

Vol. 7, No. 1, February, 2017

Bi-Annual

ISSN No. 2278-8379

# TOURISM INNOVATIONS

An International Journal of Indian Tourism and Hospitality Congress (ITHC)

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Tourism Innovations: An International Journal of Indian Tourism and Hospitality Congress (ITHC)

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ISSN : 2278-8379

VOLUME : 7

NUMBER : 1

**Publication Schedule:**

Twice a year : February-August

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Published by: Bharti Publications in Association with Indian Tourism and Hospitality Congress (ITHC)

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## Editorial

*Individual curiosity, often working without practical ends in mind,  
has always been a driving force for innovation.*

— Frederick Seitz

We are delighted to introduce new edition of Tourism Innovations- the Journal of Indian Tourism and Hospitality Congress.. It is really an exciting opportunity to consider the emerging issues of tourism a time of great change across the wider tourism landscape. The objective of this journal is to publish up-to-date, high-quality and original research papers alongside relevant and insightful reviews. As such, the journal aspires to be vibrant, engaging and accessible, and at the same time integrative and challenging.

The tourism industry is complex and multi-dimensional; it involves a large diversity of stakeholders that offer a “basket of goods and services”, meaning a combination of commercial and non-commercial goods and services that can only be consumed in the here and now of a visitor’s experience during a trip. Tourism is one of the largest industries in the global economic system, and its importance is growing. According to the United Nations World Tourism Organization (UNWTO), in year 2016 there were record-breaking 1.23 billion international tourist arrivals. Today, international tourism represent one tenth of the world economy and accounts for 1 out of every 11 jobs on the planet. Still, we find that there is not enough research on this industry compared to its economic and social importance. Among the factors that support that important growth and the development of this industry is the opening of new destinations around the world, especially in developing countries. This new context increases the competition between destinations to attract new tourists onto the market, but also to retain existing visitors.

Tourism Innovations is specifically devoted to emerging issues tourism and hospitality industry all over the world. It is really a wonderful moment to consider the emerging issues of tourism with up-to-date, high-quality and original research papers alongside relevant and insightful reviews. This journal aspires to be intellectually vibrant, engaging and accessible, and at the same time integrative and challenging.

Our special thanks go to all members of the Advisory Board and the reviewers who have continuously assisted and supported in many ways given their time constraint and other commitments. Lastly, our heartfelt appreciation goes to the contributors for their strong support for research initiatives, and the readers who have always shown interest in the journal. We look forward to receiving your manuscripts and constructive feedback for improvement.

*Chief Editors*

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**An International Journal of**  
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# Managing Employee Attrition in Star Hotels at Delhi

## A Gender Based Analysis.

**Hira Anwar & Sheeba Hamid**

### ABSTRACT

Attrition is a critical issue and pretty high in the hospitality industry these days. It's the major problem which highlights in all the organizations. Though the term 'ATTRITION' is common, many would be at a loss to define what actually Attrition is, "Attrition is said to be the gradual reduction in the number of employees through retirement, resignation or death. It can also be said as Employee Turnover or Employee Defection" Whenever a well-trained and well-adapted employee leaves the organization, it creates a vacuum. So, the organization loses key skills, knowledge and business relationships. Modern managers and personnel administrators are greatly interested in reducing Attrition in the organization, in such a way that it will contribute to the maximum effectiveness, growth, and progress of the organization. Retaining employees is a critical and ongoing effort. One of the biggest challenges in having managers in the place that understands it is their responsibility to create and sustain an environment that fosters retention.

The present study "Managing Employee Attrition in Star Hotels at Delhi" has been undertaken by the researcher to analyse the problem of employee attrition in hospitality industry in India. Star hotels of Delhi have been taken as case study as they are the major players and largest contributor under the hospitality industry. In the present study, only those star hotels have been considered which are approved by Ministry of Tourism, Government of India. The main objectives of this study is to know the reasons, why attrition occurs, to identify the factors which make employees dissatisfy, to know the satisfactory level of male and female employees towards their job financial, non-financial and personal conditions. Principle objective of the research is to analyze gender based attrition behavior of star hotel employees. Data from 417 respondents, representing a 75% of response rate, were analyzed using t-test. Findings show that the both male and female population have the same opinion regarding the financial condition of job dissatisfaction. Female employees are likely to quit their job if they were dissatisfied with non-financial (mainly strict working hours and job insecurity) and personal reasons than their male counterparts. Finally, the implications of the finding are presented.

**Keywords:**Employee attrition, retention, hospitality industry, financial conditions, non-financial conditions, personal conditions.

### Introduction

Introductory segment highlights a comprehensive outline of the present construct. It explains that the employee attrition is one of the critical problems faced by all industries, but the condition is varied for different Industries. Attrition has been a major concern for most of the companies in the current competitive scenario. The word attrition means, a reduction in the number of employees through

resignation or separation at the employees will. Retirement, Voluntary Retirement Scheme (VRS) and employee leaving due to end of contract are not considered as attrition. Attrition rate is the rate of shrinkage in size or number. It is the mathematical representation of the attrition in a particular organization or an institution (Kotecha, 2009). It may be defined as loss of workforce due to unavoidable

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circumstances. It is growing every day and creating havoc (Monga & Srivastava, 2008). Attrition leads to dual loss to an organization: firstly, company loses on talent and thus costs incurred on them are a waste. Secondly it employs a new employee and thus needs to incur costs on them. (Kotecha, 2009).

There are two major types of attrition: the first can be coined as "Drive Attrition", - which is caused due to the employer. This type arises when the employee is forced for some reason by management to stop working. The second one can be termed as "Drag Attrition" which is caused due to the employee i.e., when the employee decides to stop working (Tembim, 1991).

Attrition can have either negative or positive consequences on the individual and company. In other words, when bad performers leave, organizational performance is enhanced and attrition can be acceptable but when good performers leave, organizational performance is negatively impacted. Then it might not be acceptable because of the expenses involved. The high rate of workers attrition creates various managerial problems that finally result in surplus expenses for the organization.

### Review of literature

Hotel industry in India has witnessed tremendous boom in recent years. It is inextricably linked to tourism industry. Growth in the Indian tourism industry has fuelled the growth of Indian hotel industry. The thriving economy and increased business opportunities in India have acted as a boon for this typically service industry whose service object is "human." In addition, service quality is determined by humans, so human is a very important resource for the hotel industry. Every task and service in the hotel is planned, organized, executed and harmonized by "humans" (Maher, 1995).

The increasing alertness of employees' attrition in the hotel industry has become a global phenomenon. Empirical studies have consistently shown that an extreme employee attrition rate of about two percent annually is acknowledged to be one of the most challenging issues and particularly unfavourable to the global hotel industry, which ranged about 60 per cent annually (Birdir, 2002; Carbery et al., 2003; Ghiselli, LaLopa & Bai, 2001; Hinkin & Tracy, 2000). In a similar trend, despite remarkable development of hotels in Delhi (India), the problem of employee attrition is a prevailing one.

In India, hotel industry is facing a number of problems such as low occupancy rate, increasing competition, high taxes, increasing cost, fuel shortage, low profitability and so forth. But nowadays, high employee attrition is a serious problem for human resource management (Tanke, 2001). At ISHC Conference (2006), top ten issues for the year 2007 were highlighted. The foremost issue handled in it was "labour and skills shortage". In the hospitality industry, Delhi star hotels are dynamic and constantly improving companies with properties in India and other various countries that are always coming up with new ideas. Within the last some years, Delhi has mitressed number of industries established as well as large increment in population. By emergence of these industries, Delhi hotel industry faces much competition among employees even though there is multiplication in population. Today, hotels are trying to attract the right talent and more importantly to retain it (Talreja, 2007) and spend millions of dollars each year in an effort to recruit and train new employees. The reason for incurring these costs can be associated with the fact that high attrition rate has been one of the chief challenges facing the industry as a whole. A study conducted by an industry chamber located in New Delhi reveals that the attrition rate in the hospitality industry in India is set to double to nearly 50 per cent by next year, up from the earlier 25 per cent growing at an alarming rate of 10 per cent per annum (Roy, 2010). Now many employers regarded this high rate of attrition as an unavoidable fact in the hospitality industry. Recruiting and retaining the right talent has always been an issue in the hospitality sector (Dev, 2010).

Another interesting, yet very important question in relation to gender inequalities in the labor market, is whether women are more likely to leave their jobs. Sousa-Poza and Sousa-Poza (2007) noted that "this result has far-reaching consequences because differing job-mobility inclinations between genders affect probability of being promoted, accumulation of human capital, and wages" (p. 896)

There are several studies conducted on gender and job satisfaction but the outcome of these studies are contradictory (Oshagbemi, 2000). Some studies found that women are more satisfied than men; others found that men are more satisfied; and most studies reported that there are no significant differences between men and women in relation to job satisfaction (Oshagbemi, 2000). For instance, some studies (e.g. Clark's, 1997; Sloane and Williams, 2000) found that although women's

earning is lower and opportunity for promotion is lower when compared to men's, they are more satisfied and this could be due to their lower expectation.

according to times and Davidson (2005), the jobs in hand 5 star international hotel chains are shared almost equally between female and male counter parts. However things differ when it comes to managerial position, which are still dominated by (Homg and Wang, 2003; Timo& Davidson, 2005) it was further also found by Ramas Rey Maquierica&Tugorores (2004) that there was not much gender difference in terms of receiving training conducted by large hotels, where as the difference in small and medium sized hotel was significant.

As women become more ingrained in the workforce and take leadership positions, a new study discovers women leave their jobs more frequently than men. In fact, researchers determined female executives are more than twice as likely to leave their jobs – voluntarily and involuntarily – as men (Nauert, 2010).

Sloane and Williams (2000) argued that the observed higher level of women's job satisfaction may be due to the fact that women tend to self-select themselves into certain kinds of jobs to maximize their job satisfaction. Similarly, Sousa-Poza and Sousa-Poza (2007) concluded that the observed female employees' higher job satisfaction can be explained by the fact that more dissatisfied women employees decide to withdraw from the labor force, and thus refuted the gender differential paradox. In sum, it appears that differing results in previous studies can be at least partially attributed to the use of different samples, control variables, model specifications, and research designs.

There is gender based differences on job satisfaction level, indicate that women and men have different levels of expectation in their work; different criteria for assessing of work and use of opportunities, as a result career is a key for men rather than for women (Kim, et al, 2009).

In addition, as with gender differences in job satisfaction, there were mixed findings in previous studies. Some studies found that there are substantial and systematic gender differences in turnover behaviours and propensities depending on specific reasons for attrition (Hochwater, Ferris, Carty, Frink, Ferrewe, &Berkson, 2001; Lee et al., 2008; Sicherman, 1996; Lee & Mitchell, 1994;

Theodossiou, 2002).

Yet, previous literature rarely addressed the interrelationships between job satisfaction or dissatisfaction, gender, and different attrition reasons.

While several studies have approached the problem of attrition in other industries, a few have been conducted on hotel industry, very few or practically negligible address attrition among workers in star hotels at Delhi. The impetus for this study is the fact that attrition among workers in the Star hotels is on the increase and therefore needs some attention particularly because this industry has the highest rate of attrition when compared to the other industries.

### **Objective of the Study**

The purpose of this study is to undertake an empirical approach to investigate the high rate of employee attrition in five star hotels at Delhi. The primary objectives were defined as following:

- To study employee attrition and its causes in star hotels at Delhi.
- To study the impact of employee attrition in star hotels at Delhi.
- To find out the difference, if any, between the perceptions of workers towards job dissatisfaction factors leading to attrition in star hotels at Delhi across gender.
- To suggest suitable ways and means to combat attrition in star hotels at Delhi and provide recommendations for the problem.

### **Method**

The present study is based on primary and secondary sources both. Secondary data have been collected from relevant articles and write-ups appearing in leading business dailies of India. Journals and periodicals have been thoroughly scanned to collect relevant literature in the Indian scenario. Various websites, souvenirs and conference proceedings on the subject of employee welfare, employee behaviour and human resources in the Indian backdrop have lent substance to this work. Primary data, collected through personal observation, discussions and interviews with workers in star hotels of Delhi gave new dimensions to the study. The study is further based on the structured questionnaire served to hotel employees in selected five star hotels at Delhi. The employees of the following hotels were contacted:

Lalit Hotel, Delhi

Imperial Hotel, Delhi

ITC Maurya Sheraton, Delhi

Metropolitan Hotel, Delhi

Ashok Hotel, Delhi

Lodhi Hotel, Delhi

Crowne Plaza, Okhla, Delhi

Participants in this study consisted of employees from Management team, Front Office, Food and Beverage (Service), Food and Beverage (Kitchen), Housekeeping and Accounts departments. A total of 700 questionnaires were mailed to the human resource managers of selected five star hotels located in Delhi. Specifically, a mail survey questionnaire was employed. In view of the fact that the survey was not under the researcher's supervision, cooperation with the human resource managers was vital for internal access and direct distribution of questionnaires to the employees. The human resource managers were told to randomly distribute e-mail the questionnaires to the employees associated with major operating departments. Respondents were given two weeks for completion. Data entry began as soon as the completed questionnaires were returned directly to the researcher via e-mail. A total of '700' questionnaires were distributed out of which '525' were received. This yields a 75 percent response rate. However, only 417 usable questionnaires (60%) were coded and analysed.

### Hypotheses

Based on extensive literature survey, relevant hypotheses were generated for the purpose of achieving the objectives of the study. The following null hypotheses have been formulated in respect of this study:

H01: There is no significant variation in the mean value of financial reasons of job dissatisfaction leading to attrition in star hotels at Delhi across gender.

H02: There is no significant variation in the mean value of non-financial reasons of job dissatisfaction leading to attrition in star hotels at Delhi across gender.

H03: There is no significant variation in the mean value of personal reasons of job dissatisfaction leading to attrition in star hotels at Delhi across gender.

### Measurements

The questionnaire contains 29 statements which measure four types of variable for the study. While taking the views of experts, statements have been put into four variables and each variable consists of different statements. The questionnaire measures the following variables:

- Financial reasons (FR) that can lead employees to switch over to another organization from present organization
- Non-Financial reasons (NFR) that can lead employees to switch over to another organization from present organization
- Personal reasons (PR) that can lead employees to switch over to another organization from present organization using 12, 12 and 5-items respectively.

Responses to all items were made on a 5-point likert scale format ranging from (5) "Strongly agree" to (1) "Strongly disagree".

### Gender Profile of Respondents

Gender of the employees plays an important role in their level of satisfaction with their job. It is included as one of the important variables. When profile of respondents based on gender was generated, it was observed that the respondents were predominantly male in all departments of hotels except front office. This was expected, as males typically outnumber females in almost all professions in the world. For the present study, there are '262' (62.83 percent) males and '155' (37.17 percent) females. But in front office, there were only 25 males whereas 48 females represented the department.

The present study analyses the gender among the star hotel employees. The results are shown in Table .1

#### (i) Comparison of dimensions of financial reasons of job dissatisfaction leading to attrition across Gender

The hypothesis seeks to test whether there is any significant variation in the mean value of employees on financial reasons of job dissatisfaction leading to attrition across gender. To test this hypothesis, Independent Samples t-test has been used.

**Table 2: Showing the Mean, Standard Deviation and Standard Error of Financial Reasons across Gender**

In the Table 2, descriptive statistics is shown. This Table indicates the mean value and standard deviation obtained by male and female population on financial reasons.

It has been found from the Table 2 that female sample has the highest mean value of 3.08 on five point scale and Standard Deviation of 1.57. This is a clear indication that the female population have a positive response that on dissatisfaction from financial reasons leading to attrition as compared to male population.

### **Table 3: 'F' value and Significance Value of Financial Reasons across Gender**

Table 3 shows the results of Independent Samples t-test used to assess the differences in the mean value of financial reasons of attrition in star hotels at Delhi across gender. The 't' value is -.625 and Sig. value is .169, which is more than 0.05 (95 percent confidence interval), which indicates that no differences exist in the mean value of male and female population on financial reasons.

Hence, the hypothesis that there is no significant variation in the mean value of financial reasons of job dissatisfaction leading to attrition in star hotels at Delhi across gender stands accepted and alternative hypothesis is rejected.

### **(ii) Comparison of Dimensions of Non-Financial Reasons of job dissatisfaction leading to Attrition across Gender**

The hypothesis seeks to test whether there is any significant variation in the responses of employees on non-financial reasons of job dissatisfaction leading to attrition across gender. To test this hypothesis, Independent Samples t-test has been used.

### **Table 4: Mean, Standard Deviation and Standard Error of Non-Financial Reasons Across Gender**

The table 4 shows the Mean Value and Standard Deviation obtained by male and female population on non-financial reasons.

