 1981-82 prices at all-India level. Measuring the capital stock input is rather problematic. In many studies capital stock is measured by the book value of fixed assets while in others its flow is measured by summing rent, repairs, and depreciation expenses or perpetual inventory created from annual investment data. Each of these measures has its own shortcomings. For example, the book value and perpetual inventory methods do not address the question of capacity utilisation, whereas the flow measurement may be questioned on the ground that the depreciation charges in the financial accounts may be unrelated to actual depreciation of hardware. Thus following Ray (2002) in the present study, the capital stock is measured by the book value of fixed assets.

Empirical Results

Data Envelopment Analysis (DEA) using panel data set is undertaken and output-oriented Malmquist indices are estimated which are further disaggregated into technical efficiency change indices and technological change indices. The average technical efficiency change, technological change and total factor productivity change in manufacturing industries during the pre-reform period 1981-82 to 1990-91 are reported in Table 1 and for the post-reform period which has been divided into two phases, Phase I: 1991-92 to 1999-2000 are reported in Table 2 and Phase II: 2001-02 to 2011-12 are reported in Table 3.

Table 1: Malmquist Index Summary for Pre Reform Period

* t-1 in year 1 is not defined, hence

YEAR	TEFFCH	TECHCH	SECH	PECH	TFPCH
1981-82	0.924	1.021	1.48	0.905	0.943
1982-83	0.802	1.235	1.00	0.649	0.990
1983-84	1.004	1.004	1.11	1.000	1.008
1984-85	0.969	1.149	0.90	0.843	1.113
1985-86	0.949	1.137	0.97	0.835	1.079
1986-87	0.938	1.176	0.93	0.798	1.103
1987-88	0.762	1.211	0.71	0.629	0.923
1988-89	0.749	1.247	1.72	0.601	0.934
1989-90	0.826	1.335	0.88	0.619	1.103
1990-91	0.979	1.025	1.00	0.955	1.003
Mean	0.885	1.149	1.037	0.770	1.017

Malmquist index cannot be calculated for the first year which in this study is 1980-81

Table1 gives the Malmquist index summary for the pre-reform period. It can be seen from the table that during the period 1980-81 to 1990-91, the Indian manufacturing sector exhibited positive TFP change. During this period, there was a fall in technical efficiency but a technological change was positive. Overall, the mean total factor productivity change during the pre-reform period covered in the study was positive.

Table 2 gives the Malmquist index summary for the first phase of the post-reform period. It can be seen from the table that during the period 1991-92 to 2000-2001, the Indian manufacturing sector exhibited positive TFP change. During this period too, there was a fall in technical efficiency but the technological change was positive. Overall,

the mean total factor productivity change during the pre-reform period covered in the study was positive.

Table 2: Malmquist Index Summary for Post Reform Period (Phase I)

Table 3 gives the Malmquist index summary

YEAR	TEFFCH	TECHCH	SECH	PECH	TFPCH
1991-92	0.989	1.045	0.96	1.030	1.033
1992-93	1.005	1.048	0.948	1.060	1.053
1993-94	0.882	1.118	1.169	0.754	0.986
1994-95	1.004	1.098	0.873	1.150	1.102
1995-96	0.882	1.209	1.103	0.799	1.066
1996-97	0.852	1.166	1.018	0.837	0.994
1997-98	0.864	1.142	1.052	0.822	0.987
1998-99	0.891	1.114	0.947	0.941	0.993
1999-2000	0.971	1.016	1.023	0.950	0.987
2000-01	0.954	1.033	1.001	0.953	0.985
Mean	**0.928**	**1.097**	**1.006**	**0.922**	**1.018**

for the second phase of post-reform period. It can be seen from the table that during the period 2001-02 to 2011-12, the Indian manufacturing sector exhibited negative TFP change. During this period, there was a fall in technical efficiency and the positive technological change could not compensate for the fall in technical efficiency leading to a decline in overall mean total factor productivity change during this period.

