CHAPTER-II

THEORETICAL FRAMEWORK

( Travel and Tourism: Concept, Features and Historical Perspective )
Meaning and Nature of Tourism:

Tourism is a basic and most desirable human activity deserving the praise and encouragement of all the peoples and the government. It is not only an economic activity of importance for national and regional development, but also an important medium of cultural changes among nations of the world. One of the earliest definition of tourism was given by an Austrian economist Herman V. Schullard, in the year 1910 who defined it as, "... the sum total of operators, mainly of an economic nature, which directly relate to the entry, stay and movement of foreigners inside and outside a certain country, city or region."¹ The concept of tourism found expression, however, in a more technical definition of the Swiss Professor Hunziker and Krapf in the year 1942. They stated, "tourism is the totality of the relationship and phenomena arising from the travel and stay of strangers, provided the stay does not imply the establishment of permanent residence and is not connected with remunerated

¹ The Year Book of National Economy and Statistics, (1910), Austria, p.4.
activity." This definition was subsequently adopted by the International Association of Scientific Experts in Tourism (AIEST). This definition brings out the following three distinct elements of tourism:

(i) Involvement of travel by non residents,
(ii) Stay of temporary nature in the area visited, and,
(iii) Stay not connected with any activity involving earnings.

Geographers were first attracted to the study of tourism half a century ago. Early American geographers said tourism as a distinct and significant form of land use and tended to concentrate on the economic aspect of tourism. There are six broad topic areas which can be thought of as constituting the major components of the geography of tourism:

(i) Special pattern of supply;
(ii) Special pattern of demand;
(iii) The geography of resorts;
(iv) Tourism movements and flows;
(v) The impact of tourism; and
(vi) Models of tourist space.

Tourism, therefore, is a composite phenomenon which embraces the incidence of a mobile population of travellers who are strangers to the places they visit.

Main Characteristics:

The main characteristics of tourism are as follows:

(a) Tourism is an amalgamation of phenomenon and relationship rather than a single one.

(b) The movement of the people is of a short character. They have intention to return within a few days, weeks or months.

(c) Tourism is or should be a non-remuneration venture for the tourist at least. Various destinations are visited by the tourist. This visits is not for the purpose of paid work. There is no intention to take up employment and there is no idea for business or vocation. It is genuinely a vacation for the visitor.

(d) Tourism is not a clear-cut sector but has pervasive impact on a variety of sectors of activity of human social life.

Travel and Tourism: an Ancient Phenomena

Travel is an ancient phenomenon. From earliest historical periods travel has had a fascination for man. Man has travelled from the earliest times. Much of the travel in the beginning was largely unconscious and rather a simple affair. The cumbersome procedures as we witness in travel today were not to be found in older days. No travel formalities existed. Travel in the distant past was not a thing of pleasure as is the case now. The traveller of the past was a merchant, a pilgrim, a scholar in search of ancient texts, and even a curious way-farer looking forward to new and exciting experiences. Trade and Commerce was, however, the strongest motivating force in the ancient past. It made people travel to distant lands in order to seek fortunes. Gradually, opening of the new trade routes gave a big boost to travel. Travellers from distant lands started moving about in large numbers/visited many places for the purpose of Commerce. With the opening of the trade-routes travel became easier and rather more regulated. At the market places, travellers made contacts with each other resulting in increased flow of trade and commerce. Trade relations matured into cultural relations and better understanding of each other's way of life.

As civilizations developed, conscious travel in order to explore and see the world began. There are many early references to this effect. The invention of money by the Summerians (Babylonia) and development of trade and commerce beginning about 4,000 B.C. perhaps marks the beginning of the conscious era of travel. Sumerians first grasped the idea of money and used it in their various business and commercial dealings. Many traders could pay for transportation as well as accommodation either with money or by the exchange of goods. Shulgi, the ruler of ancient Babylonia, claimed to have protected roads and built rest houses at various places for respectable wayfarers. The forerunners of modern day accommodation, these rest houses were the ideal places for halt for the travellers of those days.7

Homer's Odyssey records the wanderlust of the ancient Greeks. The Phoenicians were probably the first real travellers in the modern sense as they travelled from place to place as traders. Early China was largely based on religious, pilgrimage and thereon trade and commerce. But travel from the Occident to orient, particularly to India was undertaken by travellers from all over the ancient world. This was done for a variety of reasons—

7. Ibid., p.2.
the most important among them being trade and commerce. India and China enjoyed the reputation of being countries of fabulous wealth. It is on record that long before the Christian era, travellers visited India in search of fortune. This trend continued and became more in course of time with Europeans heading towards the Indian shores for the sole purpose of trade and commerce.8

Not only did India attract a series of invaders starting with Alexander of Macedonia, but also great travellers like Vasco da Gama. Many foreigners, Arabs and European alike, came to India to establish trading posts. The great explorer, Christopher Columbus set out to find a new route to India and in the process discovered the new world of the present day Americas. India throughout had a great fascination for foreign travellers. Mark Twain described it as a fabulous world of "Splendour and rags, the one country under the sun with an imperishable interest, the one land that all men desire to see."9

Basic Components of Tourism

Tourism does not exist in isolation. It consists of certain components. The basic components of

8. Ibid., pp. 2, 3.
9. Ibid., p. 4.
tourism can be grouped into the following broad sector:

(i) Attraction
(ii) Transport
(iii) Accommodation
(iv) Supporting facilities
(v) Infrastructure

(i) Attraction:

Many different attractions may include for a tourist in his visit to a particular area, or he may spend his holidays in a specific region. These attractions have been classified in a variety of ways. Firstly, distinction is usually made between natural features, such as land forms, flora and fauna, and, between man-made objects— historic or modern, in the form of cathedrals, casinos, monuments, historic buildings or amusement parks, etc. A third general category embraces man and his culture as expressed through language, music, folk-lore, dances and cuisine, and so forth.