The exhibit indicates that the female sample has the highest Mean Value of 3.06 on five point scale and Standard Deviation of 1.27. This is a clear indication that the female population ( $M=3.06$ ) has a positive responses about the non-financial reasons as compared to male population ( $M= 2.76$ ).

### **Table 5: 'F' value and Significance Value of Non-financial Reasons across Gender**

It is observed from the results of the Independent Samples t-test Table 5, that the 't' value is -2.144 and Significance value is .001, which is less than 0.05 (95 percent confidence interval), which indicates that there is differences in the mean value of male and female population on non-financial reasons.

Hence, the hypothesis that there is no significant variation in the mean value of Non-Financial reasons of attrition in star hotels at Delhi across gender, stands rejected and alternative hypothesis is accepted.

### **(iii) Comparison of dimensions of personal reasons of job dissatisfaction leading to job dissatisfaction leading to attrition across gender**

The hypothesis seeks to test whether there is any significant variation in the perception of employees on personal reasons of job dissatisfaction leading to attrition in star hotels at Delhi across gender. To test this hypothesis, Independent Samples t-test has been used.

### **Table 6: Mean, Standard Deviation and Standard Error of Personal Reasons across Gender**

In the Table 6, descriptive statistics is shown. This Table indicates the mean value and standard deviation obtained by male and female population on personal reasons.

This has been found from the Table 6 that the female sample has the highest mean value of 3.88 on five point scale and Standard Deviation of 1.44. This is a clear indication that the female population has a positive perception about the personal reasons leading to attrition as compared to male population.

This has also been seen from the above Table that the mean score of male sample is 1.61 and Standard Deviation of 1.13. This also means that they also hold a positive perception towards the personal reasons.

### **Table 7: 'F' Value and Significance Value of Personal Reasons across Gender**

Table 7 shows the results of Independent Samples t-test used to assess the differences in

the mean value of personal reasons of attrition in star hotels at Delhi across gender. The 't' value is -17.78 and Significance value is .000, which is less than 0.05 (95 percent confidence interval), which indicates that differences exist in the mean value of male and female population on personal reasons.

Hence, the hypothesis that there is no significant variation in the mean value of personal reasons of job dissatisfaction leading to attrition in star hotels at Delhi across gender stands rejected and alternative hypothesis is accepted.

### Conclusion

Gender has nothing to do with the difference of opinion as far as financial reasons of attrition are concerned. Both male and female population have the same opinion regarding the financial condition of job dissatisfaction. So there is no significant variation in the perception of employees about financial reasons of attrition across gender.

On the other hand, significant difference exists between non-financial and personal reasons of attrition across gender. This means there is difference of opinion among the employees towards financial condition of job dissatisfaction across gender.

62.83 per cent of the respondents in Delhi star hotel were Males. This research clearly points out that the female concentration in selected departments (front office, housekeeping) within the hotels is heavy. It was not surprising that female employees are likely to quit their job if they were dissatisfied with non-financial (mainly strict working hours and job insecurity) and personal reasons than their male counterparts. It was also observed that the respondents were predominantly male in all the hotels. This was expected as males typically outnumber females in almost all professions in world. Although a worse financial condition is the most potent factor for both the groups, the percentage of women workers is around 37.15%. Generally, women workers leave job after marriage to take up their house-hold duties because of irregular work hour's etc. However, data shows that "Family Obligations" is one of the top reasons given for exit. The medical reasons like health and pregnancy are other reasons for female to quit. This research emphasis that "Family Obligations" and issues around medical and health exert a considerable influence on attrition intention within the star hotels employees in general.

### Suggestions

**Right person for the right job at the right time:** The need of the organizations is a selection process that hires people whose skills sets and qualifications are consistent with the goal and mission of the organization.

**Exit interview:** Greater efforts need to be made by organizations to track the number of employees who quit and the reasons why it is happening in a hotel. This can be effectively done through exit interviews of the employees planning to leave.

**Designing a competitive compensation package:** There is a need of a systematic comparison of the compensation paid at star hotels with the market trends. An analysis should be done keeping in mind the kind and scope of work and the salary packages offered at star hotels and other organization. Midterm salary revisions and extraordinary pay-raises are among ways the industry should attempt to retain efficient employees.

**Learning Environment:** The seniors in all the divisions should try to create an environment of learning in their division/department.

**Career Graphs for employees:** It is recommended that the superiors of employees should take the responsibility to show his subordinate a career graph projecting his growth in the next two years.

**Inculcate Team Work:** All the employees need to trained and motivated to work as teams and not individuals. This can be done with the help of the division heads. They need to bring all the employees in the particular division together and show them the ultimate goal for which they all are working.

**Making employees accountable:** There should be fairness in the working of the company. If an individual has made a mistake he should be made accountable for it irrespective of his relations with the seniors. The HR can play a role here by bringing in rules of punishing the offenders.

**Employee engagement:** Organisations have to give its people the freedom to make their work exciting and also to give them an environment wherein they can say good-bye to a monotonous work life.

**Fun at work:** It is very important that the employees are given opportunities to have fun at work. For this, HR can organize gaming events between the various departments as well as within the various departments.

**Achieving a match between individual and organizational goals:** This can be done at the initial level while recruiting the employee only if his / her personal goals can be aligned to the organizational goals.

**Increasing organisational transparency:** There is a need for transparency in the working of the company. The employees should be given reasons and answers to the question which arise in to their minds.

**Helping employees acquire new skills:** Companies, desirous of retaining employees, should keep two-key aspects in mind. Training should be highly relevant and should sufficiently broad-base the employee's perspective and experience.

**Celebrations and Social and Cultural Networks:** The organization encourages some form of social networks, cultural programs, team celebrations. These can be done with very little investments by encouraging employees to have picnics, social gatherings, celebrations and festivals etc.

**Change of Styles through 360 Degree Feedback and Internal Customer satisfaction Surveys:** A 3600 feedback system can be implemented for the senior level managers and corrective actions can be taken to improve the problem areas. The supervisors must be prepared to be collaborative, supportive, and nurturing of their people.

**Periodic rewards or gifts for work done:** The employees should be motivated by appreciation from the senior level. His work can also be acknowledged by giving him/her a small token of appreciation for the work done.

**Measuring employee satisfaction:** Periodic employee satisfaction surveys can highlight the potential flash-points and enable the company to take corrective action.

**Stress Management:** HR can take measures to reduce this stress level and improve the efficiency. This can be done by organizing seminars on stress reduction, yoga, one day camps, picnics etc.

### Tables

**Table 1: Gender Profile at Major Operating Departments**

| <b>Department</b>                        | <b>Gender of the Respondents</b> |               | <b>Total</b> |
|--|----------------------------------|---------------|--------------|
|  | <b>Male</b>                      | <b>Female</b> |              |
| Management Team                          | 53                               | 22            | 75           |
| Front Office                             | 25                               | 48            | 73           |
| Food & Beverage (Production And Service) | 60                               | 20            | 80           |
| Housekeeping                             | 71                               | 37            | 108          |
| Accounts                                 | 53                               | 28            | 81           |
| <b>Total</b>                             | <b>262</b>                       | <b>155</b>    | <b>417</b>   |

**Table 2: Showing the Mean, Standard Deviation and Standard Error of Financial Reasons across Gender Group Statistics**

| <b>Financial reasons of attrition</b> |          |             |                       |                        |
|---------------------------------------|----------|-------------|-----------------------|------------------------|
| <b>Gender of the Respondent</b>       | <b>N</b> | <b>Mean</b> | <b>Std. Deviation</b> | <b>Std. Error Mean</b> |
| Male                                  | 262      | 2.9806      | 1.62462               | .10037                 |
| Female                                | 155      | 3.0823      | 1.57322               | .12636                 |

| <b>Independent Samples t-test</b>    |  |                                     |       |         |                    |                 |                       |
|--------------------------------------|--|-------------------------------------|-------|---------|--------------------|-----------------|-----------------------|
| <b>Personal reasons of attrition</b> |  |                                     |       |         |                    |                 |                       |
|                                      | <b>Levene's Test for Equality of variances</b> | <b>t-test for Equality of Means</b> |       |         |                    |                 |                       |
|                                      | F  | Sig.                                | T     | Df      | Sig.<br>(2-tailed) | Mean Difference | Std. Error Difference |
| Equal variances assumed              | 1.895  | .169                                | -.625 | 415     | .532               | -.10166         | .16271                |
| Equal variances not assumed          |  |                                     | -.630 | 331.709 | .529               | -.10166         | .16137                |

**Table 4: Mean, Standard Deviation and Standard Error of Non-Financial Reasons Across Gender**

| <b>Group Statistics</b>                   |     |        |                |                 |
|---|-----|--------|----------------|-----------------|
| <b>Non-Financial reasons of attrition</b> |     |        |                |                 |
| Gender of the Respondent                  | N   | Mean   | Std. Deviation | Std. Error Mean |
| Male                                      | 262 | 2.7630 | 1.46637        | .09059          |
| Female                                    | 155 | 3.0672 | 1.27991        | .10281          |

**Table 5: 'F' value and Significance Value of Non-financial Reasons across Gender**

| <b>Independent Samples t-test</b>    |  |                                     |        |         |                    |                 |                       |
|--------------------------------------|--|-------------------------------------|--------|---------|--------------------|-----------------|-----------------------|
| <b>Personal reasons of attrition</b> |  |                                     |        |         |                    |                 |                       |
|                                      | <b>Levene's Test for Equality of variances</b> | <b>t-test for Equality of Means</b> |        |         |                    |                 |                       |
|                                      | F  | Sig.                                | T      | Df      | Sig.<br>(2-tailed) | Mean Difference | Std. Error Difference |
| Equal variances not assumed          | 12.199   | .001                                | -2.144 | 415     | .033               | -.30416         | .14187                |
| Equal variances not assumed          |  |                                     | -2.220 | 358.486 | .027               | -.30416         | .13703                |

**Table 6: Mean, Standard Deviation and Standard Error of Personal Reasons across Gender**

| <b>Group Statistics</b>              |          |             |                       |                        |
|--------------------------------------|----------|-------------|-----------------------|------------------------|
| <b>Personal reasons of attrition</b> |          |             |                       |                        |
| <b>Gender of the Respondent</b>      | <b>N</b> | <b>Mean</b> | <b>Std. Deviation</b> | <b>Std. Error Mean</b> |
| Male                                 | 262      | 1.6145      | 1.13256               | .06997                 |
| Female                               | 155      | 3.8800      | 1.44377               | .11597                 |

**Table 7: 'F' Value and Significance Value of Personal Reasons across Gender**

| <b>Independent Samples t-test</b>    |  |                                     |             |          |           |                        |                        |
|--------------------------------------|--|-------------------------------------|-------------|----------|-----------|------------------------|------------------------|
| <b>Personal reasons of attrition</b> |  |                                     |             |          |           |                        |                        |
|                                      | <b>Levene's Test for Equality of variances</b> | <b>t-test for Equality of Means</b> |             |          |           |                        |                        |
|                                      |  | <b>F</b>                            | <b>Sig.</b> | <b>T</b> | <b>Df</b> | <b>Sig. (2-tailed)</b> | <b>Mean Difference</b> |
| Equal variances assumed              | 21.293   | .000                                | -17.785     | 415      | .000      | -2.26550               | .12738                 |
| Equal variances not assumed          |  |                                     | -16.727     | 265.755  | .000      | -2.26550               | .13544                 |

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# Role of FDI: A Study on India's Hotel and Tourism Industry

**Nidhi Bajaj & Prof. Renu Jatana**

## ABSTRACT

In last few decades Foreign Direct Investment has been one of the key instruments of attracting International Economic Integration. Foreign Direct Investment is very significant for the development of the nation. It is very much fundamental in the case of underdeveloped and developing countries. FDI into India has been magnifying on a wide scale since 1997. FDI plays a vital role in the economic development of any of the countries in the world. FDI (Foreign Direct Investment) is defined as foreign investors stirring their assets into another country where they have control over the management of assets and profits (Graham & Spaulding).

In addition, acquaintance to international market is one of the features of FDI. The impact of FDI depends on many conditions along with well developed and implemented policies to attain and optimize their goals. The determinants of FDI are very important for any emerging economy like India.

Tourism is also one of the important sector in India for revenue generation in foreign exchange. Hotel industry is inextricably linked to the tourism industry and the growth in the Indian tourism industry has fuelled the growth of Indian Hotel Industry. This paper explores the FDI influx and its impact on Indian Hotel and Tourism sector along with some new Investment and suggestions. In accretion, a study on FDI inflow in hotel and tourism sector during 2010-11 to 2015-16 has been carried out in the above sector of India.

## Introduction

With the initiation of Globalization in 1991 and thereafter, there has been huge flow of Foreign Direct Investment (FDI) into India. Foreign direct investment (FDI) is a source of economic development, modernization and employment generation and has liberalized regimes to attract investment. It also enables developing countries to secure technology, managerial and business expertise not prevalent in these countries.

FDI has become a primal constituent for the emergence of an economy into an advanced nation. It is being reasoned as a pre-requisite for the financial growth of an economy because of the benefits it oblates towards nation's prosperity, like strengthening of domestic capital inflow, efficiency in production activities due to application of imported modern technology and employment. Developing countries are faced intense competition to attract to bait foreign investors by way of granting tax concessions, way of granting tax concessions,

repatriation benefits and other impetus giving measures to boost FDI in their respective country.

Tourism industry in India has made a impressive presence in current growing scenario of Indian economy. The country has a promising potential to emerge as a global sightseer terminus and India is very much in position to tap the unexplored potency in hotel and tourism industry of India.

Tourism industry is one of the major contributors of foreign exchange earning in India. Tourism in India is a key growth driver and a significant source of foreign exchange earnings. In India, the sector's direct contribution to gross domestic product (GDP) is expected to grow at 7.8 per cent per annum during the period 2013-2023. Diverse factors can be accredited towards the escalating of Indian tourism like India's recognition as a flourishing IT hub which has prompted the inflow of tourist for commercial enterprise.

The Hospitality industry is the third-largest foreign exchange earner, accounting for 6.23% of India's GDP

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and 8.78% of India's total employment, according to a report by the Planning Commission. The World Travel & Tourism Council (WTTC), which says India's travel and tourism sector is expected to be the second-largest employer in the world, employing 40,37,000 people, directly or indirectly, by 2019.

The term Hotel includes restaurants, beach resorts, and other tourist complexes providing accommodation and food facilities to tourist. Tourism related industry includes travel agencies, tour operating agencies, and tourist transport operating agencies. These units providing facilities for cultural knowledge, adventure and wild life experience to tourists along with their entertainment, amusement, sports, and health.

The most prominent feature of Travel and Tourism Industry is that it has witnessed considerable involvement of government. In order to promote faster momentum to industry statute of 100% FDI has been provided to lure investors into this industry. Due to immense potential in this segment global hoteliers like Hilton, Marriot International, Accor, Inter Continental Hotel Group, Berggruen Hotel, Cabana Hotels, Premire Travel Inn(PTI) and Hampshire etc., had already announced their plan for prospective investment in the growing sector in India.

### Literature Review

It is boom time for India's Tourism and Hospitality sector. Driven by a surge in business traveller arrivals and a soaring interest in the country, India has emerged as a leading tourist destination. The world's leading travel and tourism journal, "Conde Nast Traveller", ranked India amongst top 4 preferred holiday destinations in the world. Economic liberalisation has given a new impetus to the hospitality industry. Many foreign companies have already tied up with prominent Indian companies for setting up new hotels, motels and holiday resorts. The entry of McDonalds, Pepsico's, Kentucky Fried chicken, Domino's and Pizza Hut have given it an edge. The reviews are:

1. **Naik, Jangir (2013)** Realizing the tremendous social benefits occurring due to tourism, government policies in progressive and enlightened nations encourage travel, particularly domestic. Travel as a mean of acquainting the citizens with other as a mean of acquainting the citizens with other parts of their country and creating appreciation for these.
2. **Patel (2012)** defined that Tourism has now

become a significant industry in India. India is also become a major hub for medical tourism, with revenues from the industry estimated to grow from US\$ 333 million in 2007 to US\$ 2.2 billion by 2012.

