CHAPTER SIX

JKL Private Limited:

a) A Profile
b) Brief Account of Business done
c) Result of the Investigations made
CHAPTER SIX

M/s JKL Private Limited - A Profile

The Company:
M/s JKL (P) Ltd. came into being in 1972 with operation of Educational Tours for school children. Over the years JKL has touched various fields and concepts in tourism but has gradually carved a secure niche for itself in the field of inbound tourism. It has since gained sixteen years of valuable experience in handling of tours for foreign tourists in India, Nepal and Sri Lanka.

The People:
It has about twentyfive people who contribute to the unique personality of JKL and have a few points in common. They are young, dedicated, urbane, well-educated and highly knowledgeable about various aspects of tourism in India.

Membership and Affiliations:
JKL is recognised by the Department of Tourism, Government of India and is a member of various trade bodies as, The Pacific Area Travel Association (PATA), The Hickory Association of America (HAA), The Travel Agents Association of India (TAAI), and the Indian Association of Tours Operators.
The Laurels:

Having sent back thousand of happy tourist as Ambassadors of goodwill, the JKL have been three times the winner of the prestigious 'India Tourism Award' instituted by the Ministry of Tourism, Government of India in fourth category.

The Network:

JKL functions through a network of offices and correspondents located throughout India, Nepal and Sri Lanka. It has representative all over India and they are well-equipped with speedy and efficient means of communication.

The Infrastructure:

JKL has its own fleet of chauffeur-driven tourists cars and modern, comfortable delux coaches for the sole use of its clients.

The Services:

JKL offers a complete range of services required in inbound tourism with particular dedication to quality. Hotel bookings, transfers from the airport to hotel and vice-versa, sightseeing and excursions accompanied by well informed foreign language speaking guides, reservation of seats on Indian Airlines flight, and facility for hire of cars/coaches. It also organises conferences and conventions and also operate special interest and adventure tours. Brief
account of the business transacted by the company has been given in annexure no.1 at the end of this chapter.

Discussion:

The salient points that emerge from the study of application of general management functions in this company are discussed below:

Planning Function:

The company has one basic goal - to earn money, make profits and to carry on this business as a profession. The M.D. is of the opinion that if one says that his number one priority is anything other than making profit, he is not being honest. The organisational objectives are expressed in terms of profit to be made or a particular turnover to be achieved. For this the planning is a long term one which takes at least two years to materialise. Ordinarily the management plans for two years and a short term planning is as short as for a day or two.

Regarding the extent to which operations are pre-programmed, they are geared to meet the needs and needs are pre-programmed. One builds an infrastructure, good communication system from hotels, airlines, transporters and so on. Everything is pre-programmed and there exists a system to ensure that everything goes well, but then there is an element of certain flexibility in planning because of uncertain environment of the trade. They are not very rigid
in planning. The company's planning is very individualistic, and geared to its own small needs. It does not coincide with national planning and may not go with any one else. Employee's participation at the planning level is beginning now. Now it has been felt that the involvement of everyone upto junior executive level in the planning is essential because of the fact that one can not implement the things exactly if it is not his own planning. If they (employees) know the planning, they will effect it also, in a better way.

The possibility of receiving a distorted information for planning is very much there in this trade. Particularly when there is a question of number of tourists arrivals. There are informations regarding the arrivals of tourist which include many persons like N.R.Is. but they are not infact tourists and one can make a drastic mistake in estimating the number of arrivals, and there becomes a possibility of investing unnecessary in a market as felt by the company. Rate of innovation continues in the organisation. It keeps on changing the formats, making them more meaningful, and so on. It also takes a lot of risks. Whenever a change is introduced in the organisation, people generally resists that but somehow this resistance is managed by the management and later on people get used to that change.

**ORGANISING FUNCTION**

Size of the organisation under study is a small one
with 25 persons and the present turnover is about 45.4 lacs. It has no subunits or division as such. The company operates only from one office located in a capital town but has associates throughout the country. The organising functioning is 100 per cent centralised at the top but the bottom line is totally decentralised. The management favours decentralisation much and has tried it may times but has not been able to achieve the same and hopes that it will take a little long to make it completely decentralised. The organisation exercises 100 per cent division of labour, and has three major departments - sales, operations and accounts. The grouping of activities is like that under operations departments, there are two sections. One takes care of station handling and the other file handling. There are no major grouping of activities in the accounts and sales department. Details of grouping of activities can be shown below. [organisational chart is given at the end of chapter]

Sales Department: This department is basically responsible for sales promotion which includes the following:

a) correspondence from Foreign Travel Agent
b) liaison from hotels, transporters and guides
c) public relations

Operations Department: It has the following two sections and the activity of each section has been given.

i) Station handling section: It looks after the
arrivals and departments of tourists from and to the airports and seeing them of on excursions and sight seeing etc. It receives instructions from file handling department. It has to arrange for air tickets for travel in India.

ii) File handling section: This section is responsible for making all entries in the file of a particular tour or group right from sending the telex messages for reservation, confirmation of air and hotel seats and updating the status of a tour, till the departure of the tour.