(ii) Transport:

Historically, the development of tourism has been closely associated with advances in transport technology. This mode of transport may be a motor car, a coach, an aeroplane, a ship or a train which enables a traveller to

11. Ibid., pp. 181-200.
reach his pre-determined destination. However, in addition
to increasing the volume of tourist traffic, these advances
in transportation have also modified the patterns of tourist
flows and hence the pattern of development.\textsuperscript{12}

(iii) Accommodation:

This is one of the most important segments of
the tourist services needed at the destination. Many
different forms of accommodation are available to the modern
tourist. These might be broadly classified into the
commercial sector like hotels, motels, boarding houses,
holiday-camps, etc., and the private sector as notably
private permanent residences used for hosting friends and
relatives.\textsuperscript{13}

(iv) Supporting Facilities:

Besides the provision of these immediate
facilities, quite a wide range of supporting services are
required by the tourist. A variety of shops are needed.
Some oriented specifically to the tourist, such as souvenir
or sporting goods shops and other supplying a general range
of goods. Chemists, food storers, sports activities,

\begin{itemize}
  \item \textsuperscript{12} Ibid., pp. 189-192.
  \item \textsuperscript{13} Ibid., pp. 192-194.
\end{itemize}
restaurants, banks, hair dressers and medical centres are among the other services needed.\textsuperscript{14}

(v) **Infrastructure:**

An adequate infrastructure will be needed to support the facilities and services outlined above. In addition to the transport infrastructure (roads, parking, airfields, railways lines) there are the public utilities in the form of electricity and sewage disposal. Successful tourist development depends in large part on maintaining an adequate mix, both within and between these sectors.

For tourism to develop, the various components must be exploited by some organisation. A wide range of development agents exist. The exact composition of these will vary from situation to situation, depending on historical, political, economic, cultural and geographical development.\textsuperscript{15}

**Public Sector and Tourism Development**

In the context of Tourism development through Public Sector, Indian experience may be relevant. India's is a mixed economy. The evolution of the Public Sector in the economy and polity of India is very recent one. Prior

\textsuperscript{14} Ibid., p.194.

\textsuperscript{15} Ibid., pp. 194-196.
to 1947, there was virtually no "Public sector" in the Indian economy. Although the East India Company had encouraged the development of a few indigenous industries in its own interest, the policy was later reversed for the benefit of industries in Great Britain. When the public sector was first conceived, the main emphasis was on greater production and proper distribution of wealth. The public sector has one great advantage that it is possible in this sector to co-ordinate more effectively the policies of individual concerns. Such co-ordination can only be in global terms and in the formulation of macro targets and overall policies. It is obvious that the Indian Public sector was not initially expected to generate financial profits. In fact, instead of 'Profit maximisation' as the object, the public sector enterprises aims at maximisation of social gains. In the planned economy, this sector was convenient as an instrument to establish such production capacities in society that would otherwise not get established on the criterion of financial returns. Although the "Public sector" has come to stay as an integrated part of Indian economy and polity, the manner and space of public ownership, management and control are matters which requires careful consideration.  

Various factors may induce the public sector

16. N.S. Chib (1981), Perspective on Indian Tourism in India, Sardar Patel Memorial Lectures, New Delhi, pp.72, 75, 80.
to foster tourism development, such as:-

(i) **Economic:**
- (a) improved balance of payments situation;
- (b) regional development;
- (c) diversification of the economy;
- (d) increased income level;
- (e) increased State revenue (taxes); and
- (f) new employment opportunities

Such factors may lead the Public sector to participate directly in the developed process. State governments also have a responsibility to facilitate and stimulate private sector participation in an effort to promote economic growth.

(ii) **Social:**

Social considerations are also important. On the one hand there may be the objective to provide adequate recreational facilities for the nation's people. This has given rise to the policy of 'social tourism' in many developed countries. On the other, there is a general responsibility to protect the social and economic well-being of the individual.

(iii) **Environment:**

The responsibility of protecting and conserving the environment, both physically and cultural, usually falls to the public sector although it might be argued that there is an individual or corporate responsibility here as well.
(iv) Political:

As international tourism involve the movement of people from one country to another country, governments may encourage the development of tourism to further their political objectives.

Private Sector and Tourism Development

The private sector's prime concern is with profit-making as the basic responsibility of the developer is to maximise returns to the shareholders. Even so, different economic motives can influence its participation in tourism development. Tourism may represent a form of diversification, a spreading of risk. Tourist development may complement a company's existing activities. Horizontal integration involves expansion within the same sector, for example the development of hotel chains or airline network. Vertical integration, on the other hand, concerns participation in two or more sectors of the industry, as when tour operators acquire interests in transport and accommodation. On a smaller scale, individuals may become involved in tourism merely to earn living or in an attempt to better themselves. Social and environmental concern might also be expressed by the private sector, if only to ensure the long-term security of its economic investment or even to appease public opinion.18

Scope of Tourism

The tourism phenomenon has attracted almost the entire world. It is not only the economic compulsion to earn foreign exchange, but a sense of social obligation that makes for a sound tourism policy. It is highly labour-intensive, offering employment to both the semi-skilled and the unskilled. Being a service industry, it creates employment opportunities for the local population. It is a major source of income and employment for individuals in many places deficient in natural resources which cannot readily contribute to the economic prosperity of the local residents except through the medium of tourism. This aspect of provision of employment becomes more important in a developing country or in a developing State where the level of unemployment and underemployment tends to be high. 19

Tourism is also a major source of foreign exchange earnings. It can help correct adverse trade balance and regional imbalances. It has the advantage of being a painless mechanism for transfer of resources from the high-income developed countries to the low-income developing countries. In economic terms, tourism is both a labour-intensive and capital-intensive industry. It has, thus, a vast potential for employment, direct and indirect. It has a very good multiplier effect and gives a direct stimulus to socio-economic development of various parts of the country. 20

Tourism, thus, has attracted almost the entire world and is a highly complex phenomenon. It is an important human activity with great scope. The complex nature of tourism phenomenon implies that various academic disciplines are involved in its study. Some basic disciplines such as economics, psychology, sociology, anthropology and geography contribute a great deal to this field. Certain newer disciplines like Public Administration and Business Management have also been introduced and play a significant role in tourism development.21

Social benefits of Tourism

Social effects of tourism within the country bring people in closer touch with each other and help to generate the spirit of unity in diversity. Tourism gives them one idea, which can hardly be brushed aside, that people of one part of the country form an integral part of the whole. This sense of oneness is the symbol of unity. In a vast country like India, which exhibits a world in miniature, the importance of social harmony can hardly be exaggerated.22 The lives of the people world over can only be made comfortable and peaceful provided there is political stability. A spark of hostility anywhere may turn into a global

21. Ibid., pp.3-5.
war of unprecedented severity and magnitude. The disaster will be unpredictable. If these fears or apprehensions are to be warded off from the doors of the world, then political stability and peace should be the main targets of human race. The way out lies in inculcating the process of self-discovery. This would not be complete without the aid of comparative knowledge of other countries through promoting the causes of tourism that brings into light moral values and philosophy of life of other people. This awareness of the world in which we live, would get encouragement largely by the promotion of tourism, cause tourism, as conceived and organised today, is one of the agencies promoting international understanding and goodwill. Tourism plays an important role in bringing that mental revolution and in eradication of prejudices and complexes of exclusiveness. 23