3. **Aggarwal, Singla and Aggarwal, (2012)** identified that Foreign technology induction can be encouraged through FDI and through foreign technology collaboration agreements. The sectors which have resources but do not have the required technology acquire foreign technology collaboration through RBI or Government approvals. The total number of approvals recorded for the period of 2000 to 2010 by the RBI, SIA and FIPB is 8080.
4. **Mukherjee (2011)** in his paper defined that FDI flows to India picked up in the 1990s, after the economic reforms and liberalization of the FDI policies. As per the IMF's Global Financial Stability Report, April 2012, India has emerged as one of the major recipients of FDI flows among the emerging market economies in the last few years.
5. **Rai (2008)** defined that Tourism sector has significant potential and the opportunity in West Bengal is immense. It is focused on hospitality aligns with the state government is vision to position Bengal as a gateway of the East.
6. **Dua (2007)** identified the situation (in the Hotel sector) is fast changing and major foreign hotel chains such as Shangri-La, Accor, Marriot, Inter-Globe, and Indo-Asia Tours have major projects in hand in India and the industry certainly has a very bright prospect.
7. **Soni (2006)** identified that it would be encourage that FDI in public- private projects in the Tourism sector helps to develop infrastructure out of abandoned tea state i.e. kolkata.
8. **Nagaraj (2002)** clarified that FDI inflow in India because of availability of skilled workforce, availability of labour at low cost, and the size of domestic market which it should leverage as most successful countries.
9. **Sachs and Bajpai (2001)** identified that it is widely believed that India has not done enough of policy reforms to attract substantially more foreign investment. Moreover, it is not the financial incentives but the lack of adequate infrastructure, bureaucratic delays and above

all, the rigid industrial labour laws that have come in the way of attracting more investment international glitz to the hospitality industry in India.

### The Objective of the Study

The primary objective of the study is to analyse the influx of FDI in Indian Service sector and Hotel & Tourism Industry from 2010-11 to 2015-16.

### Methodology

**The Design:** The present study is an exploratory research by means of secondary data analysis in which an attempt has been made to identified the %age growth and contribution of FDI in Hotel & Tourism Industry and Total FDI in India between 2010 to 2016.

**The Sample:** The sample of the study is constituted Total FDI Inflow in India and FDI in Hotel & Tourism Industry in India.

**Tools for Data Collection:** The secondary data for this study were collected from the updated and authentic websites of Govt. of India, Journals, tourism Magazine, Published articles and Published Paper. The collateral data were cross checked either with website related to Hotel & Tourism or with available published literature.

### Results and Discussion:

TABLE -1

Total FDI Inflow in India from 2010-11 to 2015-16  
in Million

| Year<br>April to<br>March | Total FDI<br>Inflow<br>(USD) | %age<br>growth of<br>Total FDI |
|---------------------------|------------------------------|--------------------------------|
| 2010-2011                 | 34,847                       |                                |
| 2011-2012                 | 46,556                       | 33.60                          |
| 2012-2013                 | 34,298                       | -26.33                         |
| 2013-2014                 | 36,396                       | 6.12                           |
| 2014-2015                 | 45,148                       | 24.04                          |
| 2015-2016                 | 55,457                       | 22.83                          |

(Sources: Dept. of Industrial policy and promotion, GOI and RBI annual publication)

### Interpretation:

Table 1 shows the amount of FDI inflow from 2010 to 2016. It shows the amount in USD. The highest inflow of FDI is in the year 2015-2016 where as lowest inflow of FDI is in the year 2012-2013.

Chart 1 : Year Wise Total FDI Inflow

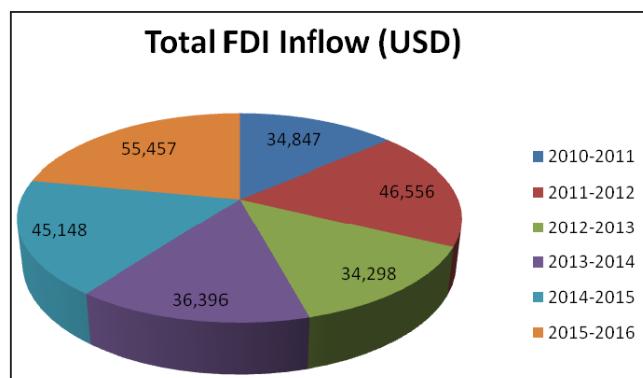


Chart 2 : %Growth in Total FDI Inflow

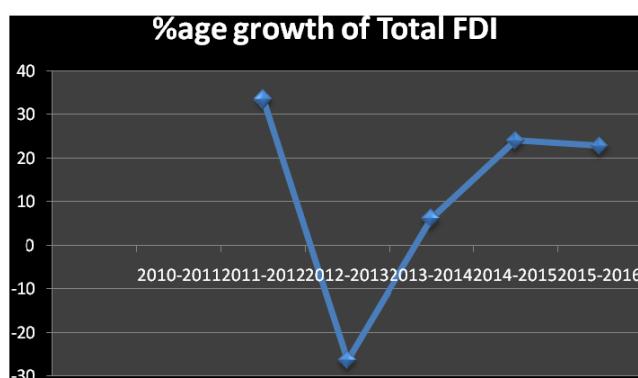


TABLE-2

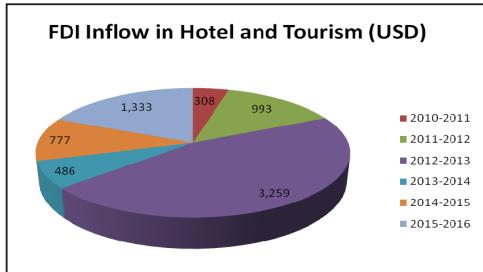
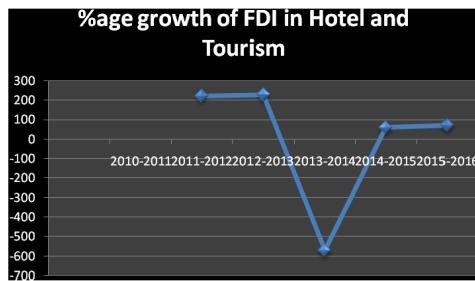
Total FDI Inflow in Hotel & Tourism in India from 2010-11 to 2015-16

| Years<br>(April to<br>March) | FDI Inflow<br>in Hotel<br>and Tourism<br>(USD) | %age<br>growth of FDI<br>in Hotel and<br>Tourism |
|------------------------------|--|--|
| 2010-2011                    | 308  |  |
| 2011-2012                    | 993  | 222.40   |
| 2012-2013                    | 3,259  | 228.19   |
| 2013-2014                    | 486  | -570.57  |
| 2014-2015                    | 777  | 59.87  |
| 2015-2016                    | 1,333  | 71.55  |

(Sources: Dept. of Industrial policy and promotion, GOI and RBI annual publication)

**Interpretation:**

Table 2 shows the amount of FDI inflow in Hotel and Tourism Industry from 2010 to 2016. It shows the amount in USD. The highest inflow of FDI is in the year 2012-2013 where as lowest inflow of FDI is in the year 2010-2011.

**Chart 3 Year Wise FDI Inflow in Hotel and Tourism****Chart 4 : %age growth of FDI Inflow in Hotel and Tourism**

**TABLE-3**  
Growth of FDI in Hotel & Tourism sector from 2010-11 to 2015-16

in Million

| Years<br>(April to<br>March) | Total FDI<br>Inflow | %age growth<br>of Total FDI | FDI Inflow in<br>Hotel and<br>Tourism | %age growth<br>of FDI in Hotel<br>and Tourism | %age<br>contribution of<br>Hotel & Tourism<br>in Total FDI<br>Inflow |
|------------------------------|---------------------|-----------------------------|---------------------------------------|---|--|
| 2010-2011                    | 34,847              | -                           | 308                                   |   | 0.88   |
| 2011-2012                    | 46,556              | 33.60                       | 993                                   | 222.40  | 2.13   |
| 2012-2013                    | 34,298              | -26.33                      | 3,259                                 | 228.19  | 9.50   |
| 2013-2014                    | 36,396              | 6.12                        | 486                                   | -570.57                                       | 1.33   |
| 2014-2015                    | 45,148              | 24.04                       | 777                                   | 59.87   | 1.72   |
| 2015-2016                    | 55,457              | 22.83                       | 1,333                                 | 71.55   | 2.40   |

(Sources: RBI Dept. of Industrial policy and promotion, RBI annual publication and Authors calculation)

**Interpretation:**

Table 3 shows the amount of Total FDI inflow and amount of FDI inflow in Hotel and Tourism Industry from 2010 to 2014. It also shows the contribution of FDI Inflow in Hotel and Tourism Industry in Total FDI inflow. It shows the amount in USD. It also shows that in 2015-2016 highest FDI inflow in India but the FDI in Hotel and Tourism sector is not highest, where as in 2012 -13 the FDI inflow is lowest from 2010-2016 where as the amount of FDI in Hotel and Tourism was Highest in this duration.

**Chart 5: %age contribution of Hotel & Tourism Industry in Total FDI Inflow**

### **Impact of FDI in Hotel and Tourism Industry**

Tourism sector encompasses tremendous potential for Indian economic system. It can endow inducement to diverse industries through forward and backward linkages and can yield enormous receipts for the country. Tourism is not only viewed as recreation but as a marked fountain head of profession. Tourism occupies 3<sup>rd</sup> position in the Net Foreign Exchange earnings of the country and is one of the domains which has largest work force.

The tourism and hospitality sector is among the top 15 sectors in India to attract the highest Foreign Direct Investment (FDI). During the period April 2000-September 2015, the hotel and tourism sector attracted around US\$ 8.48 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP). Foreign Exchange Earnings (FEEs) from tourism during January-November 2015 were Rs 1,12,958 crore (US\$ 16.94 billion), registering a growth of 1 per cent over same period last year.

According to the Tourism Satellite Accounting (TSA) research, released by the World Travel and Tourism Council (WTTC), the demand for travel and tourism in India is expected to grow by 8.2 % between 2010 and 2019. This will place India at the third position in the world. India's travel and tourism sector is expected to be the second largest employer in the world. Capital investment in India's travel and tourism sector is expected to grow at 8.8 % between 2010 and 2019.

India is evaluated among five tourist hot-spots in the world (Lonely Planet). Holiday makers accession are anticipated to burgeon to 10 million by 2010-12 and the indigenous touristy is predicted to increase by 15 % to 20 % during the subsequent five years according to ministry of commerce.

The relaxation of FDI norms in real estate development will have a very positive impact for the hospitality industry. International real- estate majors have been keen to venture into the Indian market especially in development of hotel projects. Hotel consultancy companies such as Knight Frank India, Deloitte Touche Tohmatsu, Morgan Stanley, KPMG, Horwaths Consultancy India, Mahajan and Aibara envisage that the new 100 per cent allowance of FDI in construction-development projects will lead to increase in FDI in the Hotel and Tourism sector. Many international constructions now venture into the Indian market to develop hotel projects.

Though 100 per cent Foreign Direct Investment (FDI) has been allowed in hotels, the true picture is surprisingly bleak. Of the ten sectors in which FDI is permitted, hospitality and tourism rank last. In 2001, after much politicking, the Centre increased the allowance of FDI in hotels from 74 per cent to 100 per cent through the automatic route. But the inflow has been negligible.

The tourism sector in India is flourishing due to an increase in foreign tourist arrivals (FTA) and a larger number of Indians travelling to domestic destinations. According to statistics available with the World Travel and Tourism Council (WTTC), revenues gained from domestic tourism rose by 5.1 per cent in 2013 and is expected to increase by 8.2 per cent this year. Hotels are also an extremely important component of the tourism industry. The Indian hospitality sector has been growing at a cumulative annual growth rate of 14 per cent every year, adding significant amount of foreign exchange to the economy.

### **Reasons for Low FDI inflow in India**

The prime causes and reasons for low FDI across different sectors including hotels and tourism. These include:

#### **1. India's Image, Attitude and Government Role :**

When any foreign investors want any new investment decision, they have to go through four stages in the decision making process and action cycle, namely, screening, planning, implementing and operating/expanding for their entire projects.

There were too many inconsistencies on the government side also and it is affecting the direct inflow of FDI in India such as mismanagement and oppression by the different company, which affect the image of the country and also deject the prospective investor, who are very much conscious about security and wants their constant return on investment.

#### **2. Decision Making by Higher Authorities:**

The reform process of liberalizing the economy is concentrated mainly in the Centre and the State Governments are not given much power. In most of the infrastructure areas, the central government remains in control. Brazil, China, and Russia are examples where regional governments also take the lead in pushing reforms and advising further actions by themselves..

### **3. Financial crunch in world economy**

The foremost that could be cited as one of the reason for downfall in FDI in hotel and tourism industry is the financial crunch sometimes which affects the flow of FDI.

### **4. Require Quality Infrastructure Facility:**

It is one of the major hurdles for FDI inflows into India. The poor infrastructure discourages foreign investors in investing in India. Inadequate and poor quality roads, railroads and airports are other major reasons for low FDI in the hospitality sector. India's biggest infrastructure problem is the proper supply of electricity in every area. Power cuts are considered as a common major problem and because of this reason many industries are forced to close their business.

### **5. Corruption:**

Corruption is found in nearly in every public service. Vittal (2001) stated that corruption and misuse of public office for private gain are capable of paralyzing a country's development and diverting its precious resources from public needs of the entire nation. It is in defense, hospitality, insurance, healthcare services, education and in distribution of subsidized food to the poor people also. If corruption levels in India come down to those of Scandinavian countries, India's GDP growth will increase by 1.5 per cent and FDI will grow by 12 per cent

### **6. Less number of Export Processing Zones (EPZs):**

India's export processing zones have lacked drive because of several reasons, such as very limited in numbers; the Government's general focus about attracting FDI; the unclear and changing incentive packages attached to the export zones. India established its first Export Processing Zone (EPZ) in 1965 but has failed to develop the zones in a proper phase when compared to China which established export processing zone after India that is in 1980.

### **Suggestions: To Increase the Flow of FDI in the Country**

- 1. Ecological difference of FDI should be removed:** Many states are making serious efforts to simplify regulations for setting up and operating the industrial units for attracting more FDI. However, efforts by many state governments are still not encouraging. Even the state like West Bengal which was once

called Manchester of India attracts only 1.2% of FDI inflow in the country. Bounty natural resources in West Bengal, Bihar, Jharkhand, Chhattisgarh with rich minerals but due to lack of proper initiatives and proper functioning by governments of these states, they fail to attract FDI. The issues of geographical disparities of FDI in India need to resolve on priority basis.

- 2. Restructure the limits:** It is time to repeat issues pertaining to limits in sectors such as coal mining, insurance, real estate, and retail trade, apart from the micro scale, small-scale and medium scale sector (means MEMEs). Government should allow more investment into the country under automatic route. Bringing more sectors under the automatic route, increasing the FDI cap and simplifying the procedural delays has to be initiated. Need to improve SEZs, EPZs, 100% EOUs in terms of their size, proper road and port connectivity, assured power supply and decentralized decision-making helps to generate more FDI in the countries. Rising per capita income resulted into emergence of a huge populace diverted toward consumerism in India which has led to the investment in this particular bracket.

- 3. Proper Labour Laws Required:** In India the manufacturing sector can also grow if infrastructure facilities are improved and labour reforms take place. The country should take initiatives to adopt more flexible labour law as China gets maximum FDI in the manufacturing sector, which has helped the country to become the manufacturing hub of the world. Various countries throughout the world have a predomination regarding the shortfall of working population in posterity. Keeping this in view India is likely to have a sure shot advantage in this reference with having the largest (working) active citizenry. Investors having a wider aspect keeping this factor in mind before investing in this human driven sector.

- 4. Education Sector should be well developed:** India has a huge pool of working population along with Cost efficient and competent professional, World class scientific, technical and managerial expertise. However, due to poor quality primary education and higher education, there is still an acute shortage of talent. FDI in Education Sector must be encouraged for growth of India. However, appropriate measure must be taken to ensure quality education. The issues of commercialization

of education, regional gap and structural gap have to be addressed on priority.

5. **Promote Greenfield Projects:** India's volume of FDI has increased largely due to Merger and Acquisitions (M&As) rather than large Greenfields projects. M&As not necessarily imply infusion of new capital into a country if it is through reinvested earnings. Business friendly environment must be created on priority to attract large Greenfields projects. Regulations should be simplified so that realization ratio is improved (Percentage of FDI approvals to actual flows). To maximize the benefits of FDI persistently, India should also focus on developing human capital and technology.
6. **Focus on Research and Development:** India should consciously work towards attracting greater FDI into R&D as a means of strengthening the country's technological prowess and competitiveness.

