

# DIGITAL AUTOMATION- A BOOM

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## Abstract

Digital automation in business is indispensable and over the last decades revolutionized production and operations on a global level. Digitalization means frequent use of digits 0-9 in every field of our life. It has become the foremost need of the day to go for digitalization. The discussion on automation of work has intensified in recent years which attract the attention of various researchers worldwide. The research paper reflects the contribution, impact and the present status of automation over the organizations and how it leads to the growth of Indian economy. The literature points at two main trends that are accelerated by automation – the automation of work which erases or changes job functions and the creation of work without jobs via digital platforms. This paper addresses the question as to how social partners define the automation of work and their perception of its consequences along with their recent responses to automation. Focus is on private services, which is the sector that is currently under the strongest pressure from automation and the trend of work without jobs. Automation is Progressive shift to a cashless economy with a greater focus on electronic transactions. Rising use of credit/debit cards, net banking and other online payment mechanisms will be another positive effect of automation, as these would not only lower transaction costs but some of these could help earn some fee income as well. The paper includes the opportunities and challenges of automation, its impact on the growth of the nation and the future endeavors and success of automation. The paper concludes by discussing the strengths and weaknesses of the responses compared to current trends of automation.

**Keywords:** Automation, private services, social dialogue, digitalization, electronic payment system

## INTRODUCTION

Digitization is an initiative which is even greater than the internet. Digitalization is very helpful in transforming Indian economy based upon cashless payment system. Earlier cheques were the only option for cashless transactions. Now after digitalization various types of payment instruments exist to meet the requirements of different users in different circumstances-bank accounts, cheques, debit and credit cards, prepaid payment instruments etc. There are various systems to meet the resistance requirements of users depending upon their time and cost sensitivity. Exponential automation advances, greater user power and increased competition mean all industries face the threat of commoditization. The winners will act now, and build a strategic advantage that leaves their counterparts wondering what happened. The discussion on automation of work has intensified in recent years. This paper addresses the question as to how social

partners define the automation of work and their perception of its consequences along with their recent responses to automation. Drawing on interviews with unions and employers' organizations working worldwide, it also examines social partner initiatives at the different levels in the organizations. Focus is on private services, which is the sector that is currently under the strongest pressure from automation and the trend of work without jobs. The paper also discusses the strengths and weaknesses of the responses compared to current trends of automation and existing models of organizations. Also, it focuses on the flexibility of Automation of work and its consequences on the organizations and society at large. It also focuses on working conditions which has been debated for many years in media, politics and research. First and foremost, automation accelerates the automation of work (Ford 2015; Frey and Osborne 2013). Automation of work is a process that initiated already in the early days of industrialization. However, the invention of the computer and later the internet contributed to an intensification of work automation. Today, automation means more and more advanced robots and software that accelerates the process of automation and of job elimination. This is anticipated to be further intensified by the spread of big data analysis in various professions. Automation is estimated to eliminate many jobs in manufacturing but even more so in private services like sales assistants and secretaries. Calculations based on job categories speak of a future job loss of 47 percent in the US due to automation (Frey and Osborne 2013). However, calculations based on ability and job functions are less pessimistic, as they underline that specific parts of each job will become obsolete – not the entire job (Chui et al. 2015, 2016).

### **OBJECTIVES OF THE STUDY**

- To discuss the impact of digitalization on management, commerce, IT and media.
- To analyze the impact of growth of digitalization on Indian economy.
- To analyze the pros and cons of cashless payment system.

### **RESEARCH METHODOLOGY**

The study is explorative cum descriptive in nature. It is an empirical research based upon secondary data. The theory is basically developed from secondary sources of fact and a thorough study of various academic works in the relevant field has been attempted. Different books, journals, newspapers and relevant websites have been consulted in order to make the study an effective one. The study attempts to examine the Cashless Payment System in India.

### **LITERATURE REVIEW**

Annamalai, S. and Muthu R. Iyakkuvan (2008) in their article "Retail transaction: Future bright for plastic money" projected the growth of debit and credit cards in the retail transactions. They also mentioned the

growth factors, which leads to its popularity, important constraints faced by banks and summarized with bright future and scope of plastic money.