Economic benefits of Tourism

The economic scope of tourism assumes all the more greater importance in general and in as developing country like India in particular. The greatest advantage of this industry is that its receipts always exceed expenditure incurred on it. The economic value of tourism can well be judged by its effects on production, employment and tax

23. Ibid., pp.188-191.
revenues. Today, it is the world's largest industry involving large financial investment in accommodation, transport, resort areas and other ancilliary facilities and services which have brought out high returns in a number of tourism loving countries.24

Multipler effects

Tourism is an industry which is very much affected by the laws of economics. For the last 40 years, economists dealing with tourism have developed a doctrine known as 'multiplier effect' of tourism. The multiplier theory25 was enunciated in 1939 by Professor Paul A. Samuelson, Chairman of the Department of Economics, Massachusetts Institute of Technology. The formulation is as follows:

\[ K = \frac{1}{\Delta C} \]

\[ 1 - \frac{\Delta Y}{\Delta C} \]

According to this theory, the multiplier 'K' is dependent on the relationship between a change in consumption

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24. Ibid., pp.192-194.

'C' and a change in Income 'Y'.

Thus \[ K = \text{Multiplier} \]
\[ \Delta C = \text{Change in income} \]
\[ \Delta Y = \text{Change in consumption} \]

The theory can also be applied to tourism money spent by tourists. It does not stop moving; rather it circulates through the economy of the country. When a tourist visits a place and spends his money in that particular region, part of this money becomes a source of livelihood for the people living in that region. Part of this income is spent which generates income for others to spend. A part of this income is again spent and the cycle goes on. Thus, money changes hands a number of times and is spent and respent. The impact of this expenditure on the nation's economy will go on multiplying if it is spent on and changes hands again and again. Thus, the national currency exchanged for foreign currency which enters the country, spreads quickly in the market. The intensity of the multiplier depends on the proportion of the income from tourism which is redistributed to other branches of the national economy. 26

Tourism and Travel Industry: A Brief Overview

If people were asked to nominate a leading

26. Ibid., p.72.
sector of the world economy, few world mention the travel industry. There is, amazingly, widespread ignorance of its size, magnitude and complexity, and of the huge sums of money it generates.

Like the financial industry, activities related to tourism and travel are perhaps too diverse and fragmented to be widely understood. Yet the world Trade Organisation estimates that 3.5 billion people travel the world every year. About 20 per cent of these movements are business trips and, according to a recent survey, business travellers account for up to 50% of the tourist entries into individual countries. By 1988, 16 million visitors to the U.K. could have spent £ 7.5 billion. With such huge sums of money at stake there is a keen competition amongst the suppliers and distributors of various goods and services.27

To travel, then, along the paths forged by those pioneers was an adventure — sometimes uncomfortable, but never lacking in glamour or charm. Today, in our efficient technological world, we are herded into almost infantile dependence, lulled by promises, censored information and well-practised smiles. The dreams of the past regarding speed, frequency of service, comfort and global link-ups have become reality. But, the industry is all too often directed by the bureaucrat. Systems dominate initiative;

the gulf between the hierarchical level has widened and in many instance true innovation has died.

According to one very well informed opinion, our industry, swamped in a morass of ill-conceived strategies poorly adapted to the needs of the organisation and consumer; is in danger of losing direction.28

Over the years the travel industry has redrawn the contours of our globe; crossing vast countries and continents, opening up the way to traders and industrial development, and strengthening contacts with and control over vast overseas possessions and business empires. Each new technical advance, whether it was the advent of steam, the flying machine, multistorey hotels or even improved rail track, made possible more comfortable and speedier links with wider markets.

The dawning of the revolution in transport gradually engineered the development of old markets into those which now describe as 'global'. In the past 80 years there has been swift worldwide evolution in transport and travel habits, which would have been inconceivable to our forebears. This development has been so fast that investment provision has constantly proved inadequate, and failure to plan for the future can prove almost ruinously expensive.29

28. Ibid., pp. 1,2.
29. Ibid., p.2.
Nowhere and no place in this world is now isolated. The realm of space has been conquered, and, some remote and earlier inaccessible corners of the globe are now accepted as holiday centres. Distance is no longer so closely cost-related and the further we travel the greater are the bargains. All this has transformed not only world economics but also human lifestyle. Now businessmen fly from one commercial centre to the next, covering thousands of miles in a matter of hours. In an attempt to understand this phenomenon there is a need to briefly review how the modern tourism and travel industry began and flourished with the evolution of fast transportation.  

**Rail Transport vis-a-vis Tourism and Travel**

Introduction of Railways, in the nineteenth century was a crucial landmark in the tourism and travel history. Passengers were first carried by rail in 1830 in England. The newly completed railway track between Liverpool and Manchester in England featured special provisions for carrying passengers in addition to freight. However, the birth of organised rail tour and travel came in the year 1841. A Baptist preacher of Derbyshire was on his way to a temperance meeting in Leicester when he was inspired with the idea of engaging a special train to carry the friends of temperance society from Leicester to Loughborough and back.

to attempt a quarterly delegate meeting. The man behind this was Thomas Cook. He broached his idea to his friends. A few weeks later 570 passengers made the journey by the Midland Countries Railways at a specially reduced fare. The success of the Liverpool and Manchester railway, opened in the year 1830, encouraged many other countries in Europe to open railway times. Railway tracks were laid in France, Austria and in Switzerland. Across the Atlantic the tracks were laid in America. This revolution in transport technology produced an immediate expansion in European tourism. 31

Sea Transport vis-a-vis Tourism and Travel

The shipping like the railways made significant contribution to travel during the nineteenth century. While railways were responsible for inland travel especially in Europe, the steamship crossed the boundaries and made strides in intercontinental travel. The shipping technology made a number of sailing ships in the nineteenth century. Use of the ships in the cruising fashion for the charter and operation of cruises on a limited scale dates from the mid nineteenth century. One of the earliest cruises perhaps was that described by Mark Twain in his book, The Innocents Abroad, published in 1869. 32 Cruising, however, did not play

a significant part in the world of shipping until the beginning of the twentieth century. The period just before the First World War can be considered the heyday of liner passenger service. It was an era of large and comfortable fast ships operated by relatively small number of companies in various countries. Transport by water makes a significant contribution to the development of travel on land. The expansion of international tourism has, however, led to an increasing use of ferry boats by tourists on short sea crossing.33

Road Transport vis-a-vis Tourism and Travel

Upto the beginning of the Twentieth century, tourists travelled almost exclusively by rail and steamship. The invention of the new transport medium, travel by a private car and coach received its first great impetus in the ten years which preceded World War I. The entire shape of tourist industry was transformed by the invention of this new transport medium. The growth of the private car may be identified as a major cause of the decline of the railways. The motor car gradually came to be the alternative means of transport for both short and medium range journeys. Subsequently with the growth of a fine network of fast and superfast national and international highway systems, long journeys were also performed by motor car and motor coach.