#### Some important Investments in Hotel and Tourism industry are as:

- Fairfax-owned Thomas Cook has acquired Swiss tour operator Kuoni Group's business in India in order to scale up inbound tour business.
- US-based Vantage Hospitality Group has signed a franchise agreement with India-based Miraya Hotel Management to establish its mid-market brands in the country.
- Thai firm Onyx Hospitality and Kingsbridge India hotel asset management firm have set up a joint venture (JV) to open seven hotels in the country by 2018 for which the JV will raise US\$ 100 million.
- ITC is planning to invest about Rs 9,000 crore (US\$ 1.35 billion) in the next three to four years to expand its hotel portfolio to 150 hotels. ITC will launch five other hotels - in Mahabalipuram, Kolkata, Ahmedabad, Hyderabad and Colombo - by 2018.
- Goldman Sachs, New-York based multinational investment banking fund, has invested Rs 255 crore (US\$ 38.3 million) in Vatika Hotels.
- Japanese conglomerate SoftBank will lead the Rs 630 crore (US\$ 94.5 million) funding round in Gurgaon based OYO Rooms.
- Lemon Tree Hotels plans to invest Rs 1,000 crore (US\$ 166.35 million) to ramp up room capacity from 2,800 to 8,000 across the country by the end of 2017. "Our ramp-up will include rooms

in our upscale brand Lemon Tree Premier, mid-scale brand Lemon Tree Hotels and economy brand Red Fox.

- Movenpick Hotels and Resorts has signed a management agreement to operate a new hotel in Kochi, its third property in India. The hotel will be owned by ITMA Hotels India Pvt Ltd, an associate company of Jomer Properties and Investments.

#### Initiatives taken by Government

The Ministry has also launched a campaign 'Clean India' to sensitise all sections of the society on the importance of cleanliness and hygiene in public places, particularly monuments and tourist destinations. The campaign is a blend of persuasion, education, training, demonstration and sensitisation of all sections of the society.

The Ministry of Tourism has been making efforts to develop quality tourism infrastructure at tourist destinations and circuits in the country. It has sanctioned Rs 4,090.31 crore (US\$ 680.52 million) for a total number of 1,226 tourism projects, which includes projects related to Product/Infrastructure Development for Destination and Circuits (PIDDC), Human Resource Development (HRD), Fairs and Festivals, and Adventure and Rural Tourism for infrastructure augmentation.

#### Conclusion

FDI is very much looked-for by developed as well as developing countries. The reason behind mounting inflow of FDI may differ from considering it as key driver of economic growth to accepting it as magic potion of all tribulations. FDI in India has marked its existence felt since 1997 and has been on the means of advancement. Its core intent is augmenting country's economy by endowing foreign investors with investment means, inflow of sophisticated technology in host country, developing managerial and business skill along with generation of employment.

This paper studies FDI in India's Hotel and Tourism sector in accumulation to its impact on Indian economy, investment in this industry and government initiation. It also brings into light variety of *raison d'être* for the penchant of FDI in Hotel and Tourism Industry. Service sector is key factor to India's advancement future prospects. This makes it particularly a lucrative and promising sector to foreign countries for investment. Various countries are capitalizing to a large extent but more need to be done to attract foreign investors.

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# **Importance and Adoption of Organisational Culture Practices in Hotels of Delhi**

**Sandeep Walia & Himanshu Malik**

## **ABSTRACT**

Hotel industry is one of the most rapidly growing industries in India. Keeping in mind the increasing competition the hotel managers are working hard on their strategies and improvisation of services to maintain the competitive edge. Being one of the largest industries in the country Hotel industry also employees' large number of human resources. Hotel industry is a service industry as most of the facilities provided by the hotel are required to be supported by touch of personalized service, which is done by the employees. Directly or indirectly the performance of a hotel organisation depends upon the human resources. Here comes the existence of organisational behaviour as an area of study under the subject of Human Resource Management. The study of organisational behaviour relates to the expected behaviour of individual, group or both within an organisation. The attitude and behaviour of hotel staff (individual, group or both) towards other in the organisation becomes a key factor for the performance of the hotel organisation. The behaviour of the hotel employees is further related to the existing work culture also known as organisational culture of the hotel organisation. The present study is focused on hotel industry in Delhi in order to identify the gap between importance and adoption of organisational culture practices.

**Keywords:** *Organisational Culture; Hotel Industry; Delhi; Importance; Adoption.*

## **Introduction**

The Indian travel and tourism industry has contributed 7,580.9 billion US dollars or 9.8 % to the global GDP in the year 2014 and is expected to grow by 3.7% to 7,863.5 billion, 9.9 % of global GDP in 2015 (WTTC, 2015). According to Ministry of Tourism (2015) in the annual report states that FTAs in India in 2014 were 7.70 million compared to 6.96 million in 2013 showing a growth of 10.6 % which is much higher than 4.7 percent the global figure. Further the estimates indicate that the foreign exchange earnings (FEE) had a growth of 11.5 percent from 2010, 12 billion dollars. Total hotel room supply in India till 2011 is 1, 63,038 rooms and the country would need additional 1, 88,500 hotel rooms by 2021 (HVS, 2012). In another survey (HVS, 2014) it was found that the growth of hotel room supply in 2010-14 was nearly 17.8 percent while the demand grew by 17.6 percent during same period. The countrywide supply and occupancy recorded a growth of 1.1 per-

cent compared to 2012/13. Potential and strength of Indian hotel industry is visible through the fact that even there was double digit growth in supply the occupancy growth matched up to it. As a result of hotels focusing more on improving occupancies, average rates witnessed a slight drop (1.4 percent) compared to the previous year. The study also expects the number of hotel rooms in India to increase by 102,438 by 2015-16. Globally in terms of travel and tourism's total contribution to GDP, South Asia particularly India followed by Middle East were the fastest growing regions.

## **Hotel Industry in Delhi**

The main focus of the hotel market in Delhi for the year 2013-14 was on the hotels of Delhi Aero city (DA). With four hotels having started operations in this period, the impact has been optimistic. There was a 2.2 percent growth recorded for occupancy during 2013/14 over 2012-13. The cessation of the General Elections and its absolute aftereffect is about

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assertive to accept an absolute positivity for Delhi, which will now allure added travelling to the city-limits and conceivably see added adept movements. Furthermore, the new ETA Visa arrangements for tourists will as well acceptable augur able-bodied for hotels in the city-limits (HVS, 2014).

Delhi's supply for branded hotel rooms has developed at a CAGR of 10percent over the endure five years of which 42percent is advance beyond the budget, midmarket and economy class of hotels. The city now gives a solid blend of high and low situating branded rooms - a much-needed development from earlier years where Delhi was ruled by upscale and extravagance items. This, be that as it may, has prompted bringing down of business sector wide normal rates with 2013/14 seeing a 6 percent drop over the earlier year room night demand growth, but now it has started on being solid, developing by a CAGR of 8 percent in the course of the most recent five years. Future supply for the city is evaluated to be around 5,300 lodging rooms of which 71 percent is by and large effectively created. A huge bit of this new supply is packed in DA and is foreseen to initiate operations throughout the following two years. Along these lines, figure inhabitance and rate weights in the fleeting as these new inns enter the business sector; whereas medium-to-long haul view for Delhi everywhere stays positive (HVS, 2014).

### Need of the Study

It is a general ongoing application practiced by Managers in hotels to modify organisational structure, utilize motivational theories, use varied leadership styles to facilitate positive working environment which will lead to the formation of strong organisational culture, employee satisfaction and organisational performance and growth. Due to scientific advancement managing human resources is more challenging. It has been identified that every individual (employees) wants to live a well-balanced life, which consist moving towards next higher level life style. The social obligations have multiplied; individuals look for increased purchasing power. The individuals (employees) expect all their wishes to be fulfilled by their employment. This situation has led to designing an appropriate organisational culture and environment of managing human behaviour in varying conditions. There is no specific study for this purpose in the hotel industry. There are however standard studies of organisational culture that can be utilized for the purpose depending upon the situation and applied in work settings. But it is important to see how organisational culture can help

a hotel organisation to fulfill employee satisfaction and at the same time increase the organisational performance. The problem in the research topic is analyzed as the impact of organisational culture on organisational performance in hotel industry. This industry is one of the few industries in the world that has to depend upon human resources for its full functionality. The performance of the human resource leads to the organisational performance. The organisational culture of the hotel organisation has an effect on the working of human resource. Thus, as part of this process, hotels are now focusing on continuous cycles of learning to capitalize on their organisational capabilities in achieving a sustained superior performance-both guest satisfaction and profitability. Recognizing these very facts the present study has been undertaken on the topic entitled **Importance and Adoption of Organisational Culture Practices in Hotels of Delhi.**

### Review of Literature

In the present study organizational culture has been recognized as the principle variable. To mean organisational culture, assorted authorities used various terms. Likewise, there are various implications of organisational culture. Various researchers' portrayed that organisational culture to some extent affects people, more significantly their quality and style of the relationship. (Kilman et al; 1986), and the way things are done in the associations (Deal and Kennedy, 1982). Now and again, authoritative society is additionally known as "corporate culture". "Corporate Culture" is the more used name for hierarchical society (Deal and Kennedy, 1982). Abu et al,(2010) gets the importance of Hofstede (1980). As demonstrated by Hofstede (1980), organisational culture implies the total programming of the mind that perceives the people from one relationship from another. This consolidates bestowed feelings, values and practice that perceive one organisation from another. The begin of insightful writing in organisational culture started with Petigrew (1979). Social researchers have identified the concept of organisational culture as a viewpoint in theory of organisation over decades. The current studies on organisational culture are routed from different bases namely national cultures, human resource management, climate research and conviction approaches which highlight the coherent and basic nature of the organisation to be incapable to offer a full justification of organisational behaviour. Deal and Kennedy (1982) presented this view that organisational culture is central to an organisation when

compared to other factors like structure, strategy or politics, which shifted the attention from national culture to organisational culture. The general definition of organisational culture is "a system of shared meaning held by members, distinguishing the organisation from other organisations". A significant part of the importance of organisational culture was all around communicated, in 1983, by a steelworker, who said "moreover, this is how we do things are around here". The standards of any organisation, in terms of culture, unequivocally influence all who are included in the association. Those standards are practically imperceptible, yet in the event that we would like to enhance execution and gainfulness, standards are one of the first places to investigate (Stewart, 2010). The advancement of Organisational culture is a characteristic socio dynamic process, which happen to pay little heed to the aim of official authority, in spite of the fact that it might be affected by administration (Schein, 1985). While associations may build up a moderately consistent culture (Peters & Waterman, 1982), novel and disparate sub-cultures may advance for discrete divisions or sub-cultures inside the association (Gregory, 1983). Sub-cultures have a tendency to grow in extensive associations to reflect basic issues, circumstances, or encounter that individuals face. Characterized by departmental assignments and topographical partition sub-cultures will incorporate the center qualities in addition to extra values novel to individuals from the subculture. The center qualities are basically held however altered to mirror the subculture. Sociologists examine how particular social orders are composites of cooperating subcultures as opposed to a solitary all-encompassing culture. Associations comprise of subgroups that have particular qualities and a feeling of recognizable proof. Inside associations, individuals can undoubtedly group themselves as well as other people into different social classifications or gatherings in view of recognizable proof with their essential work bunch, word related on the other hand proficient aptitudes, union participation, or age accomplice (Ouchi, 1960, and Ashford and Mael, 1989). Various investigations of organisational culture have highlighted that the arrangement and maintenance of culture requires interpersonal cooperation inside subgroups. For instance, examination drove by Louis et al, (1983) exhibited the advantages of subgroup association to newcomers "taking in the ropes" of the employments. Overview respondents in their first occupation experience reported that the three most vital socialization helps were: dealing with associ-

ates, dealing with their chief, dealing with senior colleagues. Robbins (1998) suggests that a strong culture is stable, internally, is broadly imparted, and clarifies what it expects and how it wishes individuals to carry on. Kilmann et al (1986) demonstrate that solid cultures as those where association individuals spot weight on different individuals to stick to standards. Kaufman (2002) bidding that an absolute organisational culture strengthens the centermost aesthetics and practices that an avant-garde wishes while debilitating the qualities and activities the avant-garde rejects. Peters and Waterman (1982), shows that an abrogating ability gets to be lethal, harming the activity of the organisation and arresting any approaching abeyant for development. Clearly, there is an assured arch abutting organisational culture and the akin of accomplishment it appreciates. Strong culture is said to abide area agents acknowledge to blow due to their adjustment to organisational culture. Alternately, there is Weak culture area there is little adjustment with organisational ethics and ascendancy accept to be formed out through ample techniques and organisation. Byrne (2001) demonstrates that a able ability will administer added appulse on workers than an aged one. In the accident that the ability is solid and backings top moral measures, it cares to accept an able what's more, absolute appulse on artisan conduct.

### **Research Methodology**

The present research uses an empirical research design to complete the research which is based on first hand data collected and analyzed by the researcher in order to achieve the research objectives.

### **Objectives of the study**

The present research is based on following objectives

- To identify the relationship between importance of organisational culture practices and the adoption of organisational culture practices.
- To suggest measures to improve organisational culture vis-à-vis organisational performance.

### **Sample Size**

The present study is restricted to the hotels of Delhi. A total of 150 registered and approved hotels by Government of India were selected for the study, using convenient sampling method. The sample constituted of 75 individual and 75 chain hotels out of which 90 (60percent) hotels ranged from 1star to 3 star categories while 60 (40percent) hotels were 4

star to 5 star range. The respondents were restricted to General Managers and HR managers of the hotel unit to ensure the quality and authenticity of data collected.

### **Primary Data**

Data were collected using self-administered questionnaire developed by researcher after a detailed review of literature and after consulting industry experts. The questionnaire was developed to evaluate the demographic profile and existing organisational culture of the selected hotel units.

### **Secondary data**

The secondary data was collected after a in depth analysis of relevant published data from books on HRM, Hospitality Industry, Organisationalbehaviour and Organisational Culture; internet sources and journals like, International Journal of Contemporary Hospitality Management, International Journal of Hospitality Management, Cornell Hotel and Restaurant Administration Quarterly, International Journal of Human Resource Management, Human Resource Management Journal, Academy o f Management Review, Management Review, Journal of Management Issues, Journal of Applied Psychology, Industrial and Labor Relations Review etc.; Government reports; Ph. D. Thesis and other reports.

### **Methods of data collection**

The data was collected by personal visits and through emails. Convenient sampling method was used to collect data from the sample. The questionnaires were administered to HR Managers\General Managers of various hotel organisations. Out of 150 respondents only 120 (80percent) respondents provided their opinion. The collected data were evaluated using application SPSS 20. The check the internal consistency and reliability of questionnaire Cronbach  $\alpha$  was used. The coefficient  $\alpha$  was calculated to be more than 0.80.

### **Methods and Tools of Analysis**

Data were analyzed by using SPSS (version 20). Factor analysis was done to condense 40 organisational culture variables into 6 composite factors. Descriptive statistics percentage analysis, mean, standard deviation and ranking were used.

### **Data Analysis and Interpretation**

The data collected for the purpose of this study has been analysed with the help of different statistical techniques the interpretation and results are presented here.

Table 1:Distribution of sample as per demographic characteristics

| <b>Profile of Hotels</b> |                  | <b>Frequency<br/>(valid<br/>percentage)</b> |
|--------------------------|------------------|---|
| Type of hotel            | Individual       | 66 (55)                                     |
|                          | Chain            | 54 (45)                                     |
|                          | Total            | 120 (100)                                   |
| Age of Organisation      | 1-5 Years        | 12 (10)                                     |
|                          | 6-10 Years       | 48 (40)                                     |
|                          | 11-15 Years      | 30 (25)                                     |
|                          | 16-20 Years      | 18 (15)                                     |
|                          | 20 Yrs and above | 12 (10)                                     |
|                          | Total            | 120 (100)                                   |
| Category                 | 2 Star           | 9 (7.5)                                     |
|                          | 3 Star           | 72 (60)                                     |
|                          | 4 Star           | 18 (15)                                     |
|                          | 5 Star           | 21(17.5)                                    |
|                          | Total            | 120 (100)                                   |
| Number of Employees      | Less than 50     | 18(15)                                      |
|                          | 50 -100          | 36 (30)                                     |
|                          | 101-200          | 39 (32.5)                                   |
|                          | 201-300          | 15(12.5)                                    |
|                          | More than 301    | 12 (10)                                     |
|                          | Total            | 120 (100)                                   |
| Capital                  | —*               | —*  |

\*Hotel hesitated in providing financial information number of hotels that provided data were not sufficient for the study.