Alvares, Clifford (2009) in their reports “The problem regarding fake currency in India.” It is said that the nation's battle against fake currency is not getting easier and many fakes go undetected. It is also stated that counterfeiters hitherto had restricted printing facilities which made it easier to discover fakes.

Ashish Das, and Rakhi Agarwal, (2010) in their article “Cashless Payment System in India- A Roadmap” Cash as a mode of payment is an expensive proposition for the Government. The nation needs to move away from cash-based towards a cashless (electronic) payment system. This will help lessen currency management cost, track transactions, check tax avoidance / fraud etc., enhance financial inclusion and integrate the parallel economy with main stream.

Jain, P.M (2006) in the article “E-payments and e-banking” opined that e- payments will be able to check black “An Analysis of Growth Pattern of Cashless Transaction System. Taking fullest advantage of automation, quick payments and remittances will ensure optimal use of available funds for banks, financial institutions, business houses and common citizen of India. He also pointed out the need for e-payments and modes of e payments and communication networks.

### **IMPACT OF DIGITALIZATION ON MANAGEMENT, COMMERCE, IT AND MEDIA**

Automation greatly affects the IT knowledge and media selection on operational performance of small firms. It includes the effects of fact automation (IT) knowledge and media selection on operational performance, measured by balanced scorecard, in small firms. Small firms generally lag behind medium and large companies in adopting and executing computerization. The study says that individual IT knowledge and both traditional and electronic communication methods significantly contribute to the internal process performance of small firms, internal process performance, organizational IT knowledge, and electronic communication methods affect customer performance and financial performance is affected by process and customer performance. The findings imply that it is imperative for small firms to adopt computerization to achieve improvements in business performance.

There is a significant impact of Electronic Commerce on Procurement also. Internet automation has been increasingly used to enhance the global competitiveness of various business applications through the widespread electronic commerce (EC) functions. Many Internet-based systems have been designed and developed for supply chain management (SCM) in various areas such as computer, garment, and publishing industries, which mainly center on communication infrastructure, coordination between production and distribution, and procurement functions with security mechanisms. However, EC is not a panacea. On many occasions, participants (including buyers, sellers, and enablers) face various risks and overhead during the

deployment of a new automation. In this article, we present the impact of EC on procurement processes in supply chains, highlighting the issues of buyers, sellers, and the transaction processes involved. The procurement processes are classified into pre procurement (sourcing), procurement (quotation, negotiation, order placement, and transaction), and post procurement (delivery). Moreover, a four-phase migration model of procurement onto the Internet is introduced to illustrate the technical, security, and financial requirements in the deployment process of EC. The migration model not only gives a development guideline of procurement functions, but also provides an evaluation framework of e-procurement. An industrial example is used to illustrate the corresponding evolution as a result of EC deployment.

Automation and internet automation has tremendously lessend the distribution costs, but has also increased the issue of piracy that has diminished the economic rewards afforded by copyright. Digitization has also led to loss of control over the customer relationship and increased competition. Fact aggregation and price comparison can be done very easily with internet. It has changed the way companies build brands and products, communicate and provide services to their customers. It has fundamentally reshaped the business models, lowering the entry level barrier for the companies. Though digitization has boosted up the world economy and has created a lot of new job openings, effects of the automation vary across the different industries and countries. The challenge facing the implications of digital change Loss of control over the customer relationship The proliferation of digital channels and devices gives users greater access to fact, and the means for communication and collaboration. The physical world is being replicated in the digital world through digital communities, businesses and assets, fundamentally changing the way users engage with businesses and each other. Fact aggregation and price comparison have evolved. Users now have real-time, mobile access to data that they previously relied on brands to provide them with. Today's user has real-time access to competitive pricing fact simply by scanning a product barcode into their mobile phone and reading this fact through an application such as Red Laser. In this way price transparency is increasing as users can compare the prices of products on the move, placing power firmly in their hand. As well as relying on brands for pricing fact, users also used to rely on brand communication and brand values to make informed choices, but this is increasingly not the case. It is vital that brands embrace the shift in user power and find ways to make it work for mutual advantage. This is because as customers gain more power to choose where and how they interact, they will begin to choose a smaller number of organizations with which to maintain primary relationships. This is likely to be collaborative organizations that reflect and engage with their values. Other organizations thereby risk becoming mere suppliers. Not all organizations can win the battle to retain the customer relationship – the digital world has thrown organizations into a strictly competitive game.