Accounts Department: Accounts department of the organisation under study takes care of maintaining statutory books of accounts, liaison with banks including maintenance of foreign exchange records. To manage various activities, there are 5 to 6 persons working under one boss so far as span of control is concerned and the generalists and specialists in the staff are used, both in equal numbers. There exists no friction over the use of authority and responsibility relationship and for decision making purposes, generally groups or committee are not used. It is only in rare cases when there is a significant operating decision to be taken, it is decided jointly in an informal meeting and the organisational structure is flexible with regard to adapting changing conditions. It is the opinion of management that one has to be flexible to adopt changes for survival.
STAFFING FUNCTION

For recruiting the personnel, no specific method is used. All the appointments are done by word of mouth in the present organisation. The organisation has a tendency of taking fresh personnel and training them in their area of specialisation. With regard to appraise the personnel, the top management does not use any format or system but informally an eye is kept over them and major yardstick is basically how enthusiastic one is about the work. Does he like the job? Is he willing to work? Does he take the work as delight? Is he not developing a habit of repeating the same mistakes time and again, and to describe a job, management provides the newcomer with reading material and then written instructions are also given about the activities that he has to perform. Level of compensations go by the designation, and the training element in the organisation is on the job training and a continuous one. The extent to which an individual is trained is 100 per cent. There are no training classes as such but he learns continuously from his serious and occasionally from the Managing Director. The company has no set policies or rules regarding the lay-off or dismissal. The moment one is not found suitable, he is turned out. "Not suitable" can be explained from many angles but basically it is the assessment of top management and subjective one. It is because of the above fact that the company finds it extremely difficult so far as the personnel is concerned. Obtaining and maintaining the personnel with
desired skills and abilities is experienced extremely difficult by the company. Mostly because of the defective education system of our country. 99 out of 100 applicants, applying with the organisation have no knowledge about the trade including those who hold professional and technical qualification. According to the top management, the institute giving training or education in this area do not understand the need of the trade and there is no concept of career planning in the student. Better stuff produced by the University and College does not join the trade but goes to either I.A.S. or T.A.S.

DIRECTING MOTIVATING AND LEADERSHIP FUNCTION

The management is more participative than authoritative, but no monetary or non-monetary incentives are given to motivate the personnel. The way company tries to motivate them is to appreciate their work, to remind them how far do they have to go in life to quote them some examples and by telling them how have people progressed faster. Also no specific techniques are used for supervising personnel. Management knows what they were supposed to do and what they have done. For this only verbal means of communication is used which is very effective. Management finds it easy to motivate the personnel irrespective of monetary incentives. The actual motivation, according to the management comes from the self respect and the ability to be able to achieve something.
Un identifying the interest of the individuals and groups with that of the organisation, the management feels that the employees have not started it. They are now thinking in these terms that their interest is that of the interest of organisation, and there is absolutely no distrust or conflict among the employees. Among them there is too much cooperation, but the employees waste a lot of time due to restrictive work practices and non-availability of work. Between the two-restrictive work practices are more. When they waste time due to non-availability of work, later they develop this habit and no organisation can account for the losses due to waste of time by employees, it is felt by management.

CONTROLLING FUNCTION

The control standards that are used in marketing and finance are its past records in terms of money. The organisation is of the opinion, whether one expresse it in terms of bed night, or number of tourists ultimate unit is rupee and the company takes that. If it notes that it has done lesser than past year, it tries to investigate the reasons. No strategies are used to look at them.

The nature and structure of the information feed back system is that from the service angle, management is in touch with clients, with suppliers through distributing them proforma on quality of services rendered and regular meetings respectively. Management meets the foreign agents on yearly
basis. In the present organisation, the numbers of the repeat customers is only 10 per cent of the total and the organisation finds it at ease to contact them directly. Whenever, something goes wrong the corrective measures depend on kind of mistake and its implications. If it is day to day problem, it can be corrected immediately. But if it is a matter concerning finance or legal matter, than it takes time. The persons associated with the problem like Chartered Accountants or Lawyers are consulted. The control system seems tight in the organisation and is effective to 100%.
Summary and Notes

The organisation has one basic objective and that is to make money. The important reason perhaps is that the organisation is relatively small and where ownership and management are the same therefore out of many objectives like growth becomes more important for the technocrats in large organisations but here the profits or a high turnover is the priority unlike that of industry leadership, organisational stability or higher productivity of the resources utilised. To achieve a particular turnover or to make a target profit the organisation plans for two years from hence and has inbuilt infrastructure to carry out the operations of those plans which were planned two years ago. Since the planning is individualistic therefore too much flexibility is also there. Basically the organisation is a one man show therefore the changes, innovation and attitude towards risk, all of them reflect the personality of the managing director who is very much desirous to introduce the change and to take risk in offering a better service. Because innovation is always associated with risk therefore it confirms the fact that the organisation takes a lot of risks and is innovative.