Table 1 presnts the dissemination of the sample according to the demographic variables used in presentstudy. The table demonstrates that out of total 120 hotels, which responded to questionnaires, 66 (55 percent) were individual and 54 (45percent) were chain hotels. The table also demonstrates age of organisation as 12 (10percent) hotels were 1-5 years old, 48 (40percent) were 6-10 years old, 30 (25percent) were 11-15 years old, 18 (15percent) were 16-20 years old and 12 (10 percent) were above 20 years old. Further the table indicates that out of 120 hotels 9(7.5 percent) hotels were 2 star, 72 (60 percent) hotels were 3 star, 18 (15 percent) were 4 star and 21 (17.5 percent) were 5 star. Number of employees working in the hotel was used as another control variable as shown in the table 18 (15percent) hotels had less than 50 employees, 36 (30percent)

hotels had 50-100 employees, 39 (32.5percent) hotels had 101-200 employees, 15 (12.5percent) hotels had 201-300 employees and 12 (10percent) hotel were having more than 301 employees.

Hotels hesitated in providing the data related to capital hence the variable 'capital' remains excluded from the study.

In order to find out the organisational culture

practices applied by hotels of Delhi 40 organisational culture variables were reduced to six composite factors (using principal component analysis). The results of principal component analysis on 40 organisational culture practices are presented in table 2. The results show that seven factors had an Eigen value of more than 1 explaining 69.19 percent of total variance. Thus organisational culture practices will be placed into 8 factors.

**Table 2 Principal Component Analysis**

| Variable  | Communality | Factor | Eigen Value | % of Variance | Cumulative % |
|---|-------------|--------|-------------|---------------|--------------|
| Management communicates its goals and strategies to the employees in my organisation.         | 1.000       | 1      | 19.475      | 48.687        | 48.687       |
| In my organisation clear path for career advancement is used to keep the employees motivated. | 1.000       | 2      | 1.787       | 4.468         | 53.155       |
| In our organisation fair & equal treatment is given to all the employees.                     | 1.000       | 3      | 1.595       | 3.988         | 57.143       |
| Delegation of authority is properly practiced in my organization                              | 1.000       | 4      | 1.416       | 3.540         | 60.683       |
| My organisation provides an environment where employees can reach out to management openly.   | 1.000       | 5      | 1.301       | 3.252         | 63.935       |
| Departmental hierarchy is well defined in my hotel  | 1.000       | 6      | 1.086       | 2.715         | 66.650       |
| Management in my organisation has complete trust on employees in increasing the productivity. | 1.000       | 7      | 1.020       | 2.549         | 69.199       |
| There is a Friendly & Welcoming work culture in our team                                      | 1.000       | 8      | .989        | 2.472         | 71.671       |
| Each individual has freedom to decide how to do work in my organisation.                      | 1.000       | 9      | .865        | 2.163         | 73.834       |
| My organisation provides a high degree of cooperation amongst all the departments             | 1.000       | 10     | .762        | 1.905         | 75.739       |
| The contribution of every individual employee is very well recognized in my organization      | 1.000       | 11     | .683        | 1.706         | 77.446       |
| All department heads have good relationship with subordinate members in the organisation.     | 1.000       | 12     | .668        | 1.670         | 79.115       |

|   |       |    |      |       |        |
|---|-------|----|------|-------|--------|
| My organisation supports a culture where co-workers have a good communication amongst themselves.                             | 1.000 | 13 | .645 | 1.612 | 80.727 |
| The employees working in my organisation are expected to be self-motivated, and competent.                                    | 1.000 | 14 | .620 | 1.549 | 82.277 |
| The organisation I work with welcomes and implements the suggestions and ideas of employees.                                  | 1.000 | 15 | .586 | 1.464 | 83.740 |
| My hotel provides all tools like software and other techniques for training of employees.                                     | 1.000 | 16 | .489 | 1.223 | 84.964 |
| My organisation frequently organises employee development programmes.   | 1.000 | 17 | .474 | 1.184 | 86.148 |
| On important occasions my organisation provides opportunity for get together of family members of employees for celebrations. | 1.000 | 18 | .463 | 1.158 | 87.306 |
| My organisation gives a feel of job security to the employees.  | 1.000 | 19 | .430 | 1.075 | 88.382 |
| Working environment provided in my organisation is safe and healthy for employees.  | 1.000 | 20 | .392 | .979  | 89.361 |
| Flexible working hour options are given to needy employees by the organisation.   | 1.000 | 21 | .370 | .925  | 90.285 |
| The leave system followed in my organisation for employees is transparent.  | 1.000 | 22 | .362 | .906  | 91.191 |
| Opportunities to act as leader are provided in my organisation time to time.  | 1.000 | 23 | .334 | .835  | 92.026 |
| The conflict solving attitude is appreciated in my organisation.  | 1.000 | 24 | .325 | .812  | 92.837 |
| Most employees in my organisation are highly involved in their work during working hours                                      | 1.000 | 25 | .291 | .728  | 93.565 |
| Any information regarding management decision and policies is widely shared in my organisation.                               | 1.000 | 26 | .278 | .694  | 94.259 |
| Every employee in my organisation feels that he or she can bring a positive impact to the organisation.                       | 1.000 | 27 | .251 | .627  | 94.886 |

|   |       |    |      |      |         |
|---|-------|----|------|------|---------|
| The process of organisational planning involves every employee to some degree in my organisation.   | 1.000 | 28 | .242 | .606 | 95.492  |
| Our organisation motivates the culture of winding up difficult issues in a simple way.  | 1.000 | 29 | .222 | .556 | 96.048  |
| The management in my organisation complies with its policies  | 1.000 | 30 | .216 | .540 | 96.588  |
| My organisation is flexible towards the new trends and patterns   | 1.000 | 31 | .194 | .485 | 97.072  |
| The organisation I work with constantly adopts work related improvements.   | 1.000 | 32 | .186 | .466 | 97.538  |
| The culture of bringing changes in terms of operations is appreciated in my hotel.  | 1.000 | 33 | .165 | .412 | 97.950  |
| The guest's recommendation and suggestions are accepted as positive feedbacks in the organisation.  | 1.000 | 34 | .162 | .404 | 98.354  |
| The management in my organisation gives priority to meet needs and demands of the employees, supervisors and other high level authorities.            | 1.000 | 35 | .145 | .362 | 98.716  |
| The employees in my organisation prefer carrying out their responsibilities and duties, staying within the policies and procedures of the management. | 1.000 | 36 | .136 | .340 | 99.056  |
| In my organisation the employees who please their supervisors (do buttering) are more successful.   | 1.000 | 37 | .113 | .283 | 99.339  |
| In my organisation the employees who are technically competent and effective are more successful.   | 1.000 | 38 | .105 | .263 | 99.602  |
| If rules or procedures get in the way employees generally go through proper channels to get permission to deviate from them or have them changed.     | 1.000 | 39 | .094 | .234 | 99.836  |
| The employees in my organisation tend to bypass or ignore rules in order to accomplish their tasks or perform their jobs better.                      | 1.000 | 40 | .065 | .164 | 100.000 |

Table 3 presents the results from exploratory principal components factor analyses with varimax rotation on the 38 individual organisational culture practices, out of 40 items categorised into six groups. The remaining two organisational culture practices 'In my organisation the employees who please their su-

pervisors (do buttering) are more successful' and 'The employees in my organisation tend to bypass or ignore rules in order to accomplish their tasks or perform their jobs better' showed the highest factor loading values of .449 and .492 but could not be grouped under a single factor. Hence these two practices remain excluded from this study. The organisational culture practices item were grouped into six factors. Rotation factor matrix is taken into consideration for grouping of all factors.

The first factor (*Transparent organised system*) includes 'Management communicates its goals and strategies to the employees in my organisation', 'In my organisation clear path for career advancement is used to keep the employees motivated', 'In our organisation fair & equal treatment is given to all the employees', 'Delegation of authority is properly practiced in my organisation', 'My organisation provides an environment where employees can reach out to management openly', 'Departmental hierarchy is well defined in my hotel', 'The leave system followed in my organisation for employees is transparent', 'Any information regarding management decision and policies is widely shared in my organisation' and 'The management in my organisation complies to its policies'.

Studer (2009) asserts that companies with cultures of openness and free-flowing information fare better in difficult economies. That's because (among other benefits) transparency helps employees stay connected to financial big picture, reduces complacency, sparks creative solutions, creates organisational consistency and stability, and leads to faster, more efficient execution.

The second factor (*Team Orientation*) includes, 'There is a Friendly & Welcoming work culture in our team', 'Each individual has freedom to decide how to do work in my organisation', 'My organisation provides a high degree of cooperation amongst all the departments', 'The contribution of every individual employee is very well recognized in my organisation', 'All department heads have good relationship with subordinate members in the organisation', 'My organisation supports a culture where co-workers have a good communication amongst themselves', 'The organisation I work with welcomes and implements the suggestions and ideas of employees' and 'On important occasions my organisation provides opportunity for get together of family members of employees for celebrations'.

Team orientation refers to an individual's propensity for functioning as part of a team and the degree to which individuals prefer to work in group settings

for task accomplishment (Driskell & Salas, 1992). The construct is not team or task-specific, but refers to a general tendency to be comfortable in team settings, to exhibit interest in learning from others, and to have confidence in the productivity of the team.

Third factor (*Security & care for personal needs*) includes, 'My organisation gives a feel of job security to the employees', 'Working environment provided in my organisation is safe and healthy for employees', 'Flexible working hour options are given to needy employees by the organisation' and 'The management in my organisation give priority to meet needs and demands of the employees, supervisors and other high level authorities'.

Security encompasses more than the employees' financial needs: it relates to their physical, emotional and familial wellbeing (Leibman and Weinstein, 1990). Often security is associated with job loss. However, the population of insecure employees is larger than that of those who lose their jobs. Insecurity is an intra-role transition engendered by changes in a person's assumptions about self, the organisation and the environment. It is not an event having a clear temporal onset and ending. Job insecurity includes concerns over the loss of a job (employment insecurity) as well as concerns about changing job content (Hartley et al., 1991).

Fourth factor (*Training, Recognition & Rewards*) includes, 'My hotel provides all tools like software and other techniques for training of employees', 'My organisation frequently organises employee development programmes', 'The process of organisational planning involves every employee to some degree in my organisation' and 'In my organisation the employees who are technically competent and effective are more successful'.

Research in business organisations has uncovered several extrinsic motivators operating as supports to creativity: recognition and reward for creative ideas, clearly defined overall project goals and frequent constructive feedback on the work. Creativity is supported by recognition and rewards that confirm a person's competence or the value of the person's work, and by rewards that enable the person to further pursue intrinsically interesting work (Amabile et al 1993)

Fifth factor (*Employee engagement & Empowerment*) includes, 'Management in my organisation have complete trust on employees in increasing the productivity', 'The employees working in my organisation are expected to be self-motivated, and competent', 'Opportunities to act as leader are provided in

my organisation time to time', 'The conflict solving attitude is appreciated in my organisation', 'Most employees in my organisation are highly involved in their work during working hours', 'Every employee in my organisation feels that he or she can bring a positive impact to the organisation' and 'The employees in my organisation prefer carrying out their responsibilities and duties, staying within the policies and procedures of the management'.

Managers try to empower and support their subordinates but the engagement level of employees is decreasing day by day, Khatri and Khushboo (2013) provides an insight to top management who can use advanced techniques to develop an empowered culture thus, promoting engagement. Further the authors added employees understand that in order to develop that intrinsic motivation to come to work, there has to be a "connect" between them and the organisation. When employees feel that they are the integral part of their workplace, they feel empowered. The systems, practices and managers should give pertinence to this and use it to engage human capital.

The sixth factor (*Adaptability*) includes, 'Our organisation motivates the culture of winding up difficult issues in a simple way', 'My organisation is flexible towards the new trends and patterns', 'The organisation I work with constantly adopts work related improvements', 'The culture of bringing changes

in terms of operations is appreciated in my hotel', 'The guest's recommendation and suggestions are accepted as positive feedbacks in the organisation' and 'If rules or procedures get in the way employees generally go through proper channels to get permission to deviate from them or have them changed'.

Jo Ayoubi (2012) identified adaptability as a critical characteristic of companies who thrive in fast-changing and highly competitive environments. He highlighted four capabilities that allow an organisation to rapidly adapt. Which are ability to quickly appreciate when change is happening and to respond quickly, the ability to test and experiment quickly and often, in the past the focus of testing has focused on products and services, but this ability also applies to business models, processes and strategies, ability to recognise and effectively manage stakeholders in complex relationships and roles; in particular in multinational locations and ability to motivate and lead in a rapidly changing environment.

Therefore it is observed that hotels of NCR had different sets organisational culture practices followed in the organisation. These results are similar to the results of Abu et al (2010) and Aluko (2003).

The results of factor analysis showed that there were six different set of organisational culture practices used in hotel industry as shown in table 4.3.

**Table 3 Factors of Organisational Culture Practices**

| Factors   | 1     | 2 | 3 | 4 | 5 | 6 |
|---|-------|---|---|---|---|---|
| <b>Transparent Organised System (TOS)</b>   |       |   |   |   |   |   |
| Departmental hierarchy is well defined in my hotel.   | .944  |   |   |   |   |   |
| In my organisation clear path for career advancement is used to keep the employees motivated.   | .779  |   |   |   |   |   |
| In our organisation fair & equal treatment is given to all the employees.                       | .768  |   |   |   |   |   |
| Management communicates its goals and strategies to the employees in my organisation.           | .766  |   |   |   |   |   |
| The leave system followed in my organisation for employees is transparent.                      | .683  |   |   |   |   |   |
| Delegation of authority is properly practiced in my organisation.                               | .581. |   |   |   |   |   |
| Any information regarding management decision and policies is widely shared in my organisation. | .556  |   |   |   |   |   |

|  |      |       |      |      |  |  |
|--|------|-------|------|------|--|--|
| The management in my organisation complies with its policies.  | .496 |       |      |      |  |  |
| <b>Team Orientation (TO)</b>   |      |       |      |      |  |  |
| On important occasions my organisation provides opportunity for get together of family members of employees for celebrations.              |      | .691  |      |      |  |  |
| All department heads have good relationship with subordinate members in the organisation.  |      | .649  |      |      |  |  |
| My organisation supports a culture where co-workers have a good communication amongst themselves.  |      | .611  |      |      |  |  |
| The contribution of every individual employee is very well recognized in my organisation.  |      | .597  |      |      |  |  |
| There is a Friendly & Welcoming work culture in our team.  |      | .593. |      |      |  |  |
| My organisation provides a high degree of cooperation amongst all the departments.   |      | .580  |      |      |  |  |
| The organisation work with welcomes and implements the suggestions and ideas of employees.   |      | .576  |      |      |  |  |
| Each individual has freedom to decide how to do work in my organisation.   |      | .541. |      |      |  |  |
| <b>Security &amp; Care for Personal Needs (SCPN)</b>   |      |       |      |      |  |  |
| Working environment provided in my organisation is safe and healthy for employees.   |      |       | .776 |      |  |  |
| Flexible working hour options are given to needy employees by the organisation.  |      |       | .740 |      |  |  |
| My organisation gives a feel of job security to the employees.   |      |       | .737 |      |  |  |
| Flexible working hour options are given to needy employees by the organisation.  |      |       | .740 |      |  |  |
| The management in my organisation gives priority to meet needs and demands of the employees, supervisors and other high level authorities. |      |       | .670 |      |  |  |
| <b>Training ,Recognition &amp; Rewards (TRR)</b>   |      |       |      |      |  |  |
| My hotel provides all tools like software and other techniques for training of employees.  |      |       |      | .856 |  |  |
| In my organisation the employees who are technically competent and effective are more successful.  |      |       |      | .760 |  |  |
| My organisation frequently organises employee development programs.  |      |       |      | .646 |  |  |

|   |  |  |  |      |      |
|---|--|--|--|------|------|
| The process of organisational planning involves every employee to some degree in my organisation.   |  |  |  | 436  |      |
| <b>Employee Engagement &amp; Empowerment (EEE)</b>  |  |  |  |      |      |
| The conflict solving attitude is appreciated in my organisation.  |  |  |  | .703 |      |
| Management in my organisation has complete trust on employees in increasing the productivity.   |  |  |  | .678 |      |
| Opportunities to act as leader are provided in my organisation time to time.  |  |  |  | .602 |      |
| Every employee in my organisation feels that he or she can bring a positive impact to the organisation.   |  |  |  | .557 |      |
| The employees in my organisation prefer carrying out their responsibilities and duties, staying within the policies and procedures of the management. |  |  |  | .543 |      |
| Most employees in my organisation are highly involved in their work during working hours.   |  |  |  | .471 |      |
| The employees working in my organisation are expected to be self-motivated, and competent.  |  |  |  | .418 |      |
| <b>Adaptability (Adpt)</b>  |  |  |  |      |      |
| If rules or procedures get in the way employees generally go through proper channels to get permission to deviate from them or have them changed.     |  |  |  |      | .759 |
| Our organisation motivates the culture of winding up difficult issues in a simple way.  |  |  |  |      | .589 |
| My organisation is flexible towards the new trends and patterns.  |  |  |  |      | .566 |
| The culture of bringing changes in terms of operations is appreciated in my hotel.  |  |  |  |      | .510 |
| The guest's recommendation and suggestions are accepted as positive feedbacks in the organisation.  |  |  |  |      | .476 |
| The organisational work with constantly adopts work related improvements.   |  |  |  |      | .473 |

Respondents were asked to specify importance and usage of organisational culture practices. To organise the findings the 38 organisational culture practices were ranked according to their usage and importance in table 4. Six factors of organisational culture practices variables resulted from factor analysis and are unquestionably used and essential in the hotel organisations of Delhi such as *Transparent*

*Organised System, Team Orientation, Security& Care for Personal Needs, Training Recognition & Rewards, Employee Engagement & Empowerment and Adaptability.* Ranking organisational culture practices high in terms of their importance (mean range: 2.6704 to 4.8169) and adoption (mean range: 3.4254 to 4.4930), "In our organisation fair & equal treatment is given to all the employees." ranked first out of 38 organ-

isational culture practices (OCP) for importance. While, this variable ranked fourth in case of adoption, indicating that hotels are using organisational culture practices to give fair and equal treatment to the employees. Looking first for the extreme position apparent from the table 4, it is found that Indian hotels have adopted (according to first five ranks) departmental hierarchy is well defined in my hotel; Management communicates its goals and strategies to the employees in my organisation; My organisation gives a feel of job security to the employees; In our organisation fair & equal treatment is given to

all the employees; Working environment provided in my organisation is safe and healthy for employees. On the other side these hotel enterprises gave importance to (according to first five ranks), In our organisation fair & equal treatment is given to all the employees; The contribution of every individual employee is very well recognized in my organisation; My organisation provides a high degree of cooperation amongst all the departments; There is a Friendly & Welcoming work culture in our team; Management in my organisation has complete trust on employees in increasing the productivity.