Road transport made striking advances in subsequent years. Soon often 1950, when the difficulties and restrictions of the immediate post-war years had begun to strengthen themselves out, there were rapid developments in transport; whereas the car ownership multiplied, the motor coach appeared the increasing numbers and the coach tour became popular. Great use of motor car and coach is also being made, at present, for the purpose of tourism.  

Air Transport vis-a-vis Tourism and Travel

The role of the air transport in the development of the international tourism is becoming increasingly important. Air transport has certainly been a key factor in the growth of international tourism, especially in respect of long distance and intercontinental travel. Although commercial travel took place before Second World War, air transport for the masses has essentially been a post-war phenomenon. The main period of growth was during the 1960s when overseas holiday became a symptomatic benefit of a society experiencing rising living standards. Besides Europe, air transport, however, was developed in many other countries including in India during this period. Great advances have been made in air travel in the recent years, more particularly for overseas holiday making. Tourism in turn has had a significant impact on the aircraft industry.

and on the carrier. Factor like comfort, speed, and safety influence the tourists' choice of mode of transport.\textsuperscript{35}

\textbf{Causes of Rapid Growth}

The basic causes of this rapid growth of demand for tourism in the highly developed industrialized countries in the course of the recent decades are economic, social and technological in nature.\textsuperscript{36} Rising per capita incomes leading to higher purchasing power and an increase in discretionary incomes have made tourism accessible to a large majority of people. Today, the advanced countries, a large majority of people can afford an annual holiday. In fact many can even afford to take second holiday of longer or shorter duration. Increased mobility as a result of use of motor car for travel is another important economic factor which is responsible for growth in tourism. The principal factors responsible for the phenomenal growth in tourism during the last thirty-five years are as follows:-

1. \textit{Increased Leisure}: In 1949, the International Labour Organisation adopted a convention fixing the minimum length of paid holidays at six week days a year. In most countries of the world, however, it is now up to two to three weeks a year. This has led to extensive holiday travel. Future trends are even more optimistic.\textsuperscript{37}

\textsuperscript{36} Pran Nath Seth (1985), \textit{Successful Tourism Management} Sterling Publishers Private Limited, New Delhi, p. 15.
\textsuperscript{37} Ibid., p.16.
2. **Industrial development and Urbanisation**: Large-scale industrial development coupled with pollution and over-crowding in the cities has led to the people's search for Sun, sand and the pure mountain air during annual holidays.  

3. **Revolution in Transport**: The development of air ship and Road transportation has led to unbelievable growth and expansion of tourism. In developed industrial societies, more people can now afford a holiday outside their own country.  

4. **Education and Culture**: The spread of education worldwide has led to a natural curiosity among the people to travel and discover how others live and work.  

5. **Rising Standards of living**: The rapid economic development has raised standards of living in developed countries with sizable disposable income. A part of this income is now spent on travel for fun.

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41. Ibid., p.149.
6. **Publicity and Promotion —Government Interest**: Most governments are actively promoting tourism like any other product. This has resulted in the current travel boom. Even countries like USSR and China have recognised the importance of tourism for their national economy. 42

**Growth and Development of Modern Tourism**

'Tourism' the term today is of relatively modern origin. It is distinguishable by its mass character from the travel undertaken in the past. Since the end of last world war, tourism has developed very rapidly. As the world began to settle down after the years of readjustments immediately after the war ended in the year 1945, there has been a remarkably rapid increase in both domestic and international tourism. The United Nations reported that in the years between 1955-1965 the number of tourist arrivals in some sixty-five countries trebled from around 51 million to over 157 million. This however, was only the beginning. 43 The following Table No.1 gives a broad idea of main tourist generators in 1961. Total world arrivals generated and their ratio to per 1000 population in major western developed countries have been listed.


### TABLE No.1

The Main Tourist Generators 1961

<table>
<thead>
<tr>
<th>Country</th>
<th>Total World Arrivals generated (in million)</th>
<th>World Arrivals generated per 1000 population</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.A.</td>
<td>21.7</td>
<td>112</td>
</tr>
<tr>
<td>U.K.</td>
<td>7.5</td>
<td>138</td>
</tr>
<tr>
<td>Germany</td>
<td>21.6</td>
<td>318</td>
</tr>
<tr>
<td>Canada</td>
<td>6.7</td>
<td>310</td>
</tr>
<tr>
<td>France</td>
<td>10.0</td>
<td>204</td>
</tr>
<tr>
<td>Belgium</td>
<td>3.8</td>
<td>387</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4.1</td>
<td>332</td>
</tr>
<tr>
<td>Italy</td>
<td>3.1</td>
<td>61</td>
</tr>
<tr>
<td>Switzerland</td>
<td>2.2</td>
<td>369</td>
</tr>
<tr>
<td>Sweden</td>
<td>1.4</td>
<td>185</td>
</tr>
<tr>
<td>Denmark</td>
<td>1.4</td>
<td>287</td>
</tr>
<tr>
<td>Austria</td>
<td>2.1</td>
<td>287</td>
</tr>
<tr>
<td>Total</td>
<td>85.6</td>
<td>232 (Average per 1000 population)</td>
</tr>
</tbody>
</table>

*Source: International Organisation of Tourism Organisation*

The above table gives an indication of the extent of international tourist traffic in the major developed countries in 1960s, USA, Germany, UK, France, Canada, Belgium, Luxembourg, The Netherlands, Italy, Switzerland, Sweden, Denmark and Austria represented the thirteen main tourist generating countries. These countries accounted for some three quarters of all USA and Germany accounted for more than one-third of the world tourist arrivals. The
reasons for this are very clear. These were the countries which enjoyed prosperity and higher standards of living, the two main factors conducive to growth of tourism. The development in the means of speedy transport and communication was also witnessed in these countries more significantly. This rapid increase in tourism in the above countries was, therefore, the outcome of the factors such as prosperity and higher standards of living leading to increased leisure, improved education and above all the rapid strides they made in speedy transport and communication. 44

The trend in the growth of international tourism continues since the mid-1960s. The growth continues to be determined by the living standards in the developed countries. The widespread introduction of holidays with pay to a large majority of people is yet another important factor responsible for growth of tourist traffic. 45 The following Tables No. 1.2 and No.1.3 show the international tourist arrivals and the annual percentage of growth in recent years.