## CASHLESS PAYMENT SYSTEM

As the banking system evolved, it became easier, safe and even remunerative to keep one's money in a bank account and it became still easier and safe to use, transfer of money in bank accounts" for making payments for the economic transactions. This was more so for large value transactions. Actually, it is now used equally for effecting low value transactions also. For affecting this transfer of money in bank accounts, a payment instrument was needed to instruct the bank to effect that transfer. This instrument was the cheque for a very long period. Thus a system consisting of the cheque as the payment instruments and an infrastructure around the cheques consisting of the drawee bank, the drawer bank and the cheque clearing houses came on the scene and were known as the payment systems. With the developments in the fact and communication automation, world over, different kinds of payment instruments and innovations in the instruments and the payment systems evolved. It happened in India too and that's the story I will be narrating now. Today we can boast of a strong retail payments framework in the nation comparable to that of any advanced nation, and perhaps even better than some of them in terms of the variety and efficiency. Various types of payment instruments exist to meet the requirements of different users in different circumstances – bank accounts, cheques, debit and credit cards, prepaid payment instruments, etc. There are various systems to meet the remittance requirements of users depending upon their time criticality and cost sensitivity – National Electronic Funds Transfer (NEFT), Immediate Payment Service (IMPS), Aadhaar Enabled Payment System (AEPS) and recently Unified Payments Interface. The need for making bulk and repetitive payments is met by systems such as Electronic Clearing Service (ECS), National Automated Clearing House (NACH) and Aadhaar Payment Bridge System (APBS).

### ***Best cashless payment options in India.***

Less cash Economy discourages black money. It brings the transparency in economic transactions. Special incentives to encourage Digital Payments have been given by Indian government such as:

- 1) Discount of 0.75% on digital payment at central petroleum PSUAs.
- 2) Discount of 0.5% for monthly or seasonal tickets on digital payments from 1<sup>st</sup> Jan. 2017. Free accidental insurance upto Rs. 10 Lakh on buying online tickets in Railway.
- 3) Discount upto 10% on the insurance premium sold through the customer portals of public sector insurance company.
- 4) 10% discount for toll payment on National Highways using RFID Card/ Fast Tags in 2016-2017.
- 5) 2 POS devices will be deployed in 1 lakh villages with population of less than 10,000. Government though NABARD will extend financial support.
- 6) Rural Regional Banks and corporative Banks to issue 4.32 cr. Kishan Credit Cards to 4.32 Cr. Kishan Credit Card holders.





7) No service tax on digital transaction charges / MDR up to Rs.2000 per transaction.

Let's discuss best cashless payment options in India in brief nowadays:

1) E Wallets – E Wallets have become very famous nowadays. After automation, use of e wallets has been executed at a very large-scale. These e wallets allow users to make payments using your mobile number or by scanning a QR code which use to take place in a jiffy. All you need to do is simply download a wallet like pay tm.

2) UPI –UPI also known as Unified Payments Interface is another great way to go cashless. Unified payments interface also called UPI is system of payments. Using unified payments interface, people can transact using their smart phones. To pay using this system called unified payments interface, you need 2 important things: Smartphone and a Bank Account.

3) Plastic Money – Plastic Money means debit cards and credit cards that are used at ATM's for cash withdrawal and POS machines while shopping. Having a debit or credit cards make you burden free from carrying cash.

4) Net Banking – Net Banking is another handy way to get cashless transactions done. All you need is a bank account with e banking facility enabled on it. You can transfer funds to others account from the comfort of your home. There is no need of going to your bank to get transfers done. You can make all payments and transfers yourself. This is a very convenient way to go cashless in India as well.

5) Aadhaar Card – Aadhaar Card enabled payment system allows a person to pay using his aadhaar card if it is linked to his bank account. Once you link your aadhaar card to your bank, you can make payments using your finger prints.