**Table 4: Importance and Usage of Organisational Culture Practices**

| Organisational Culture Practices  | Importance    |         |      | Usage         |         |      |
|---|---------------|---------|------|---------------|---------|------|
|   | Mean          | SD      | Rank | Mean          | SD      | Rank |
| <b>Transparent organised system</b>   | <b>4.4989</b> |         |      | <b>4.3033</b> |         |      |
| Departmental hierarchy is well defined in my hotel.   | 4.7099        | 0.50174 | 13   | 4.4930        | 2.97482 | 1    |
| In my organisation clear path for career advancement is used to keep the employees motivated. | 4.1944        | 0.39627 | 24   | 4.3042        | 0.62242 | 6    |
| In our organisation fair & equal treatment is given to all the employees.                     | 4.8169        | 0.38729 | 1    | 4.3408        | 0.61469 | 4    |
| Management communicates its goals and strategies to the employees in my organisation.         | 4.2197        | 0.4346  | 21   | 4.3606        | 0.55196 | 2    |
| The leave system followed in my organisation for employees is transparent.                    | 4.5803        | 0.78197 | 16   | 4.2056        | 0.73259 | 19   |
| My organisation provides an environment where employees can reach out to management openly.   | 4.7577        | 0.42905 | 9    | 4.2761        | 0.61742 | 10   |
| Delegation of authority is properly practiced in my organisation.                             | 4.7746        | 0.4184  | 6    | 4.2451        | 0.63708 | 14   |

|   |               |         |    |               |         |    |
|---|---------------|---------|----|---------------|---------|----|
| Any information regarding management decision and policies is widely shared in my organisation.                               | 3.6958        | 0.53978 | 28 | 4.2254        | 0.70103 | 16 |
| The management in my organisation complies with its policies.   | 4.7408        | 0.59697 | 11 | 4.2789        | 0.66254 | 9  |
| <b>Team Orientation</b>   | <b>4.0612</b> |         |    | <b>4.1299</b> |         |    |
| On important occasions my organisation provides opportunity for get together of family members of employees for celebrations. | 2.6704        | 0.48839 | 38 | 3.9831        | 0.79173 | 34 |
| All department heads have good relationship with subordinate members in the organisation.                                     | 3.307         | 0.53025 | 29 | 4.1268        | 0.83918 | 28 |
| My organisation supports a culture where co-workers have a good communication amongst themselves.                             | 4.7662        | 0.46818 | 7  | 4.2366        | 0.69324 | 15 |
| The contribution of every individual employee is very well recognized in my organisation.                                     | 4.8028        | 0.43892 | 2  | 4.2056        | 0.75162 | 20 |
| There is a Friendly & Welcoming work culture in our team.   | 4.7887        | 0.46685 | 4  | 4.169         | 0.76627 | 22 |
| My organisation provides a high degree of cooperation amongst all the departments.  | 4.7972        | 0.42319 | 3  | 4.2141        | 0.69243 | 17 |
| The organisation I work with welcomes and implements the suggestions and ideas of employees.                                  | 4.2225        | 0.49694 | 20 | 4.2507        | 0.73008 | 13 |
| Each individual has freedom to decide how to do work in my organisation.  | 3.1352        | 0.57615 | 30 | 3.8535        | 0.89629 | 36 |
| <b>Security &amp; Care for Personal Needs</b>   | <b>3.7274</b> |         |    | <b>4.1992</b> |         |    |
| Working environment provided in my organisation is safe and healthy for employees.  | 4.7577        | 0.55532 | 10 | 4.307         | 0.67131 | 5  |
| Flexible working hour options are given to needy employees by the organisation.   | 2.9549        | 0.59962 | 34 | 3.9859        | 0.84193 | 33 |
| My organisation gives a feel of job security to the employees.  | 4.107         | 0.46314 | 25 | 4.3465        | 0.66465 | 3  |

|   |               |         |    |               |         |    |
|---|---------------|---------|----|---------------|---------|----|
| The management in my organisation gives priority to meet needs and demands of the employees, supervisors and other high level authorities.            | 3.0901        | 0.71922 | 32 | 4.1577        | 0.80459 | 23 |
| <b>Training, Recognition &amp; Rewards</b>  | <b>4.1443</b> |         |    | <b>3.8317</b> |         |    |
| My hotel provides all tools like software and other techniques for training of employees.   | 4.7606        | 0.47135 | 8  | 3.4254        | 0.93394 | 38 |
| In my organisation the employees who are technically competent and effective are more successful.   | 4.2113        | 0.87842 | 22 | 4.1296        | 0.75172 | 27 |
| My organisation frequently organises employee development programs.   | 4.7352        | 0.55006 | 12 | 3.7577        | 1.0212  | 37 |
| The process of organisational planning involves every employee to some degree in my organisation.   | 2.8704        | 0.62896 | 37 | 4.0141        | 0.74585 | 32 |
| <b>Employee Engagement &amp; Empowerment</b>  | <b>4.0615</b> |         |    | <b>4.1766</b> |         |    |
| The conflict solving attitude is appreciated in my organisation.  | 3.7352        | 0.64025 | 27 | 4.107         | 0.77374 | 29 |
| Management in my organisation has complete trust on employees in increasing the productivity.   | 4.7887        | 0.46685 | 5  | 4.293         | 0.68794 | 7  |
| Opportunities to act as leader are provided in my organisation from time to time.   | 3.8141        | 0.54131 | 26 | 4.1042        | 0.75753 | 30 |
| Every employee in my organisation feels that he or she can bring a positive impact to the organisation.   | 4.6366        | 3.83491 | 14 | 4.2873        | 0.66105 | 8  |
| The employees in my organisation prefer carrying out their responsibilities and duties, staying within the policies and procedures of the management. | 4.3239        | 0.76606 | 17 | 4.1493        | 0.77585 | 25 |
| Most employees in my organisation are highly involved in their work during working hours  | 4.2366        | 0.83043 | 19 | 4.2085        | 0.73372 | 18 |
| The employees working in my organisation are expected to be self-motivated, and competent.  | 2.8958        | 0.34911 | 35 | 4.0873        | 0.83072 | 31 |

| <b>Adaptability</b>   | <b>3.6699</b> |         |    | <b>4.1553</b> |         |    |
|---|---------------|---------|----|---------------|---------|----|
| If rules or procedures get in the way employees generally go through proper channels to get permission to deviate from them or have them changed. | 3.1014        | 0.59743 | 31 | 3.938         | 0.84812 | 35 |
| Our organisation motivates the culture of winding up difficult issues in a simple way.  | 2.8817        | 0.54986 | 36 | 4.1324        | 0.80391 | 26 |
| My organisation is flexible towards the new trends and patterns   | 2.9887        | 0.22521 | 33 | 4.2563        | 0.71638 | 12 |
| The culture of bringing changes in terms of operations is appreciated in my hotel.  | 4.2085        | 0.73372 | 23 | 4.1493        | 0.73854 | 24 |
| The guest's recommendation and suggestions are accepted as positive feedbacks in the organisation.  | 4.2563        | 0.70445 | 18 | 4.2704        | 0.79554 | 11 |
| The organisation I work with constantly adopts work related improvements.   | 4.5831        | 0.65159 | 15 | 4.1859        | 0.76971 | 21 |

Results reveal that except, 'my organisation provides an environment where employees can reach out to management openly', 'management in my organisation has complete trust on employees in increasing the productivity' and 'the management in my organisation complies with its policies'.

There is no similarity between importance and adoption of organisational culture practices in hotels of Delhi. These results can be compared to the results of Smircich (1983) and Sinha (1997; 1998) for similarity. The variation in ranking and lack of uniformity in usage and importance of organisational culture practices indicates that hotel organisations are fragmented and they gave low priority to organisational culture practices (OCP).

Thus, the analysis provides a strong indication that there was a significant difference on usage and importance of organisational culture practices in hotels.

The mean values of OCP factors indicate that hotels give importance to all organisational culture practices factors, the same can be further improvised by focusing on factors of 'security and care for personal needs, (3.7274) and ' adaptability' (3.6699) and for usage the OCP factor 'training, recognition and rewards' (3.8317) has a scope for improvement.

### Suggestions

- Hotel organisation should pay more attention towards adopting and institutionalizing organisational culture practices which the managers identify vital.
- Focusing on identifying, creating and sustaining a healthy organisational culture by sensitizing staff members about its importance and need for both individual as well as organisation.
- Developing an organisational design to ensure high quality confirmation.
- Developing individual employee for excellence.
- Imparting best competitive qualities amongst representatives of the organisation (employees) in alliance with their individual development, advancement and satisfaction.
- Building a team that is oriented and determined towards organisational values and beliefs.
- Incorporating social and specialized measurements of work to ensure a balance social and professional life for employees.

### Limitations of the study

- Due to time and financial constraints, it does not represent larger geographical area and sample.

- Respondents had been reluctant in disclosing the data and especially with large hotels HR policies clearly mention not to disclose any information to outsiders.
- Study is highly dependent on primary data, which is very time consuming.
- Respondents from small hotels were found to be semi educated who could not properly understand the questions. .

## Conclusion

The abstraction contributed to the accepted ability in organisational ability practices in hotel industry. The study has provided added insights into areas

apropos to factors influencing the acceptance of best organisational ability practices. This analysis begins cogent differences in the acceptance and accent organisational ability practices a part of the hotels in Delhi. In some cases this is arch to the development of an added chip cardinal access to the acceptance and accent of organisational culture. However, this analysis is alone indicative, abundant charcoal to be examined. The changes apparent in this analysis arise to accept appear about from the acceptance & acceptance of recognised organisational ability practices in hotels of Delhi. Thus, it appears that, afterwards years of about authoritative marginality organisational culture are now advancing to play an more axial role in the organisational development strategies of abounding Indian hotelorganisations.

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## **SAARC Tourism**

### **Strategies and Initiatives For Its Promotion**

**Suneel Kumar**

#### **ABSTRACT**

The present paper attempts to analyze the impact of international tourist receipts on the contribution of tourism sector to the GDP and the growth in arrival of international tourists to SAARC nations. The identification of areas of concern and suggestive measures for improving the tourism industry in SAARC countries have also been taken into consideration. The data for research purpose has been gathered from various sources including World Bank website, United Nations World Tourism Organization website and knoema.com for a period of 14 years from 2000-2013. For testing the objectives of study semi-log equation, correlation and regression analysis and compounded annual growth rate have been applied. The findings of the data shows that international tourist arrivals to SAARC countries have witnessed a growth of 8.31% compounded annually which is statistically significant. The international tourist receipts have significant impact as a contribution of tourism industry of the SAARC nations to the GDP of the respective nations. The SAARC nations have taken many initiatives but still have not been able to pick up the required momentum owing to inadequate support and interest from individual nations.

**Keywords:** Gross Domestic Product, SAARC Tourism Information Centre, Tourism Council of Bhutan, Bangladesh Tourism Board, Confidence-Building Management.

#### **Introduction and Rationale of the Study**

In 1980s, the World Tourism Organization (now UNWTO) set up a secretariat in Colombo for promotion of South Asian tourism and attempted to promote the region, however the initiative was not able to pick up the required momentum as there was inadequate support and interest from the individual nations. The second summit of SAARC at Bangalore, in 1986, focused on to facilitate tourism in the region. The first meeting of tourism ministers of SAARC nations was held in 1997 and in which the task of promotion of tourism sector was assigned to SAARC Chamber of Commerce & Industry Tourism Council (SCCI). In 1990s, the SCCI began a Nepal based initiative with a tagline "Magic that is South Asia". In 2004, the working group on tourism was established, to promote SAARC nations as a common tourist destination, to encourage private sector participation for promoting regional cooperation, human resource development, and promotion of South Asia by tapping hidden tourism potential. The cultural and eco-tourism in South Asia is emerging as promising area in tourism sector. In 2006, the working group recommended that, the national airlines may use SAARC logo

on aircrafts and other promotional brochures to promote SAARC as an attractive tourism destination. During 90s, the key driver of South Asian economic growth was service sector and in order to realize the potential of service sector the agreement on trade in services has been signed to liberalize trade in services among the member countries at Thimpu summit in 2010. The eleventh session of SAARC Council of Minister in Colombo recognized the need to improve transportation and infrastructural facilities and identifying railways as the core sector. Tourism can be a major source of foreign exchange earnings for SAARC nations, especially Nepal, Sri Lanka, Bhutan and Maldives. The Indian entrepreneurs have expertise in building and managing world class hotels and restaurants. They should work on development of hotels and restaurant in SAARC nations which will lead to the development of tourism and hospitality sector in member countries. Further SAARC Technical Committee on Tourism has appointed an expert group which includes representative from the government and as well as from private sector and the following actions were recommended by the expert group on long term basis:

- Publicity in the potential targeted markets.
- Joint participation by SAARC countries at international tourism trade fairs.
- Use of diplomatic missions of SAARC countries for distribution of joint and national tourism packages.
- Encourage air carriers of SAARC countries for the marketing and promotion of SAARC region as a unique tourist destination.
- Establishment of SAARC Tourism Information Center (TIC)

In the year 2014, contribution of tourism industry to GDP in Bangladesh is 4.4%, 6.8% in India, 49.2% in Maldives, 10% in Nepal, 7% in Pakistan and 9% in Sri Lanka (Knoema.com). The contribution of tourism industry in GDP of Maldives shows that how much potential this sector has and by realizing the potential of this sector, SAARC countries could overcome most of their economic problems especially related to employment and growth if they happen to strengthen their tourism industry. Infact facilitating intra SAARC movement of people will not only help in trust building but also help in eradication of poverty, which is common enemy of all the SAARC nations.

### Literature Review

Ghimire (2001) highlighted general nature, scale and economic significance of regional tourism in three leading regions i.e. Asia, Africa and Latin America. He concluded that principle of regional tourism represents a useful tool in promoting regional economic self-reliance and progress. Gupta and Singh (2013) in their research explored the extent to which tourism industry is integrated for the eight selected countries from SAARC and ASEAN for the period 2001 – 2010. They concluded that greater co-operation among the nations in tourism will benefit them all and tourism can act as a driver of development. Panasiuk (2014) in his paper pointed out that the development of regional tourism economy is major contributor for developing a tourism policy by making active instrument (economic and institutional) more prevalent than passive instrument (Administrative & especially declarative) in the structure of local authorities' actions. He emphasized that tourism economy contributes to socio-economic development of the country, in context of Poland.

Only active cooperation between local authorities, tourism organizations and tourism enterprises can result in expected effects that would be in line with implementation of provisions in strategic documents. We may use this Polish model in South Asian context for integrated tourism development approach.

### Objectives of the Study

- To evaluate the status and growth of total inflow of international tourists in SAARC nations
- To analyze the impact of international tourist receipts on the contribution of tourism sector to the GDP in SAARC countries.
- To identify the areas of concern and suggestive measures for improving the tourism industry in SAARC countries.