TABLE: 1.2

<table>
<thead>
<tr>
<th>Year</th>
<th>Arrival (in million)</th>
<th>Index (1950 - 100)</th>
<th>Annual percentage of growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>25.3</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>1960</td>
<td>72.2</td>
<td>281</td>
<td>-</td>
</tr>
<tr>
<td>1961</td>
<td>75.3</td>
<td>298</td>
<td>+ 5.8</td>
</tr>
</tbody>
</table>

44. Ibid., pp.22,23.
45. Ibid., pp.23,24.
In 1976, there were nearly 220 million international tourist arrivals in the world. This is an increase of more than 90 per cent over the year 1965. During the period 1965-1976, international tourism grew at an average rate of over 7 per cent annually. This was a period of intensive economic development in most industrialised countries. During this period, most of the developing countries were also able to benefit from the growing trend in the developed countries. Tourism and its development are closely related to consumers purchasing power and in turn

<table>
<thead>
<tr>
<th>Year</th>
<th>Arrival (1950 - 100)</th>
<th>Annual percentage of growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>81.4</td>
<td>+ 8.1</td>
</tr>
<tr>
<td>1963</td>
<td>93.0</td>
<td>+ 14.2</td>
</tr>
<tr>
<td>1964</td>
<td>108.0</td>
<td>+ 16.1</td>
</tr>
<tr>
<td>1965</td>
<td>115.5</td>
<td>+ 6.9</td>
</tr>
<tr>
<td>1966</td>
<td>130.8</td>
<td>+ 13.2</td>
</tr>
<tr>
<td>1967</td>
<td>139.5</td>
<td>+ 6.6</td>
</tr>
<tr>
<td>1968</td>
<td>139.7</td>
<td>+ 0.1</td>
</tr>
<tr>
<td>1969</td>
<td>154.1</td>
<td>+ 10.3</td>
</tr>
<tr>
<td>1970(R)</td>
<td>168.4</td>
<td>+ 9.3</td>
</tr>
<tr>
<td>1971(R)</td>
<td>181.5</td>
<td>+ 7.8</td>
</tr>
<tr>
<td>1972</td>
<td>198.0</td>
<td>+ 9.1</td>
</tr>
<tr>
<td>1973</td>
<td>215.0</td>
<td>+ 8.6</td>
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<tr>
<td>1974</td>
<td>209.0</td>
<td>- 2.8</td>
</tr>
<tr>
<td>1975</td>
<td>213.0</td>
<td>+ 1.9</td>
</tr>
<tr>
<td>1976(X)</td>
<td>219.0</td>
<td>+ 2.8</td>
</tr>
</tbody>
</table>

R = Revised Figures
X = Estimate
to any domestic or international economic fluctuations.
In the year 1974, the world economy was seriously affected by the energy crisis which occurred at the end of 1973. As a result there was inflation which was responsible for the lower purchasing power. Tourism, like all other sectors of production and consumption, suffered the economic consequences of that crisis. The total international tourist arrivals in 1974 dropped by over two per cent in relation to 1973 from 215 million in 1973 to 209 million in 1974. In the following year 1975, as a result of efforts made by the governments of industrialised and developing countries to keep inflation within acceptable limits, there was resumption of production and consumption in the main generating countries. As a consequence, there was likewise a resumption of international travel. Total international tourist arrivals in 1975 amounted to roughly 213 million. The total number of international tourist arrival in 1976 was estimated at between 218 and 222 million, which is a rise between 2 and 4 per cent over 1974. According to the most recent estimates produced by the Secretariat General, World Tourism Organisation, international tourist arrivals in 1979 were estimated to total 276 million, or an increase of 5 per cent over 1978. 46

Europe and North America continue to be the principal generating as well as receiving areas for international

tourism, accounting for 70 per cent and 20 per cent respectively, of the international tourist arrivals. Table 2 shows this continuous trend of increase in international tourist arrivals in these areas since the year 1965.47

The enormous expansion of tourism has, thus, taken place, primarily in the advanced industrialized countries, where tourism has become a part of lifestyle and consumption pattern of most people. These countries are both the main tourism generating as well as tourism receiving areas. Over 80 per cent of the total international tourist traffic originates in Europe and North America and they also receive over 80 per cent of all arrivals. The rest of the world, on the other hand generates a very small part of the tourist traffic and receives only a small share of total tourism revenues.48

Tourism in India

India abounds in tourism potential in all spheres, be it historical and cultural, hills and forests and other place of scenic beauty, be it wild life, hot springs or be it fairs, festivals and people. India is a vast country rich and diverse in beauties of nature; rich and varied in

47. Ibid., pp. 12-16.
48. Ibid., p. 20.
its cultural traditions, yet presenting an enchanting blend and a synthesis of diverse trends—the product of a long history and an unbroken cultural tradition. Our centuries—old existence is reflected in our monuments, our music and dance, our fairs and festivals and our architecture and the contribution India has made to man's knowledge and understanding of things around him. Thus on the national scale, we have vast potential which has still to be fully tapped.49

To a large number of people across the world, India is a land of their dreams—exotic mysterious, fall of colour, pomp and pageantry. That is the traditional image of India. The new image that emerging and that endeavour to built up is that of the modern India—the most populous democracy in the world engaged in the valiant task of reconstruction and development. More image building, however, is not enough to bring more tourists to India, no matter how beautiful the tourist attraction peoples of various countries, areas and interest have been visiting India from time to time immemorial. Scholars to seek intellectual information, historians to get historical events noted and the missionaries to spread their mission's ideology, have paid visits to India from time to time. The growth of religious movements has been enducive to the development of 'domestic tourism'. Shankracharya laid the foundation of domestic tourism by establishing four

49. Karan Singh (1976), India Tourism—Aspects of a great Adventure, Department of Tourism, Government of India, pp.170-180.
Mats' at four corners of the country. People of India have been travelling for pilgrimage or to attend religious fairs.\(^50\)

Tourism in Himachal Pradesh

Himachal Pradesh: Its Land and the People:

'Himachal' word is of Sanskrit origin and literally means snowy mountain. 'Pradesh' means a region, a State or an area. Thus Himachal Pradesh means a State or a region of snowy mountains. Himachal Pradesh is a small world in itself. This hilly region is also commonly named DEV BHUMI and is believed to be the abode of gods. Himachal Pradesh, land of many of the pre-Aryan and Aryan legends has lent colour to Indian scriptures and literature.\(^51\) Himachal's appeal is not limited to its scenic beauty only but it caters to all tasks. The inhabitants of the hills and valleys are gay, colourful, rustic, dignified, proud but very sensitive people like most mountain-dwellers living in places difficult of access. The stupendous snow clad mountains, lovely glens, rich luxuriant foliage, the flower bedecked valleys have inspired many a poet and philosophers,

\(^{50}\) Ibid., pp.175-180.

