CHAPTER THREE

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CHAPTER THREE

I. NEED FOR RESEARCH

Available literature so far studied discussed in Chapter-II, clearly indicates that much work has been done on various techniques of tourism development, development of tourists resorts', places of interests and other means of promoting tourism have been discussed in great detail. But the aspects of managing a high volume of tourists arrival which is already here has not attracted the attention of management scientists, while it is generally agreed that increasing tourists' volume in itself results in savings of costs, increase in efficiency, better services and the like. The question of how to manage an agency, involved in tourists business as a services oriented organisation has not yet been explored. Issues like the structure of organisation and other aspects as to how should a travel agency (only those tour operators' parts of travel agencies, who deal in inbound tourism) plan, organise, direct, motivate and control its various activities, need to be explored.

II. OBJECTIVES OF RESEARCH

The objectives of the research can be discussed under two headings:

1) Broad Objectives
2) Specific Objectives
**Broad Objectives:**

The broad objectives for which the research has been undertaken is to investigate the applications of management principles in those tourism organisations which specialise in inbound tourism. The justification of selecting tourism industry and emphasis on inbound tourism is a matter of interest and insight in the trade because prior to joining the academics, the researcher was associated with a travel agency, specialised in inbound tourism, at middle level managerial position, where it has observed that the organisation was not following the scientific method of managing the operations.

Therefore, it has been thought to investigate the application of general management functions and to evolve a suitable management structure for that part of industry.

**Specific Objectives:**

Specific objectives of the research can be discussed under the following headings:

1) To investigate the planning procedure
2) To investigate the organising procedure
3) To investigate the staffing procedure
4) To investigate the directing, motivating and leadership procedure
5) To investigate the controlling procedure

Further details of these functions are given below:
Planning:

It was decided to investigate that -

a) In what form the organisation expresses its goals?

b) What types of plans the organisation utilises?

c) What is the time horizon of the plans and planning?

d) To what extent the operations are spelled out in programmes?

e) Are the plans flexible?

f) What methods, techniques and tools are used usually in planning and decision making?

g) To what extent employees participate in planning? If yes, are they effective also?

h) Is there a possibility of receiving a distorted information for planning purposes?

i) To what extent the organisation apply scientific methods of dealing with causation and futurity problems?

j) What is the rate of innovation in enterprises in a given period of time and its attitude towards risk?

k) Does the organisation find it at ease to introduce a change in organisation or difficult one?

At Organising Level:

The objectives were to investigate that:

a) What is the size of organisation and of its subunits?

b) To what extent is the organisation centralised or decentralised?

c) To what extent division of labour is exercised or specialisation is used in the organisation?

d) What is the number of departments and grouping of activities?

e) What is the degree of span of control?
f) To what extent the organisation uses generalist and specialist staff?

g) To what extent the organisation uses functional authority?

h) Is there any friction over the use of authority and responsibility relationship? What is the degree if there is any?

i) Does the organisation make use of committee and group for decision making?

j) To what extent the organisation is informal?

k) To what extent organisational structure is flexible with regard to adopting changing conditions?

At Staffing Level:

The objectives were to investigate that:

a) What methods are used in recruiting the personnel?

b) What criteria is used in selecting and promoting the personnel?

c) What techniques are used in appraising the personnel?

d) In what manner is job described?

e) What are the levels of compensations?

f) To what extent time is given in training the personnel?

g) To what extent informally an individual is trained?

h) What are the policies and procedures of lay off and dismissal of personnel?

i) Does the organisation feel it easy or difficult in dealing with personnel?

j) Is it easy or difficult to obtain and maintain the personnel with desired skills and abilities?
At Directing, Motivating and Leadership Level:

The objectives were to investigate that:

a) To what extent is the management authoritative or participative?

b) What techniques are used to motivate the personnel?

c) What kind of supervisory techniques are used?

d) What kind of communication techniques are used in directing and motivating the personnel?

e) To what degree and extent the communication is ineffective among all types of personnel?

f) Does the organisation find it at ease or difficult in motivating personnel to perform efficiently and effectively irrespective or monetary and non-monetary incentives?

g) To what extent individuals and group identify their interest with that of the organisation?

h) To what extent there is cooperation and trust among the employees or distrust and conflict?

i) What is the degree of frustration, absenteeism and turnover among personnel?

j) To what extent do the employees waste time and what is the extent of loss due to restrictive work practices and unproductive bargaining, conflicts etc.?

At Controlling Level:

The objectives were to investigate that:

a) What types of strategic performance and control standards are used in different areas in the organisation, i.e.,

   Production
   Marketing
   Finance
   Personnel

b) What is the nature and structure of information feedback system used for control purposes?
c) What time period is usually given for corrective measures and its procedures?

d) What is the degree of looseness or tightness of control over the personnel?

e) To what extent is the control system effective to conform to the plans?

III. RESEARCH DESIGN

In this part, an attempt has been made to explain the research design. The procedure of sample selection, methodology of data collection, analysis, presentation and conclusion has been discussed.

Nature of Research:

Research is exploratory in nature and it aims at discovering general nature of problems in functions of management and variables related with it. It was proposed to proceed with a tentative check list and the strategy is to follow each clue or idea that seems profitable.