Table 3: Malmquist Index Summary for Post Reform Period (Phase II)

YEAR	TEFFCH	TECHCH	SECH	PECH	TFPCH
2001-02	1.046	1.001	1.077	0.971	1.047
2002-03	1.045	1.017	1.093	0.956	1.063
2003-04	0.888	1.033	0.988	0.898	0.917
2004-05	1.009	1.119	1.030	0.980	1.129
2005-06	0.869	1.026	1.045	0.832	0.892
2006-07	1.145	1.105	0.763	1.500	1.265
2007-08	0.936	1.014	1.112	0.842	0.949
2008-09	0.774	1.215	0.767	1.009	0.940
2009-10	0.885	1.009	0.939	0.943	0.893
2010-11	0.974	1.072	1.092	0.892	1.044
2011-12	0.866	1.008	1.118	0.775	0.873
Mean	**0.943**	**1.054**	**0.994**	**0.949**	**0.995**

Conclusion

The result reveal that economic reforms initiated since 1991 had a positive impact on productivity in the beginning years but it was not very significant as the growth in

productivity had already started in the 1980s with the supportive steps taken by the Government. The reforms of 1991 were, however, able to maintain the pace of productivity growth with the help of technological progress, though the overall technical efficiency in the manufacturing sector was declining. During the second phase of reforms, technological progress was not able to neutralize the impact of the decline in efficiency. This points to the fact that technology improvements were not accompanied by efficiency improvements and the measures to attract FDI for better management practices to enhance efficiency partially failed in its purpose. The lack of skill development required for an increase in efficiency along with technological progress may have been a reason for a decline in productivity in the later phase of reforms.

This paper has taken data at an aggregated level of industrial groups and the results for a more disaggregated level with specific sectors and firm-level data may provide more clarity on the results. Further research in this direction is called for to determine the effect of reforms on productivity.

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Girl Child Education in India – A Situational Analysis

Tanu Kathuria
Economic Officer, NITI Aayog, Govt. of India.

Abstract

The paper examines the issue of women's access to education in India. Drawing on existing literature and various statistics concerning women's education, the paper provides an overview of the state of education with respect to women and highlights some of the issues and barriers to women's education. The paper also tries to cover the schemes those have been introduced by the government to increase the access, expand coverage and improve the quality of education among women in different parts and segments of the country. Based on an analysis of emergent issues, some recommendations and suggestions are offered in terms of grassroot level interventions, strategic initiatives and enabling policy framework, towards improving women's access to education.

Key Words: *Literacy, Vocational Education, Economic Productivity, Social Development, Women Empowerment,*

*I*ntroduction

'Educating a boy is educating a person: Educating a girl is educating a nation', this statement is well justified. Many surveys and studies worldwide have demonstrated that educating women is the single most profitable investment in terms of children's health, community welfare and building long-term success of developing countries. Education opens a whole new world of opportunities for a girl, it gives her the confidence to tackle different problems of life, become economically independent, make better choices, resolve family or community issues satisfactorily, stand for her rights and guide her children. The journey to become a successful nation begins with Universal Education for Women. India can reach its true potential as a nation only when its female population is equipped with the power of education.

Free and compulsory education to all children between the ages of 6 and 14 is a Fundamental Right of citizens under the 86th Amendment to the Constitution of India. Yet, the state of education of women in India is far from 'free' or as totalising and encompassing as the right appears to guarantee.

Post-Independence there has been a concerted attempt to improve literacy levels of the population in India. Many schemes have been introduced to increase the access, expand coverage and improve the quality of education. Amongst them the universalization of elementary education, incentive schemes for retention and non-formal education for adults are noteworthy for their scope and intent. Although over the years, India's literacy rate has improved manifold, from 12% in 1947 to 74.4% in 2011, if we look at the percentage of educated people, there is a huge gap between male (82.14%, in 2011) and female (65.46%, in 2011) literacy rates in India (Census Report , MHA, (2011).