\(^{51}\) Mention of this region is available right from Rigveda through entire Sanskrit religions and secular texts.
the tourists, the botanist and artists, all alike.  

Himachal, now known as 'the country's orchard', 'nature's paradise' and an 'abode of peace', represented in ancient times the Himalayas itself, with Nepal, Koormanchal, Kedar, Jalandhara and Kashmir as its five natural divisions.

**Location**

At present Himachal Pradesh is one of the important States of North-Western India. The State of Himachal Pradesh, a hilly and mountainous region, is situated in the north-western Himalays, between North latitude 30° 22' 44" N to 12° 40 N and East longitude 75° 45' 55" E to 70° 04' 20 E. Himachal Pradesh is bounded on the north-west by Jammu and Kashmir, on the north-east by Tibet and on the South by the plains of Punjab, Haryana and Uttar Pradesh.

52. Krishna in Geeta has said that, "among the mountains I am Himvan or Himachal". Kalidas has immortalised Himalayas and Himachal through his numerous great Sanskrit classics. Almost all the big and celebrated sages and seers of the hoary part and Indian history and legend are associated with Himachal. Many of its places of pilgrimage find mention in a number of Puranas and other sacred texts.


It comprises of the former hill States and the areas ceded by Punjab under Punjab Reorganisation Act of 1966. Himachal Pradesh first came into being as a centrally administered territory on 15th April, 1948 by the integration of 30 former Punjab States. In 1966 consequent upon the bifurcation of Punjab into Punjab and Haryana the hilly areas of Punjab such as Dalhousie, Bakloh, Kangra, Kulu, Lahaul and Spiti, Shimla, Chail, Kandaghat, Nalagarh, Hamirpur and Una, etc. were amalgamated with the Union Territory of Himachal Pradesh, and the newly formed area was given the status of full-fledged State of India on November 1, 1966.

Total Area

Himachal Pradesh has an area of 55,673 Sq.km. This comprises of the old Himachal which was formed on 15th April, 1948 with the merger of some 30 Punjab Hill States having an area of 27,412 Sq.km. and the new areas added from Punjab on the 1st of November, 1966, with an area of 28,261 Sq.km.

Physical Features

Himachal Pradesh geographically forms part of the Punjab, Himalayas, and thus presents an intricate pattern. 

57. Ibid., p.1.
of mountain ranges, hills and valleys. Its altitude varies from about 450m. to 650m. above sea level. There is general increase in elevation from west to east and from South to north. From south to north, physiographically the region can be divided into three zones, a brief reference to which is as follows:

(a) **Outer Himalayas, the Shiwalik or the South Zone:**

The southern zone consists of low hill of Shiwalik average height about 600m. The Shiwaliks were known to ancient geographers as 'Mainak Parbat'. Shiwaliks literally means 'tresses of the Shiva'. They are composed of highly unconsolidated deposits which easily lend themselves to erosion. They maintain almost a regular course from Ravi to Yamuna in the south of the region. In this zone Bhatiyat region of Chamba, lower Kangra, Una, Hamirpur and parts of Bilaspur, Solan and Sirmour districts are located.  

(b) **The Lesser Himalayas or the Central Zone:**

The lesser Himalayas is a region which consists of higher mountains range height between 1000 mt.—5000 mt. cut into by deep ravines and precipices defiles.

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It is marked by a gradual elevation towards the Dhauladhar and Pir Panjal ranges. In the south the rise is more abrupt in the Shimla hills. To the south of Shimla is the high peak of Chur or Churdhar (3,647 m.) North of Sutlej, the rise is gradual. This zone includes the entire Ravi valley of Chamba, higher reaches of Kangra, Kulu, Shimla and Sirmour districts of Himachal Pradesh. 60

(c) The Great Himalayas or the Zaskar or North Z-one:

To the north of the Pir Panjal and Dhauladhar ranges are the more lofty mountain ranges, known as the Great Himalayas or the Zaskar ranges. They rise above the snowline into peaks of perpetual snow. The eastern boundary of the range is cut across by the defile of the Sutlej. The range separates the drainage of the Spiti from that of the Beas. The Zaskar range is the easternmost range and separates Spiti and Kinnaur from Tibet. 61

Climate

There is much diversification in the climatic conditions of Himachal Pradesh. Differences in aspect of elevation have given rise to various micro-climates. The

60. Ibid., p.60.
61. Ibid., pp.57-60.
various climatic zones in the region range from sub-tropical (450m - 900m) to warm temperature (900m - 1800m), cool temperature (1800m - 2400m) and snowy frigid (above 4000m). The climate of Lahaul and Spiti and Kinnaur is that of semi-arid highlands. Compared to the Punjab Plains, the climate of the region in general is differentiated by a shorter and less severe hot weather, a somewhat higher precipitation and colder & more prolonged winter.  

Flora and Fauna

Himachal Pradesh has diversified and rich Flora because of the existence of a variety of climates and a wide range of altitudes. Here every type of West Himalayan Flora from Himalayan meadows and high-land firs and rhododendrous, down to tropical scrub bamboo forest of the low foothills.

Altitude has an effect on the various kinds of Fauna, not to the extent as in the case of Flora. Broadly speaking three altitude belts zones are present in this State in which vast variety of wild animals and birds, are found. The varieties and species of mammals, birds, reptiles and fish that abound in various parts of this State are numerous. Different varieties which are found in different zones and different altitudes are snow leopards;

62. H.C. Sarsvat (1976), Himachal Pradesh, Publication Division, New Delhi, pp.149-160.
hill fox; Kashmir stag; blue sheep; musk deer; black beer; ghural; striped hyaena; barking deer; porevipine; flying squirrel; snow pigeon; sparrow; blue whistling thrush; monal; wood partridge; wood pecker; nightingale; Shimla black tit; green finch; peacock; blue partridge; sparrow hawk; golden eagle; swallow; magpie, jungle fowl; warbler; parrot; wood pigeon; cuckoo, hoopoe; Himalayan vulture and cobra.

The People

In general, the people of Himachal Pradesh are honest, hospitable, peace-loving, deeply religious. They follow their community codes very rigidly. The hill peoples are generally fair complexioned, and known for their sweet voice and sweet manners. The men of mountains are deeply religious. They believe in local deities, clan-gods, Lord Shiva and the entire sequence of Hindu gods, goddesses and Avatars.