Sampling Procedure:

The population for the sample is approved travel agencies of the Department of Tourism, Government of India and sampling is an stratified one. The basis of drawing the sample is guidelines provided by the Department of Tourism. D.O.T. has laid down four categories of travel agencies for the purpose of conferring awards on them for their contribution in economy through foreign exchange earnings.
There are four such categories and two awards in each category. The amount of foreign exchange earned by a travel agency determines its category to compete with other agencies in the same category. For example, agencies earning less than or equal to foreign exchange worth less than 50 lacs rupees and more than 25 lacs rupees will be placed in IV category and one, which earn the maximum amount upto 50 lacs of rupees will be given the first award. If firm’s earning exceeds Rs.50 lacs, it will have, then, to compete in next category. Various categories announced by the Government of India are given below in table-3.1.

**Table-3.1**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of Foreign Exchange earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>IV</td>
<td>More than 25 lacs &lt; 50 lacs</td>
</tr>
<tr>
<td>III</td>
<td>More than 75 lacs &lt; 1 crore</td>
</tr>
<tr>
<td>II</td>
<td>More than 2 crores &lt; 5 crores</td>
</tr>
<tr>
<td>I</td>
<td>More than 5 crores and above</td>
</tr>
</tbody>
</table>

One travel agency in each of the above categories hereafter referred as largest, large, small and smallest for the receipient of first, second, third and fourth awards respectively which has won the first award of Department of Tourism in a particular year from 1985 to 1987 has been taken as sample and general management practices applied there in each of the agencies has been investigated. Imaginary names have been given to the firms as per the conditions of the
firms not to disclose their identity. Similarly the time period of receiving the award has also been disguised for secrecy purposes.

**Justification of the Sample Size and Sampling Procedure:**

There are more than 1000 recognized travel agencies in Delhi alone. The detailed study of top four representative agencies of the capital will cover each type of organisation i.e. of small, medium and large. A study of management practices in all these organisations will lead the researcher to propose and suggest a suitable management structure for a travel agency.

**Scope of the Travel Agency:**

A travel agency (explained in detail, while explaining the terms and concepts used in the trade) carries may kind of business, like providing consultancy for travelling, information for travelling, arranging and the travel formalities of the person and so on. It may also work as a tour operator. A tour operator may specialize in inbound tourism or outbound tourism or in both.

Since the problems of an agent specialising in inbound tourism will be different with that of the one who specialises in outbound tourism, therefore to carry on the study only those agencies have been included in the sample which specialise in inbound tourism only. Wherever an agency comes under the category of travel agent and deals in
ticketing, inbound and outbound tourism and everything, only that part of the agency has been investigated which is related to inbound tourism only.

Methodology of Data Collection:

The data has been collected from both sources i.e. primary and secondary. For the collection of data from primary sources, a semi-structured checklist has been prepared which is based on the adopted model suggested by Farmer & Richmen (Farmer R.N. and Richman B.M., "Comparative Management Economic Progress Homeward III, Richard, Irwin Inc. 1965, p.1, given in Appendix) and the selected questions have been asked from responsible managerial staff of the organisation.

The purpose of conducting interviews was manifold. The main intention was to explain the top management about the study, its importance and criticality of their participation and thus arouse interest in them to seek their commitment individually. Another purpose was to ensure the accuracy. The information could have been sought through questionnaires but it was purposely avoided because of the fact that most of the people at top management level have no time and they might have passed the questionnaire on to middle level executives who could not give a right answer to the information, thought necessary for the analysis. Moreover, the individual fills in a questionnaire usually with an indifferent attitude, in a hurried manner. Another
important reason was to see if some aspects have been remained uncovered. Although it can not be claimed that all the aspects have been covered but still personal meetings have refined the study to a large extent.

Apart from notes and other written information, audio cassette recorder has also been used to reproduce the personal discussions. In depth interview technique has been used here for collecting primary data. Company’s documents, financial and various other reports published by Department of Tourism, State Tourist Organisation, Travel Agents association of India, and World Tourism Organisation (WTO) have been used for collecting secondary data.

Methodology of Data Analysis:

The data collected from the above referred sources has been compared with the model, taken as the basis of research. Each of the tests as far as possible, in each functions has been checked on the basis of model and deviations have been noted and highlighted. This has been done of the data collected from primary sources. From the data collected from secondary sources other statistical analysis has been done and company’s reports and financial statements have been analysed to observe the application of management information systems.

Methodology of Data Presentation:

The data analysed on the basis of above mentioned
methods, has been presented in descriptive form. In presentation, the practice of management principles followed in the organisation, at various levels has been presented, that has followed by the presentation of consolidated results of all case studies.

Each common question put before the top management of selected organisations, from the check list has been analysed in the light of investigations made. The commonness of the practices followed or the deviations have been explained giving the possible reasons and other justification and, before proceeding on the next investigation, the suggestions wherever necessary, have been given.

At the end a suitable management structure has been proposed for a travel agency involved in inbound tourism. Particular emphasis has been given to controlling function of management. To make the work more useful, formats have also been used and illustrations in respect of various analysis necessary for the control purposes have been given. This part has been followed by annexures, references and notes.