The various statistics and numerous studies have repeatedly pointed the need to extend the reach and access of education to the women of the country. Although literacy rates and access to education are areas of concern for women, the dropout rates and enrolment figures in higher education imply that getting girls to enrol in schools is the first hurdle. Once this hurdle is surmounted, girls are more likely than boys to stay on for primary education, but pose a challenge again at the secondary and higher levels of education.

Research Questions and Objectives

To answer the research questions as to why education of women is even important, or if it is a mere image building exercise, or a way to stay on top of the numbers in the race with the developed nations. To answer these research questions the paper has set the following objectives:

1) To find out how education is indispensable for women.
2) To find out and explore the different stages at which the women's education is hampered in India.
3) To understand the role Government has played so far to improve the access and extent of education for women.

Education: Indispensable for Women

Low female literacy rate has a huge negative impact on the overall growth and development of the society. Neglecting the education of women, who constitute nearly half of the population, does not auger well for the development of any nation. Beyond the obvious imbalance in the labour pool, education for women is an important determinant of their enhanced self-esteem and self-confidence, helping to build a positive image, developing their ability to think critically, fostering better decision making and helping them make more informed choices about health, employment and even the education of their children. Education is not only to ensure more participation in developmental processes but also enhance awareness of rights and entitlements in society, so that women can enhance their participation in society on an equal footing in all areas. The economic independence that education brings is an added incentive. We can summarise the reasons as to why the education is indispensable for women as follows:

Social Development: Kothari Commission of 1968 recommended education as the primary tool for social development. By prioritising women's education in India, the country can achieve the goal of social development as it will help resolve many issues faced by society.

Gender Equality: It is perceived that woman is part of the unprivileged section of society in India. Education is the only tool which can prevent the propagation of this myth and help to close a gender gap in society.

Economic Productivity: Educated women can bring in more productive linkages, backward and forward both, which can bring in fruits in multiple amounts. An educated woman means an educated foundation and hence generation of more productive resources. It will not only bring economic gains to women but will also raise GDP of the nation.

Reduction in Infant Mortality: A well-educated woman will have more chances of making better decisions for her family's health. Studies have shown that increased literacy among women will bring down infant mortality rate and maternal mortality rate while raising the life expectancy.

Improved Living Standard: Education will improve chances of employment for women and hence they can contribute to their family income. This in turn results in better living standards for the entire family.

Woman Empowerment: Education is a powerful tool for female emancipation and empowerment. Women have been deprived of their rights in society for too long. By educating themselves, they can redress the imbalance. They are also less likely to be taken advantage of, and will experience lower exposure to domestic abuse.

Better Future Prospects: Women who are educated are able to take charge of their future and also play an important role in shaping the future of their family by bringing up their children in a far better way by making them aware and accessible to better opportunities and prospects which gets ignored by the uneducated women/mothers.

Holistic and Inclusive Development of the Society: When women are included in key decision-making positions, they take holistic decisions for the development of the society

Women's education in India is hampered at different stages

In most of the developing world around the globe including India, women are often denied education opportunities. Even though women constitute 48% of the total population in India – the literacy rate for women in urban areas is 79.11% as against 88.76% males, and the figures are even lower in the rural scenario where 57.93% women are literate as against 77.15% literate males (Educational Statistics at a Glance, MHRD Report (2005 - 06). India's GDP growth percentage can be drastically improved if women are educated and start contributing equally economically.

Why do the statistics reflecting women's literacy, their enrolment in primary, secondary and higher education or their dropout rates read so poorly? What do they tell us about women's access to education? What systemic errors have aided in this and what can be done to remedy the situation? This section highlights some of the barriers to women's education.

Some of the barriers to women's education are sociological, rooted in gender stereotyping and gender stagnation and other are driven by economic concerns and constraints.