### Research Methodology

The data for research purpose have been collected from secondary sources. The data on inflow of tourists to SAARC nations, international tourist receipts and tourism contribution to the GDP from the year 2000 to 2013 has been collected from World Bank website, knoema.com and WTTC website. The compound annual growth rate, correlation & regression analysis has been used to testify the research objectives.

### Total inflow of International Tourist in SAARC Nations

The inflow of international tourists to SAARC nations has witnessed a growth of 8.31% compounded annually. The growth rate reflects that SAARC countries are becoming attractive tourism destination for foreign tourists. This will enhance the contribution of tourism to the GDP and also lead to employment generation and up-gradation of standard of living of local community.

**Table 1 Inflow of International Tourists in SAARC Nations**

| Years | Inflow of Tourists in SAARC Nations |
|-------|-------------------------------------|
| 2000  | 48,39,396                           |
| 2001  | 44,97,660                           |
| 2002  | 43,33,423                           |
| 2003  | 49,79,151                           |
| 2004  | 60,72,708                           |

|      |              |
|------|--------------|
| 2005 | 63,83,841    |
| 2006 | 72,50,934    |
| 2007 | 80,88,443    |
| 2008 | 83,87,335    |
| 2009 | 80,86,403    |
| 2010 | 92,58,508    |
| 2011 | 1,04,19,390  |
| 2012 | 1,07,52,970  |
| 2013 | 1,17,13,150  |
| CAGR | <b>8.31%</b> |

Source: Data compiled from World Bank Website by adding all the SAARC Nations Arrival

### Tourism Contribution to GDP (South Asia) and International Tourist Receipts

The SAARC nations are the cartel of developing and underdeveloped countries and they are facing a massive shortage of forex reserves. After opening up their economies in 1990s, they are doing quite well and it is evident from data that international tourist receipts to SAARC nations has shown a significant growth rate of 14.6% compounded annually. The international tourist receipt to SAARC region has been used as an independent variable and tourism contribution to the GDP of SAARC countries as the dependent variable. The regression analysis when applied shows that the international receipts from tourism has significant impact on the tourism contribution to the GDP as the coefficient of correlation is 0.99, which is highly positive. It shows that 1% increase in international tourist receipts will bring 0.99% increase in tourism contribution to the GDP.

**Table 2 Contribution of Tourism to GDP (South Asia) and International Tourist Receipts**

| Years | Percentage share in GDP | Contribution to GDP (in billion US\$) | International Tourist Receipts (in billion US\$) |
|-------|-------------------------|---------------------------------------|--|
| 2000  | 8.5                     | 52.494                                | 4.586  |
| 2001  | 7.1                     | 44.254                                | 4.264  |
| 2002  | 7.8                     | 51.692                                | 4.432  |
| 2003  | 8.3                     | 62.782                                | 5.970  |
| 2004  | 8.3                     | 72.750                                | 7.935  |
| 2005  | 7                       | 71.457                                | 9.475  |
| 2006  | 7.1                     | 81.147                                | 11.155   |
| 2007  | 7.2                     | 102.075                               | 13.860   |

|      |     |         |              |
|------|-----|---------|--------------|
| 2008 | 7.2 | 112.418 | 15.283       |
| 2009 | 6.6 | 104.475 | 13.948       |
| 2010 | 6.4 | 126.199 | 17.793       |
| 2011 | 6.4 | 144.840 | 21.665       |
| 2012 | 6.3 | 141.844 | 22.626       |
| 2013 | 6.3 | 145.388 | 24.586       |
| CAGR | -   | -       | <b>14.6%</b> |

Source: World Bank website

Further the r-square is 0.981, which shows that 98.1 % variation in tourism contribution to the GDP is explained by international tourist receipts. The p-value is 0.00 which is less than 0.05; it means that there is a significant impact of international tourist receipts on the contribution of tourism sector to the GDP of SAARC countries.

### Country Wise Initiatives of SAARC Nations in Tourism sector

According to the charter of SAARC it was set up to promote peace, freedom, social justice and economic prosperity by fostering mutual trust, good neighborly relations and meaningful cooperation. The integrated development of South Asian region is one of the greatest challenges and SAARC countries are mobilized for this purpose and they have taken various steps in this regard.

#### Bhutan

The Tourism Council of Bhutan plays a significant role in planning, formulating and implementing tourism policy of Bhutan after consultation with stakeholders. It also comes out with relevant guidelines with regulatory measures towards sustainable utilization of natural resources. It promotes tourism as national priority and mobilizes necessary resources and also promotes private investment in tourism industry. It also assists in improving relation with the visitors which is quite helpful for developing harmonies with other countries especially in case of international tourists. TCB carry out promotion and marketing through tourism fairs, exploring potential new markets, promotional literature, and tourism education. TCB also focus on diversifying and developing new tourism products that creates a balance between the environment and society, it also provides training and advancement opportunities to the manpower associated with tourism industry so that they can cope up with the modern technology. Tourism is a multi-disciplinary sector which is very much affected by new development in the other sectors.

The Department of Tourism was instrumental in the formation of the Association of Bhutanese Tour Operators (ABTO) as a bridge between the private sector and public sector.

### Bangladesh

The Bangladesh Tourism Board has taken various steps for promoting Bangladesh as a tourism product in the world. In 2011, Bangladesh, India, Sri Lanka jointly hosted the ICC Cricket World Cup 2011 which promotes the tourism sector and helpful for generating revenue. BTB was the local partner selected by ICC and assigned various responsibilities such as setting up of information kiosks to provide information to the spectators at various locations for the world cup. A tourism helpline number was launched to help the visiting tourists and has created its official website for digital marketing campaign. They also promote the art and culture and folk festival of the country. BTB has also joined various foreign tourism exhibitions to attract the potential tourists and through participation in international fairs, it has been able to showcase its positive image to the global community. The government of Bangladesh has taken various initiatives on connectivity to promote tourism through expansion of railway networks, Dohazari to Gundam (Myanmar) through Teknaf, Chittagong-Cox's Bazar four-lane road, Cox's Bazar-Teknaf two-lane marine drive and up-gradation of Cox's Bazaar airport into an international standard one with refueling facilities. Government of Bangladesh has observed 2016 as tourism year.

### Sri Lanka

Sri Lanka Tourism Development Authority (SLTDA) focuses on development of current and potential markets. The plan emphasizes on profitability through better yields, sustain the integrity and value of Sri Lanka's natural beauty, cultural and human resources, and to ensure the optimum visitor experiences. This plan will benefit all the communities that are connected to the tourism industry. Ministry of Economic Development launched the tourism development strategy which will focus on a target of 2.5 million tourists by 2016 and will cover all the aspects of infrastructure development, standardization of products and services and improving brand awareness. The main punchline of the country to promote tourism is "Refreshingly Sri Lanka: The Wonder of Asia" and in the five year plans of the country it has focused on various areas regarding the development of tourism sector:

- Creating conducive environment for tourism.
- Ensuring that departing tourists are happy.
- Contributing towards improving the global image of Sri Lanka.
- Improving domestic tourism.

In this regard Sri Lankan tourism focuses on 8 product categories under the theme "8 wonderful experiences in 8 wonderful days" and they are Beaches (**Pristine**), Sports and Adventure (**Thrills**), Heritage sites (**Heritage**), Mind and Body wellness (**Bliss**), Scenic beauty (**Scenic**), Wild life and Nature (**Wild**), People and Culture (**Essence**) and Year round Festivals (**Festive**).

### Nepal

Tourism development process was started in Nepal in a strategic manner during first five year plan (1956-61). Government first time decided to form the Nepal Tourist Development Board in 1957 and National Travel Agency (NTA) was especially established to attract foreign tourists. The efforts were made to increase the inflow of tourists and foreign exchange earnings, maintaining the temples in Kathmandu and conservation of historical places. In 1972, government of Nepal in collaboration with Germany formulates the tourism master plan with a motive to develop qualitative tourism products and project Nepal as a tourism destination on world map. Independent Ministry of Tourism was established during 1975-80 to develop the basic infrastructure and promotion of tourism by interlinking tourism and economic development. Other non-governmental organizations have also been promoted by Nepal government to facilitate the tourism. One Such organization is Nepal Environment and Tourism Initiative Foundation (NETIF) which is committed to socially responsible and economically viable tourism development in Nepal. NETIF is working to assist the rural tourism and promoting sustainable tourism and environmental practices. SNV an organization of Netherland is also working for pro-poor tourism development and its High Impact Tourism Training Programme (HITT) seeks to bring about market-led vocational training in two sectors within the tourism industry i.e. hospitality and trekking involving both private and government stakeholders.

### India

The government of India is very keen for the promotion of Indian tourism industry. Though

all states in India are promoting tourism in their respective regions, yet some states like Gujarat, Kerala, Madhya Pradesh, Uttarakhand, Jammu & Kashmir and Himachal Pradesh have taken a lead in this regard. There are two main instruments for the promotion of tourism sector in India which are:

The initiative of Atithi Devo Bhava of tourism ministry aims at promoting tourism and sensitizes people about the rich heritage and culture, cleanliness and warm hospitality. The key focus area in this campaign are orientation of taxi drivers, guides, immigration officers, tourist police and other personnel directly interacting with the tourists. The components of this campaign are as follows:

- *Samvedansheela/Sensitization:* Educate various sections of the tourism industry on how each one of them contributes to the growth of the industry.
- *Prashikhan/Training/Induction:* Teach people on how to approach and interact with tourists.
- *Prerna/Motivation:* Motivate people to participate in this programme through various measures like awards/ recognition for the best worker in the segment.
- *Parmanikarn/ Certification:* offer certifications to ensure that standards are maintained at all times in this training programme
- *Pratipushti/ Feedback:* Obtain feedback from the tourists about the services offered and their experiences during their stay.
- *Samanya Bodh/ General Awareness:* Undertake a mass media communication campaign to create general awareness among people about the Atithi Devo Bhava.
- *Swamitwa/ Ownership:* Adopt the Atithi Devo Bhava movement as your own, because many livelihoods are depending on tourism.

The Incredible India Campaign was an integrated marketing effort to attract tourism in India in its various aspects like heritage- pilgrimage tourism, natural adventurous tourism, sports tourism, medical tourism, socio-cultural tourism etc. E-Campaigning also plays a major role in development and strengthening of tourism and India got overwhelming response from this campaign and it successfully built India's image as a global destination.

## Pakistan

ITB Asia's 5th edition, the premium travel trade show became a facilitator to support the initiatives of cross border tourism in South Asia under the leadership of "The Green Circuit". Pakistan minister for tourism has said "Our coming to ITB-Asia today is a journey for "Friendship Tourism" focusing on South Asia. We would like to have more meaningful travelers from South Asia visiting Pakistan". The focus of green circuit will be to promote cross border tourism between India and Pakistan. The Chitral Association for Mountain Area Tourism (CAMAT) has been promoting community-based, culturally rooted and environmentally friendly tourism in Chitral for the last one and a half decades. Recently, CAMAT implemented a UNESCO community-tourism project to promote peace through sustainable economic development by engaging a wide array of stakeholders including music and dance troops, local sport associations, student organizations and national and regional NGOs (Non-Governmental Organizations).

## Maldives

It's an excellent tourist destination for holiday and holds the good infrastructure related to tourism, which got reflected in to the growth rate of tourism sector and its contribution to the GDP of the country. But excessive tourism also leads to some adverse impacts, which Maldives government has recognized. In the wake of the vulnerability of Maldives, concept of sustainable eco-tourism is facilitated. The government has acknowledged that this will involve investment in renewable energy and other technologies. Green Resort Award also acts a platform for educating the local population, all industry stakeholders and even holidaymakers.

## Afghanistan

Afghanistan, a new entrant to the South Asian Association of Regional Cooperation (SAARC) since 2007, has great expectations from the association particularly because of its unique geographical role as a land bridge between South and central Asia. The tourism industry of Afghanistan, developed with government help in the early 1970s, has been struggling since 1979 due to internal political instability. Travel was highly restricted in the country due to the US-led campaign against the Taliban and al-Qaeda. Afghanistan embassies issue between 15,000 and 20,000 tourist visas annually, but not all of those visas represent tourists visiting the country. One tour operator estimates that only

100 to 150 "pure tourists" visit every year. The poor statistics of tourists despite a major attraction of Buddhism and other historical- natural attractions; in Afghanistan shows the pity scenario of tourism arises because of conflict-ridden zone. This is also a kind of alarm to other SAARC nations which are politically unstable. The number of inbound tourists continued to grow in 2013 as the situation in Afghanistan improved marginally with no large-scale attacks. As the country is struggling to rebuild the war stricken streets and clear rubble, foreign expertise are invited into the country. Here the role of SAARC is very important in restructuring not only of the economy but also in the rebuilding of Afghanistan. Comeback of Taliban affected people to their homeland and functioning of democratically elected government is a good sign in this regard. It is also worth to be noted that, Afghanistan is a 10<sup>th</sup> least visited country in the world. Therefore, the Promotion of tourism sector in Afghanistan becomes far more important part of government mission. Afghan cuisine and traditional games such as Buzkashi and kite flying in Afghanistan which is needed to be explored from tourist point of view.

#### **Areas of Concern in Context of Tourism in SAARC Region**

- *Inadequate Infrastructural facilities:* South Asian region is one of poorest and highly populated region of the world which puts enormous pressure on its resources for their own people, preventing or limiting the governments to spend adequate funds on the development of infrastructure.
- *Lack of trust amongst the nations:* SAARC countries are victim of distrust due to their historical and geo-political reasons. South Asian region is one of the most vulnerable regions of the world regarding conflict and confrontation and it projects negative image of the whole South Asian region.
- *Insecurity and fundamentalism:* The repeated alarms by fundamental groups and internal conflicts in countries like Afghanistan, Pakistan, and Bangladesh and even in India, prevents the tourism in this region to unleash its full strength.
- *Lack of coordination between different agencies:* For the documentations and other needful requirements tourists have to face different authorities and agencies. Thus the multiplicity of structures and institutions become barrier for the development of tourism.

- Visa problem is also one of the major concerns in these countries.
- Bureaucratic structures and their functioning, in different areas of tourism is also a major issue.
- Inadequate allocation of funds by government to tourism sector despite plethora of policies in this sector and continuous saying of the government to bring tourism as a prime sector it suffers from huge financial constraints.

#### **Suggestive Measures for the Development of Tourism Sector in SAARC Region**

- There is a need to identify the common problems and make efforts to develop a complimentary framework/system for tourism manager and intra SAARC tourism should be facilitated by Confidence-Building Management (CBM) programme.
- Identifying with peculiarities of specific regions along with exploring new horizons.
- SAARC Tourist Visa policy and Visa on Arrival policy should be adopted.
- Enhance the coordination between the SAARC nations to identify the complimentary areas like India has the expertise to build up the hotel so Indian entrepreneur should come forward in other member countries for constructing hotels.
- The policies of FDI should be flexible among the SAARC nations.
- SAARC countries may establish a monetary bank especially to facilitate tourism sector and steps toward common currency amongst SAARC nations, which is on the cards, will help a lot in boosting the tourism and hospitality industry.
- There should be strong mechanism of communication and coordination amongst the secretaries of tourism department in the SAARC countries.
- Toll free number for the tourist should be there in case of any assistance required or to register any complain for the inadequate services.

#### **Conclusion of the Study**

The tourism industry in SAARC countries has immense potential for growth as South-Asia has witnessed a growth of 8.31% rate p.a. compounded annually. The international tourist receipts to

SAARC nations have a significant impact on the contribution of tourism sector to the GDP of the region. The correlation coefficient is 0.99 which is highly positive and coefficient of determination is 0.981 which shows that 98.1 % variations in tourism contribution to the GDP are explained by international tourist receipts. It is noticed that in spite of various initiatives taken by SAARC countries the inadequate allocation of funds

to tourism sector, visa problem, insecurity & fundamentalism, and functioning of bureaucracy are the main hurdles in the promotion of SAARC tourism. It is also observed that for breaking these barriers there is a need to work on identification of common problems, establishment of a common currency bank like European Union, visa on arrival facility and a strong mechanism for communication and network in this region.