Social and Community Life

The society of Himachal is a unique blend of tribal and non-tribal, semi-civilized and civilized; pastoral and semi-industrial. The people living, particularly in the

outer Himalayas have a social structure much similar to the people of plains. But the social set up of people living in the upper parts of the lower Himalayas, the great Himalayas, the Zaskar, the Pangi and Dhauladhar ranges do not have much similarity with those of the plains, and most of the population living in these areas is of the tribal origin.  

Fair, festivals, pilgrimages, marriage celebrations and other social gatherings provide the best occasions for the people of the hills for marriment and to meet each other. On these occasions, hill people sing and dance and come closer to one another, and their community feelings get strengthened. Such fairs and festivals are numerous and are held in honour of local gods or goddess. Inspite of being religious in character, these fairs and festivals are highly entertaining also.

Material Arts

Himachal Pradesh is also known for its material arts and crafts. The hill people produce exquisite shawl, embroidered leather footwear, wood craft, exquisite pottery and metal work. The most important material craft of Himachal Pradesh, however, seems to be woolen manufactures. These products are much valued in sophisticated society all over the country and abroad also.

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65. Ibid., p.4.
Cultural heritage

Himachal Pradesh though comparatively a little backward industrially and economically, preserve a rich cultural heritage through traditional life of its honest and laborious men and women folk. Their folklore, unique folkways, beautiful folksongs, simple unsophisticated arts jubilant fairs and festivals have been preserved by the people of Himachal Pradesh. The great art of miniature paintings of the Kangra School of Painting, a Synthesis of Rajpoot and Moghal School of Art, has its an origin in the valley Beas basin of Himachal Pradesh. 68

Himalaya Tourism: A Historical Perspective

As a worthwhile human activity tourism concerns a special role in the State which it fulfills in accordance with its own perceptions and depending upon its political, economic and geographical structure. 69 Each State has its own idea of the nature, scope, objectives and implications of tourism and it envisages to achieve through the promotion of tourism in the country. The perceived concepts, therefore, change from State to State and according to their local situations.


Indians have conventionally been great tourists. Visiting forests, rivers, shrines, hills and such other natural features has been deeply engrained in Indian psyche since time immemorial. The pilgrimage of sacred reavers, sacred towns and sacred parts of the ocean and seas has been considered as religious duty of every Hindu, Buddhist and Jains in India. Various places associated with mythological or historical celebrities have also been attracting thousands and thousands of pilgrims from all parts of the country. The measures adopted by great Shankracharya in establishing four centres or four monastries in four different corners in India, and to command for all the Hindus to visit all these four monastries to ensure their salvation has been one of the greatest measures to make Indians a perpetual visitors of distant hills and plains and seas since hoary past. Through strictly religious in nature these visits and pilgrimages by Indians have always been serving the diverse needs of tourism has a particular concept of human movement from one place to another.

Pilgrimages by thousands of Hindus to high snow-clad mountains of Badri-Kedar, Gangotri, Yamunotry.

70. Ibid., pp. 30-35.
Amarnath, Vaishanoo Devi and Mani-Mahesh Kailash in Chamba, and Pashupatinath at Kathmandu in neighbouring Nepal and Mansarovar lake in Tibet is part of same tourist psyche of Indians. Kumbha and Ardh-Kumbha which attracts lakhs of pilgrims and is the biggest human congregation on earth also falls in the same category.

Hundreds of such other occasions at different places in different periods of the year where thousands and even lakhs of people assemble, pray, take holy dips in sacred waters and observe sacred rituals are also part of the same outgoing temperament of Indians. Sikhs, Buddhist, Jains, Muslims and Christians, all have their sacred and venerated places scattered all over the sub-continent, and visiting those places is religious duty of all the believers in these faiths.

Tourism: A modern Industry:

In the modern periods, however, tourism has added another secular dimension and it is being organised on a more

76. B.N. Datar (1961), Himalayan Pilgrimage, Publication Division, Delhi, pp.18-31.
formal and practical considerations. But by no stretch of imagination can the entire infrastructure managed during Vaishno Devi pilgrimage or for Kumbha or any other such festival be considered as lacking any component of tourism management today.

Modern tourism in India, however, started with the advent of European Colonisers in India. With merchants and their administrators and soldiers also one. Some such adventurers and scholars who either for the fun of exploring unknown natural beauty, or for academic pursuits of finding land forms, botanical, biological, historical or archaeological treasures hidden in different parts of the country undertook tours and excursions in all parts of the country. The establishment of the hill towns of Shimla, Dalhousie, Mussorie, Nanital, Darjeeling, Kasauli, and the hill cantonments of Bakloh, Baloon, Yol, Baghshai and

85. Ibid., p.72.
86. Ibid.
89. Ibid., p.40.
many others are the results of the exploration of such wandering Europeans in Himalayas. With establishment of these hill stations European administrators and armymen started either patronising and visiting these hills during scorching heat of summer months in Indian plains, or in many cases they use to shift their entire summer headquarters to these hill stations during summer months. This seasonal movement had great impact on the infrastructure and lifestyles of these towns which evolved all the features of modern tourism including its commercial and serving activities. These stations obtained the character and characteristics of resting, relaxing, holidaying and for making stations. Gradually those of the Indians, particularly princes, feudal chiefs, bureaucrats and rich professionals started emulating Britishers and patronising these hill resorts. Naturally, a wide ranging and well-knit infrastructure of amenities, services and enjoyments gradually evolved and took firm roots in and around these places.

Some of the adventures visitors to these places pushed forwarded in order to explore the new valleys, glaciers, mountain peaks, jungles and origins of the rivers in the interior of Himalayas. This gradually laid foundations for the tougher tourist activities such hiking, rock-climbing, mountaineering, rowing angling, haunting and trekking, etc.

Tourism in Himachal after Independence

Tourism for fun, relaxation, holidaying and even for adventure entails a particular outgoing temperament. But no less important is the factor of generation of a little extra money by way of normal income than one's basic requirement. After independence and with the implementation of Five-Year Plans and expansion of industrial and commercial activities reasonably big sections of Indian peasantry and more so Indian middle class started generating more income. National per capita income and National Gross Income increased. Vast areas of the country, both hills and plains, were opened up for fast moving means of transportation. Indians, who by temperament have been great pilgrim, started availing of the facilities of these tourist resorts and spending some of their time and money for secular tourism also. This gave a big boost to the national tourism through whole of the country. India has always provided a fascinating opportunities and varieties for foreign tourists. Though the standard of our amenities and services do not compare favourably to those available in western countries, yet a large number of foreign tourists who converge on Indian sub-continent is increasing day by day for the sheer attraction of the orient.