A consequence of gender profiling and stereotyping is that when the parents cannot afford education for their kids, the son is always given preference over the daughter, if at all they try and send them to school. The daughters tend to participate more in programmes that relate to their domestic roles. Therefore, the school dropout rate amongst adolescent girls stands high at 63.5% (Educational Statistics at a Glance, MHRD Report (2005 - 06).

If the daughter wants to go for higher studies, it becomes a matter of discussion among parents, relatives, neighbours. A mindset that views education for girls as unlikely to reap any returns ascribes to the view that investing in the education of the male child is like an investment as the son is likely to be responsible for caring for aging parents, and women with largely a reproductive role in society have little need for education and any gains from it are anyway likely to accrue to the homes they go to after marriage. Hence educating the girl child is sometimes viewed as an unnecessary and extravagant indulgence.

We live in a society where the upbringing of children still depends largely on the mother. What good are we going to pass on to the next generation if that mother is illiterate? The chances are that her own daughter might become an illiterate mother one day, thus continuing the vicious cycle.

1.1 Level of Education with Key Issues

Level of education	PRIMARY		SECONDARY		VOCATIONAL & FINISHING SCHOOL		PROFESSIONAL	
Issue	1	Low enrolment - getting the girl child to the school	1	High drop-out rates	1	Gender stereotyping and segregation	1	Gender stereotyping
	2	Sociological and psychological barriers to sending girls to school	2	Inadequate facilities	2	Domestic preferences	2	Self efficacy (own belief and ability to succeed)
	3	Engagement of the girl child in other work	3	Engagement in other work (housework, farms etc.)				

1.2 Women Education Hampered at Different Stages

Stages	Early Childhood	Adolescent	Higher Studies	Post Marriage
Issue	Sons get preference over daughters in many rural areas	Female school drop-out rate stands at 63.5%	Women's marriage is given priority over education	Women takes care of the family and puts back studies or career

What Has The Government Done So Far?

There are many reforms and strategies by the government towards the betterment of women education in India.

1. Sakshar Bharat Mission for Female Literacy

This programme was formulated with the objective of achieving 80% literacy level at national level, by focusing on adult women literacy, seeking to reduce the gap between male and female literacy to not more than 10 percentage points. It works on four broader objectives, namely imparting functional literacy and numeracy to non-literates, acquiring equivalency to formal educational system, imparting relevant skill development programmes and promote a leaning society by providing opportunities for continuing education.

2. Right to Education (RTE)

RTE considers education as a Fundamental Right which will provide free and compulsory education to every child aged

between 6 to 14 years. The right to education is legally guaranteed for all without any discrimination. States have the obligation to protect, respect and fulfil the right to education.

3. Kasturba Gandhi Balika Vidyalaya

Gender disparities still persist in rural areas and among disadvantaged communities. To overcome such disparity, the said programme was launched with the aim to ensure that the quality education is feasible and accessible to the girls of disadvantaged groups of society by setting up residential schools with boarding facilities at elementary level.

4. National Programme for Education of Girls at Elementary Level

The NPEGEL is a focussed intervention of Government of India, to reach the 'Hardest to Reach' girls, especially those not in school. It is for reduction in the school dropouts by giving special attention to weak girls. In villages, women's groups are formed to follow up/supervision on girl's enrolment, attendance. The scheme is being implemented in educationally backward blocks (EBBs) where the level of rural female literacy is less than the national average and the gender gap is above the national average.

5. Rashtriya Madhyamik Shiksha Abhiyan

The scheme was launched with the objective of enhancing access to secondary education and to improve its quality. It is envisaged to achieve an enrolment rate of 75% at the second stage of implementation by providing a secondary school within reasonable distance of any habitation. Infrastructure facilities, such as additional class rooms, laboratories, libraries, art and craft rooms, toilet blocks, drinking water provisions and residential hostels for girls and teachers in remote areas, were given top priority under this scheme.