Organisationally, it is centralised at the top and decentralised at departmental level. Everything, so far the policy matters are concerned, is decided by the Managing Director but the only procedural aspect is decentralised. The management has not been able to do with decentralisation because of too much turnover of the personnel which is
because of the motivational policy of the organisation. The organisation believes in self respect self actualisation needs of personnel and does not look into the basic needs of the employees which results in turnover. The above observation is also confirmed by two facts. One is that the organisation has tried decentralisation many a times but could not succeed. It may be due to the poor quality of the executives and also the lack of motivation or the delegation of authority. Secondly, the organisation talks of those motivational forces which came after the stability in the job and job security. It is worth noting here that during three years of stay of the present researcher is the organisation, twenty three employees left the job. Because of the above reasons the employees do not identify their interest with that of the organisation's interest.

Management seems very offensive so as the employees are concerned by complaining the amount of time they waste due to restrictive work practices thereby causing economic losses to the organisation but does not try to look into the reasons of so much of turnover among the employees which is not there in rest of the three organisations. It also finds it difficult to obtain the desired people which means that there is something wrong with the company's policy because it is not there in the other companies studied.

To control the marketing or finance activities the target are set in terms of rupee only. The targets are
compared with actual. There exists a control system on business but human behaviour aspect is ignored. The targets are set for business but the comprehensiveness of target setting is one dimension of control systems. The target should be set by specifying every important activity as also for the cost which is not done. Further the review is there only at the end of a year, which can not be called a very tight control system. The organisation has only limited profit generating market on which it concentrates and maintains a feedback system with them but for the organisation as a whole the system does not seem existing. Although the management claims that there exists a feedback system to control its all activities but the organisation does not use of any standard format for controlling either finance, sales or anything. Most of these have been proposed in the last chapter on suggestions and recommendations.
**Annexure-6.1**

**Brief Account of Business Transacted by**

**M/s JKL (P) Ltd**

**Business Done:**

M/s JKL Private Limited had a turnover of over 40 lacs and 48 lacs in 1986 and 1987 respectively and a net profit margin of Rs.3 & 5 lacs respectively. Brief account of the business done can be given in the following table:

<table>
<thead>
<tr>
<th></th>
<th>1986</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover (in rupees)</td>
<td>40,83,000</td>
<td>48,40,000</td>
</tr>
<tr>
<td>Foreign Exchange earnings in US (FIT)</td>
<td>1,10,029</td>
<td>1,98,701</td>
</tr>
<tr>
<td>Foreign Exchange earnings in US (GIT)</td>
<td>1,06,943</td>
<td>1,73,617</td>
</tr>
<tr>
<td>No. of tourists handled (FIT)</td>
<td>383</td>
<td>277</td>
</tr>
<tr>
<td>No. of tourists handled (GIT)</td>
<td>285</td>
<td>438</td>
</tr>
<tr>
<td>No. of nights spent by tourists (FIT)</td>
<td>1,075</td>
<td>1,234</td>
</tr>
<tr>
<td>No. of nights spent by tourists (GIT)</td>
<td>204</td>
<td>232</td>
</tr>
<tr>
<td>No. of groups handled</td>
<td>18</td>
<td>18</td>
</tr>
</tbody>
</table>

The company is the recipient of India Tourism Award from the Ministry of Tourism, Government of India in fourth category and occupies a good position in the travel trade specially in inbound tourism.
annexure 6.1 continued:

The organisational set up is as follows:

<table>
<thead>
<tr>
<th>Chairman and M.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Manager (V)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Manager Tour</th>
<th>Manager Accounts</th>
<th>Manager Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asst. Manager Operations</td>
<td>Asst. Manager Accounts</td>
<td>Manager India</td>
</tr>
<tr>
<td>Sr. Executive Station Handling</td>
<td>Sr. Executive File Handling</td>
<td>Sr. Accts Executive</td>
</tr>
<tr>
<td>Handling</td>
<td>Handling</td>
<td>Assistant Manager</td>
</tr>
<tr>
<td>Sr. Accts Assistant Manager</td>
<td>Assistant Manager Abroad</td>
<td></td>
</tr>
<tr>
<td>Accounts Executive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>asstt. Accts executive</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>