Of all the places that attract a large number of domestic and foreign visitors, Himachal is one of the foremost. The nature has blessed this land with highly diversified natural beauty besides invaluable treasure of archaeological remnants. The arts and crafts, the culture, the fairs and festivals, the cuisine and the folklore and history of this region all the above attributes are so charming and exciting that larger and larger numbers of tourists are visiting the State year after year. Some infrastructure for European tourists and Feudal princes were already existing in different parts of the State. With the advent of independence and creation of the new State of Himachal Pradesh a large number of measures were adopted to open up the State for large number of tourists. Construction of a huge network of roads, bridges and guest houses/a first step in this direction. A full fledged Department of Public Relations and Tourism was established.

Establishment of Himachal Pradesh Tourism Development Corporation

The year 1966 was, however, a landmark in the history of development of tourism in Himachal Pradesh. It was then that the former State of Punjab was re-organised

and many areas tremendously important from tourism point of view, were transferred to Himachal Pradesh.  

Earlier tourism was being looked after by a unit of the composite department viz., Department of Tourism and Public Relations. It was then on the eve of reorganisation of Punjab i.e. 1st November, 1966, that the Department of Tourism and Public Relations was bifurcated into two independent departments viz., Department of Tourism under the charge of Director Tourism and Department of Public Relations. A little later in 1968 the Department of Hospitality being run by the General Administration Department of the State was merged in the Department of Tourism, and was entrusted with function of entertaining the State guests besides the promotion of tourism in the State under the overall supervision and control of Director Tourism and Hospitality.  

With the healthy influx of tourists into the State it was very difficult for the Department of Tourism and Hospitality to cope with the enhanced volume of work. Due to differentiation and heavy workload the need for another organisation was felt in the year 1971. Consequently, Himachal Pradesh Tourism Development Corporation (H.P.T.D.C.) was established under the Companies Act, 1956, on 1st September, 1972.  


99. Ibid., p.54.  

or the Corporation is located at Shimla. It is the management of this Corporation, the analysis of which makes the frame of reference of this study.

Basic Concepts of Management

Management deals with the achievement of objectives by means of utilizing the resources available. It exists to some degree in home, hotel labour union, or government. However, for more commonly management is used in reference to the efforts of a group. Management is a distinct entity. It can be studied, knowledge about it obtained, and skill in its application acquired. Management consists of basic and interrelated functions or activities. It is a process made up of definite functions: those who perform this process are managers, members of management or executive leaders.

No enterprise can long be successful that does not utilize effective management. It provides effectiveness to human efforts. It helps/achieving better equipment, ants, offices, products, services and human relations. It keeps abreast of changing conditions, and it supplies foresight and imagination. Improvement is its constant watchword. Management brings order to endeavour. By means of management, apparently isolated events and relationships are discerned.

These relationships bear on the immediate problem, point out future hurdles to be overcome, and assist in determining a solution to the problem. Every activity which involves an element that brings coordination or cohesiveness to the activity, is management. Without this cohesiveness the acts would be ineffective, stumbling, perhaps random and unproductive. This element that infuses plan and objective as well as cohesion to activities is called management. Management consists of getting things done through others; a manager is one who accomplishes objectives by directing the efforts of others.

The Management Process

Managing is a social process. It is a process because it comprises a series of actions that lead to the accomplishment of objectives. It is a social process because these actions are principally concerned with relations between people. The total task of management can be divided into four elements:

(i) Organising

Once the work of an enterprise grows beyond what a single craftsman can do, organization becomes necessary.

102. Ibid., pp.3-5.
As the enterprise expands, this process leads to departments and divisions, each of which has its particular mission. One way to think about the resulting organisation is a complex machine. A manager must also view organisation as a social arrangement, because it is composed of people rather than physical objects. The men who are assigned tasks are independent, self-respecting individuals with a variety of motives; informal groups influence the way men respond to managerial action; and the attitudes of all these people are continually shifting and evolving. In organizing, then, there is a getting the necessary work done, at the same time it build a social structure that helps meet the needs of people doing the work.\(^{105}\)

(ii) Planning

A key activity of all managers is planning the work under their direction. Working with each other and with the people who will carry out the plans, they clarify objectives, set goals for each sub-division; they establish policies and standard methods to guide those who do the work; they develop programs, strategies, and schedules to keep the work moving towards the objectives. Most of these plans they will have to readjust periodically in the light of new information and changes in operating conditions.\(^{106}\) And time


and again managers will face questions about how detailed the plans should be, who should participate in formulating them, and how much freedom of action should be given to subordinates. 107

(iii) Leading

Clear plans and sound organization set the stage, but a manager must also provide leadership if the people in his organization are to work together to achieve its goals. Leadership involves the way a manager behaves in his man-to-man relationships with his subordinates. In leading, a manager strives to integrate the needs of the people with the welfare of his company or department. He recognises that people have their own desires, but at the same time he knows that co-operation and efficiency are necessary for the survival and growth of the firm. Thus, a leader tries to act so as to maintain a good balance between individual motivation and cooperative efficiency. 108 Such behaviour is not always easy. But establishing two-way communication, assisting subordinates to perform their duties, and helping them to achieve their personal aspirations are activities that lay a basis for voluntary cooperation. This kind of behaviour by a leader also fosters an atmosphere of


trust, respect, and confidence between himself and his subordinates. At the same time, a manager must provide guidance toward a system of order and cooperation. In no complex Social System—whether it be national society or a company society—can an individual do as he pleases, without regard for the activities of others. Clear direction, coupled with a spirit of cooperation, typically achieves the necessary coordinated effort.

(iv) Measuring and Controlling

The process of measuring progress, comparing it with plans, and taking corrective action is called control. Measuring intangibles, such as customer goodwill or executive morale, poses difficulties, and devising corrective action that both overcomes an immediate difficulty and creates a favourable climate for future performance often calls for ingenuity. Moreover, the dispersal of activities that result from organization creates problems of just who should control what.

These are the functions of management through which the goals, the objective, the human inter-relations, and the social needs of an organisation can be managed.


111. Ibid., p. 13.
Through this chapter an effort has been made to lay down a brief theory base for the proposed analysis of an organisation. As a first step the term tourism has been defined in its theoretical context with giving a brief historical perspective of tourism in the world in general and in India in particular. The main characteristic and features of tourism as a modern industry have been briefly underlined. A brief history of tourism in Himachal Pradesh after independence with special reference to the establishment of Himachal Pradesh Tourism Development Corporation in 1972 forms an important segment of this chapter. A brief outline of the functions of management according to the established theory has been given. It is in the theoretical context of these functions of management that an effort has been made in this thesis to analyse the Himachal Pradesh Tourism Development Corporation.