6. Dhanlakshmi Scheme

To promote the awareness and importance of education of girl child, government has launched a special conditional money transfer scheme for the girl child, conditional to the fulfilment of the following three conditions:

a) At birth and registration of birth.
b) Progress of immunization and completion of immunization.
c) Enrollment and retention in school.

7. SABLA-Rajiv Gandhi Scheme for Empowerment of Adolescent Girls

It enables adolescent girls to pursue self–development and empowerment. It aims to upgrade home–based skills and life skills, and integrate with the National Skill Development Programme (NSDP) for vocational skills. It enables adolescent girls to get into formal/non formal education. It also promotes awareness about health, hygiene, nutrition, adolescent reproductive and sexual health (ARSH) and family and child care.

The Way Forward

Although much work has been done to improve the state of education in India, we are still a long way off from attaining standards comparable even to other developing nations. Below are some recommendations and suggestions for improving access to education for the women of India. The recommendations can be categorised as those related to the following three subheads:

Grassroot level improvements / interventions:
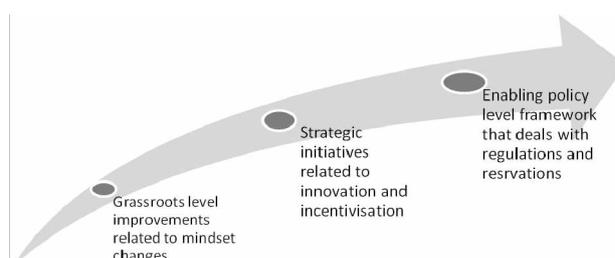
• Sensitisation and awareness building for women's education: One of the foremost requirements for ensuring increased participation of women in education is changing the mindset of the society.Unless parents of the girl child see value and merit in sending the girl child to school,they will resist doing so and instead prefer to use her for help in household chores.

Strategic initiatives:
• **Target segment and approach:** We need to move towards a segment-based and

sector-wise approach to tackle the problem of poor access to education for women. In rural areas, where enrolment of women in education is rather low, mechanisms need to evolve such that the schools are more accessible for the girl child, and the psychological and sociological barriers to sending the girl child to school are overcome.

• **Incentivisation for education of the girl child:** The primary problem is that of attracting the girl child to the school. To facilitate this process, education of the girl child must become an attractive proposition for the parents of the girl child, who might otherwise prioritise sending the male child only to school.

• **Reservation for women in education:** The role of legislation and government intervention is one of the most powerful and effective tools to remedy systemic errors and imbalances prevalent in any society, which continue to be sustained over a period of time. Government intervention has benefited a section of the population and has been instrumental in correcting social imbalances. Extending the same logic, necessitating a certain percentage of women participation across various levels through required legislation and reservation will not only ensure fair representation but also encourage schools and institutes to actively devise means and programmes to attract women to their portals.

Conclusion:
One may ask why education of women is even important, or why the state ought to focus on it, beyond improving the numbers and statistics to reflect figures at par with the rest of the developed world.

Neglecting the education of women, who constitute nearly half of the population, does not auger well for the development of any nation. Beyond the obvious imbalance in the labour pool, education for women is an important determinant of their enhanced self-esteemand self-confidence, helping to build a positive image, developing their ability to think critically, fostering

better decision making and helping them make more informed choices about health, employment and even the education of their children. Education will not only ensure more participation in developmental processes but also enhance awareness of rights and entitlements in society, so that women can enhance their participation in society on an equal footing in all areas. The economic independence that education brings is an added incentive. Economic independence and awareness will help curtail the vicious cycle of reinforcing negative stereotypes and aid women in chartering paths as individuals in their own right, contributing to society, polity and the economy.

It is therefore true in all respect that, as India's first Prime Minister Jawaharlal Nehru said, 'You can tell the condition of a nation by looking at the status of its women.'

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