## **IMPACT OF GROWTH OF DIGITALIZATION ON INDIAN ECONOMY**

'Digital India' is a vision, which is based on three key areas. The first is to make various utilities available to the citizens through cutting-edge digital infrastructure. It will enable delivery of services like banking and access to service centers at the door initiative of citizens with the assistance of high speed internet. The second area of vision will be the focus on governance and services. This digital movement will bring everything in the palms of people across departments and places. It will enable providing services to people in real time, cutting across every hindrance. It will also enhance the usage of cloud services and enable citizens to receive their due just from these services. Furthering the benefits, it will ease the procedures for initiating businesses in India and even the financial transactions will become effortless as people wouldn't have to set foot outside their houses. The third and the foremost vision would be to empower citizens digitally. The digital resources, like documents etc. will be easily available on the cloud, making

access to fact easier and faster. This will consequently lead to a digital revolution in the nation. Further, the services would be friendlier as they would be available in native languages, making their penetration comprehensible and vast.

Indian economy has seen unprecedented growth of e-commerce in the last 5 years. Increasing internet penetration, rapid automation adoption and high sale of technical gadgets like smart phones, tablets, etc, have led to an attractive online customer base. Digitization has brought social transformation in the life of common Indians. The present government has taken up an initiative called “Digital India” for modernization of the society that will connect every corner of the nation. However the effect of digitization at macro level in Indian economy is yet to be revealed. As digitization is taking up a major role as economic growth driver, it is essential to steer it as a source of national competitive advantage. Better access and affordability of ICT services is now a minor part of the bigger picture. For creating a thriving presence in the increasingly digitalized globe, India needs to be a digital market maker. To unlock the potential of internet in the Indian economy, in broader sense, accessibility, awareness and regulatory framework for internet has to be improved.

Digital technologies have brought a about paradigm change in the manufacturing industry. The manufacturing industry in eastern India has initiated its journey towards this changed paradigm. Some companies in this region, especially the large ones, have achieved great heights in quality practices. They have leveraged emerging technologies to gain benefits and have also taken some great initiatives on the workforce development front. These success stories need to be emulated across all manufacturing companies. It is important that more companies adopt world-class automation and quality practices in order to stay competitive in the global market and create a sustainable growth platform for the future. A collaborative environment between manufacturing companies and automation initiate-ups will help create a competitive advantage for the manufacturing companies and accelerate growth. Things are moving in a positive direction. The government has rightly begun to focus on manufacturing, automation adoption and MSMEs. At the same time, the cost of automation is falling, making it more affordable. Industry bodies are generating more awareness about new automation options by providing a common platform to industry leaders, academia, service providers and consultants. As a result of all of these efforts, more companies from eastern India are anticipated to focus on an immediate automation acquisition plan with a view to becoming future ready.

## CONCLUSION

Digital India is a campaign launched by the Indian Government on 1<sup>st</sup> of July in 2015 at Indira Gandhi Stadium. It was the big initiative taken by the Indian government to make India a digitally empowered nation. Various schemes regarding this plan have been unveiled such as digital locker, e-health, e-education,

National scholarship portal, e-sign etc. which save our time and human labor. Any fact may be delivered rapidly by Internet networking to the rural areas and approached areas. The project has been aimed to complete by 2019 with the help of the investment by the famous National and International companies. This program encourage the people to use internet services to submit or deliver and to do sign on required document or certificates without physically in school, college, offices or in many organizations. This program also provide the best service of Pay tm by using internet services to people in shopping mall , in business without cash amount. We can easily take appointment, do online registrations and submit fee in e-hospital. This scheme combines 250,000 villages to each other and other states and also delivers all type of fact of world in each and every places of the nation. The main purpose of digitalizing this nation is to make available all government services at vulnerable reach to the villages, town and cities of India. It aims to give India a digital push for good governance and more jobs to lessen unemployment. By using this effective schemes human life become very vulnerable without any mental and physical stress. It saves time, human labor etc. It delivers all type of fact of any topic and each and every places of the world .It fix the services in IT fields. It is like golden opportunity for Indians if it would be executed and followed up properly by the nation.

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