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## **Sustainable Tourism Development**

*(A study of Mountain Tourism in Kullu-Manali)*

**Swinder Singh, Prashant Kumar Gautam & Mehdi Ghasemivojoodi**

### **ABSTRACT**

Studies confirm that tourism developments have both positive and negative environmental consequences. Local and universal society is affected by tourism activities. Therefore tourism management play vital role to conservation of environment. In view of this, it can now be safely concluded that tourism cannot be regarded as an unqualified panacea for economic ills; it sure earns revenues for not only government but also for other people or groups connected to it, directly or indirectly. The situation is particularly bad in the developing countries, dubbed as the third world. There is need of such developing countries to generate incomes to eradicate poverty and reduce unemployment. In other words, the developing countries are prone to tourism related environmental damage. There is challenge before the planning and administrations to achieve the balance between the frequently competing demands of tourism and environmental conservation. So, it is imperative that those involved in tourism planning and development should consider the environmental implications of tourism development. According to Batta, formulation of environmentally sustainable policies for development of tourism is a precursor to the integration of tourism development and environmental conservation (Batta, 2000, p77)<sup>1</sup>.

**Keywords:** Environment, Sustainable Tourism Development, Eco-tourism

### **Introduction**

The rebirth of environmentalism has created the need for sustainability. The concern for environmental sustainability was initially confined to industrialized countries but later accepted as social responsibility by the developing countries as well. After 1972 only this concern was vocal and visible. The Stockholm Conference on Human Environment provided eye-opener for developing countries to wake up to the reality of conserving environment to ward off adverse effects on climate, and environment which sustained human life and that its preservation from damage due to tourism activity was for future survival of humans. The report, 'Our Common Future', by W. C. E. D (1987)<sup>2</sup> highlighted the themes, and most notably, rejection of the physical limits to growth thesis, the appropriate role of market forces in the development process, the role of poverty in depletion of natural resources and degradation and the need to recognize and build on common interests

of humanity, irrespective of locale, country, creed, religion, etc.

In the present times, the world community is facing one of the greatest challenges in the matter of achieving sustainable and equitable development. Although good progress has been made in the past five decades, the government has failed to eradicate poverty, unemployment and inequitable access to resources required for attaining better standard of living in dimensions like education, health services, infrastructure, land and credit; these have remained the areas of great concern. Further, the traditional approach to development ignores consideration of the effects of development on the environment. It is because of the consistent efforts of International community and extensive research undertaken on the subject rather issue of sustainable development that there is now general agreement about importance of limiting environment damage. It is also agreed in principle the 'nature has provided

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adequate for the need of humans but not for their greed'. The basic problem identified is that there is uneven spatial distribution of human population relative to the nature's carrying capacities. It is, therefore, important to study the effect of every development activity on the environment.

The tourism development can bring a lot of economic benefits to the country, yet it is not without negative effects. The policy options therefore can be either to develop tourism and tolerate environmental degradation or to not to have tourism at all; the compromise solution has to be worked out. Formulation of appropriate development strategy for achieving environmentally sustainable tourism obviously, is the right choice.

### **Objectives of the Study**

1. To elaborate the concept of Sustainable Tourism
2. To highlight some factors that can affect eco-tourism
3. To highlight the role of environment to achieve sustainable tourism

### **Review of Literature**

According to Karshenas (1994)<sup>3</sup> "Sustainable development may be defined in terms of the pattern of structural change in natural and man-made capital stock, which ensures feasibility of at least a minimum socially desired rate of growth in the long run."

Notwithstanding the differences on definitions of sustainable development, the focus essentially is on growth, equity and environment. The major points in interpreting sustainable development are given as under<sup>4</sup>:

- The role of economic growth in promoting human well-being.
- The impact and importance of human population growth.
- The effective existence of environmental limits of growth.
- The substitutability of natural resources with human made capital created through economic growth and technological innovations.
- The differential interpretation of criticality of various components of the natural resource base and, therefore, the potential for substitution.
- The ability of the technologies (including management methods such as Environmental

Impact Assessment and Environment Auditing) to decouple economic growth and unwanted environmental side effects.

- The meaning of the value attributed to the natural world and the rights of non-human species.

Hawie (1990)<sup>5</sup> summarizes the features of the concept. According to him, sustainable tourism implies a broadening of the sphere of influence of tourism beyond the purely marketing approach, to take account of the following factors.

- The role of tourism in regional economic and social development.
- The positive and negative impacts of tourism on environmental and cultural resources and values.
- The desirability of fuller participation of host community in tourism development.
- The need for evaluation of intangible assets such as heritage, landscape and spirit of the place, and
- The need for a strategic overview in guide tourism development in a given locality.

For the host area, it should provide carefully planned economic growth which provides satisfying jobs without dominating the local economy. The benefits of tourism should be diffused through many communities and growth should be gradual and organic. The decision making should be local which focuses on preservation of culture and environment. For the holidaymakers, it should provide a good value, harmonious and satisfying holiday experience. The successful sustainable tourism will develop brand loyalty and repeat visits. The visitors will be totally involved, started in terms of Krippendorf (1982)<sup>6</sup> 'from ticking off items in the travel guide to stopping and thinking'. The visitor will get in-depth understanding and knowledge of the area. For operators, sustained brand loyalty will bring its own rewards in long term economic success. Responsibility will be the key to this reward. The role is essentially educative.

The currently dominant tourism centric paradigm of sustainable tourism interprets this as<sup>7</sup>:

- Meeting the needs and wants of the host community in term of improved living standards, and quality of life both in short and long term..

- Satisfying the demands of a growing number of tourists and of the tourism industry and to continue to attract them in order to fulfill the first aim.
- Safeguard the environmental resource base of tourism, encompassing natural, built, and cultural components in order to achieve both the preceding aims.
- Safeguard the environmental resource base of tourism, encompassing natural, built, and cultural components in order to achieve both of the preceding aims.
- Maintaining or enhancing the competitiveness and viability of the tourism industry.

Goodall and Stabler (1996)<sup>8</sup>, identify five principles of sustainable tourism development. These are : (i) it must generate real net benefits to the society; (ii) treat environment as a natural capital; (iii) act with caution in the absence of conclusive scientific evidence; (iv) use resources so that environmental quality is not discernibly changed; and (v) correct any environmental damage stemming from current tourism activity.

The requirement of generation of real net benefits is rather complex. It implies that as each environmental input has an opportunity cost, and hence it should contribute to tourism output at least as much as it could produce in the next best alternative use. It applies equally to the tourism's primary use resources, that is, natural environment, landscape as tourist attraction, and its secondary use resources like land materials for the construction and operation. Damaging the environment<sup>9</sup> can then be linked to running down the capital, which must eventually reduce the value of the recurrent functions or services it provides. It is therefore argued that where uncertainty exists as to long term consequence of current tourism resource use, unless there is clear scientific evidence to the contrary, the decision making should err on the side of caution.

In the opinion of Batta (2000)<sup>10</sup>, it is owing to the multi-dimensional aspects of the tourism product, that a case for a holistic approach for sustainable tourism development is advocated. It is believed that tourism presents environmental, social, and economic challenges in both existing and new destinations. In the existing destinations environmental and social deterioration is the cause and effect of a declining competitiveness. The challenge, therefore, is to revitalize these areas. On the other hand, in the new areas the task is to

integrate lessons from the past and to incorporate the required policy initiatives into the planning process. Such a task will entail two things:

- a) Partnership between the stakeholders in the environment and the economy aimed at building consensus. In other words, it implies, incorporation of all stakeholders, the host, guest, public and private bodies and NGOs, environmental, social and economic interests, and consideration of their interest, at inter temporal level, and
- b) Internalization of external costs and benefits by the partners to bridge the gap between individual and social costs and benefits.

There can be four possible sustainable tourism approaches (Hunter, 1997)<sup>11</sup>; tourism imperative, product led tourism, environment led tourism, and endogenous tourism.

- (i) Tourism imperative is heavily skewed towards tourism and is concerned with satisfying the needs of the tourists. It can be equated with the very weak sustainability position as given. However, this approach of tourism development may be the best alternative in certain circumstances. These can be achieved when there is a strong correlation between poverty and environmental degradation. If the present economic activity like agriculture is unproductive, tourism development will preempt the use of the area for other potentially more environmentally degradable activities. This is typically the case with mountain areas. The poverty and environmental degradation are strongly linked. Agriculture, the only occupation, is less fruitful and tourism is still a better use of the resources compared to industries and mining.
- (ii) In terms of natural resources, their alteration may be extensive. Therefore, the focus may be on the beautification of built resources, which can be improved to attract tourists.
- (iii) With environment-led tourism, the situation is just reverse. The development strategies are heavily skewed towards environment. Situation like this may exist where tourism is non-existent. Strategies for development of such new areas will aim at keeping a strong link between growth and environment and will limit the developments to the carrying capacity of the area. It is argued that the environment led tourism approach may be most suited for the

larger developed centers of areas seeking a new market niche. Promotion in such destinations is based on a genuine attempt to integrate tourism in developments with environment.

- (iv) Neotenous Tourism approach can be equated with very strong sustainability position. There are situations when the tourism developments should be actively discouraged. It should be restricted to very early juvenile stages through the use of restrictions like permits and use of land use planning for growth of infrastructure.

Therefore the approach can be applied in areas largely devoid of tourism activities.

Therefore, the concept of sustainable tourism is a challenge to develop the tourism capacity and the quality of its products without adversely affecting the environment that maintains them. According to Weaver (1998)<sup>12</sup> and Lane (1990)<sup>13</sup>, sustainable tourism is equated with alternative tourism, ecotourism, appropriate tourism and rural tourism. Hence it is important to discuss and analyze the concepts of Alternative Tourism and Ecotourism.

**Table No. 1. Sustainable Development Spectrum**

| Sustainable Position | Defining Characteristics  |
|----------------------|---|
| Very weak            | Anthropocentric and utilitarian, growth-oriented and resource exploitative, natural resources utilized at economically optimal rates through unfettered free markets operating to satisfy individual consumer choice, infinite substitution possible between natural and human capital; continued well being assured through economic growth and technical innovation.  |
| Weak                 | Anthropocentric and utilitarian, resource conservationist, growth is managed and modified, concern for intra and inter generational equity, rejection of infinite substitution between natural and human capital with recognition of some aspect of capital as critical capital human made or natural capital as critical capital; human made or natural capital constant or rising through time, decoupling of negative environmental effects of growth. |
| Strong               | Ecosystems perspective, resource preservationist, recognizes primary value of maintaining the functional integrity of ecosystems over and above secondary value through human resource utilization, collective interest are more important than the individuals, adherence to equality, decoupling of negative effects and zero economic growth and human population growth.  |
| Very strong          | Bioethical and eco-centric, resource preservationist to the point where utilization of natural resources is minimized, anti economic growth and reduced human population.   |

*Source:* Batta, R. N. (2000). *Tourism and the environment*. Indus Publishing Company, New Delhi, p.89

### Indicators of Sustainable Development

Due to mass tourism, there is an increase in population. This increase presents addition of floating population at tourism destinations. There is, therefore, a consequent increase in energy and water consumption, and a rapid increase in generation of wastes. The net outcome is rapid depletion of renewable and non-renewable sources of energy. The success of an environmentally sustainable tourism strategy has to be evaluated with reference to its contribution in; (a) conservation of scarce and highly valuable resources; (b) increasing

afforestation and restoration of degraded land; and (c) increase in production per unit of natural resources consumed. The long-term success of such a programme will, however, depend on its success in involving all concerned: tourists, tourism industry, host population, and the government (Tolba et al cited by Batta, 2000, p.83)<sup>14</sup>

### Alternative Tourism

Butler (1991)<sup>15</sup> says that the characteristics of Alternative tourism include, small scale, developed

by local people, and involves travelling to relatively remote, undisturbed natural areas for admiring and studying natural wealth and cultural feature of the area. Alternative tourism can be distinguished by six spectral fields, motivations, and practitioner characteristics, preferred by six sartorial fields, motivations, and practitioner characteristics, preferred, destinations, types of accommodation, travel organizers, and control and management of the activity. As opposed to mass tourism, alternative tourism is suggested as the appropriate form of tourism for the developing countries. It is seen as smaller scale with more local opportunities, less type of tourism are interested in special attraction, which may be a monument, mountain, or a coastal area. Hence it is essential to maintain the integrity

of attraction to achieve sustainable tourism. Further, in order to maintain the attraction of the site, the feedback of the tourists is required to be obtained. Therefore, it is important to assess not only the nature of the motivations and attraction, but also the feedback between them. If motivation demands a pristine tourism resource and the attraction cannot be maintained in such a condition because of the visitation itself, then the resulting negative loop may affect the number of visitors. This situation is reflected in tourism life cycle concept as articulated by Butler (1991)<sup>16</sup>.

In nutshell, alternative tourism offers a specific role in terms of the scale of activity involved: individual client as against groups, and small scale and local accommodation as against hotel chains.

**Table No.2. Attributes of Mass and Alternative Tourism**

|                        | Mass tourism   | Alternative tourism  |
|------------------------|--|--|
| General features       | Rapid development, maximizes, uncontrolled, short term and sectoral      | Slow development, optimisms, controlled, long term and holistic                |
| Tourist Behaviour      | Large groups, fixed programme, tourist directed, comfortable and passive | Singles, families, spontaneous decisions, tourist decide, demanding and active |
| Basic requirements     | Holiday peaks, untrained layout, publicity clinches, hard selling        | Staggered holidays, trained staff, tourist education                           |
| Development strategies | Unplanned, project led, new buildings and outside developers             | Planned concept led, local developers  |

*Source:* Batta, R. N. (2000). *Tourism and the environment*. Indus Publishing Company, New Delhi, p.91

### Ecotourism

The notion of ecotourism was initially developed by Ceballos Lascurain (1987) who defined ecotourism as experience of traveling to relatively undisturbed areas with the specific objective of studying, admiring, and enjoying the scenery and its wild plants and animals as well as any existing cultural manifestations found in these areas (Boo, 1990, p. xiv)<sup>17</sup>. The Ceballos definition of ecotourism confined to the objective of traveling and the area traveled. The definition by WTO also falls in this category. World Tourism Organization (WTO), 1993:23)<sup>18</sup> defines Ecotourism as, "tourism that involves traveling to relatively undisturbed natural areas with the specified object of studying, admiring and enjoying the scenery and its wild plants and animals, as well as any existing cultural; aspects (both of the past and the present) found in

the areas". The later developments of the definition of ecotourism included the impacts on the area visited as essentials of ecotourism.

Boo (1990)<sup>19</sup> and Burton (1997)<sup>20</sup> have traced the origin of trend towards ecotourism. Boo (1990) believes that the concept of ecotourism emerged from the conversion of two modern trends. First, the trend towards integrating conservation with development, and second, the qualitative changes in tourism demand. People are becoming less interested in positive vacations and instead want to travel to new destinations, including remote and exotic places. It is nature based and nature oriented form of alternative tourism. It involves environmentally soft activities like hiking, trekking, nature observation and nature photography.

The rising interest in ecotourism is considered to have basis in liking towards natural areas. The interest in natural areas, in turn, can be attributed in change in lifestyle, development of better technologies, and trend among people in lifestyle, development of better technologies, and trend among people seeking refuge from the high pressure peace of living finding escape in natural environment. Depending upon the extent of involvement of tourist, ecotourism has been classified as active and passive ecotourism.

Active ecotourism implies a behavioural change in the participant and must involve actions that contribute to the well being of the environment. In contrast, the passive definitions do not ascribe such a transformational character to ecotourism and require only that the activity does not result in negative impact on the physical environment.

Attempts have also been made to contrast mass tourism with ecotourism. While mass tourism is predominantly unsustainable, the alternative tourism is mostly sustainable.

Being a variant of Sustainable Tourism, the ecotourism codes developed in the US, Canada and Australia are subset of Sustainable Tourism. These are<sup>21</sup>:

- It should not degrade the resource and should be developed in an environmentally sound manner.
- It should provide first hand, participatory, and enlightening, experience;
- It should involve education among all the parties local communities, government, non-governmental organizations, industry and tourists.
- It should encourage all parties recognitions of intrinsic values of the resource,
- It should involve acceptance of the resource on its own terms, and in recognition of its limits, which involves supply oriented management;
- It should promote understanding and involve partnerships between many players;
- It should promote moral and ethical responsibilities and behaviour towards natural and cultural environment, by all players,
- It should provide long term benefits to the resource, to the local community and to industry.

As would be obvious, ecotourism codes basically incorporate the essentials of ecotourism described in ecotourism definition by Black. The emphasis is more on quality of experience, education and conservation of resources at the destination. It is therefore argued that rather than defining ecotourism as a product, it should represent a spectrum of experiences, which may be supplied and demanded (Batta, 2000)<sup>22</sup>.

Further, there is a case for adhering to underlying ethics of responsible environment practice not only on external resources that is natural and cultural, but also internally in ecotourism operations. The argument is that these principles represent a leading edge of sustainability and hence these should be applied in general tourism operations apart from ecotourism (Batta, 2000)<sup>23</sup>.

Concluding the discussions, it can be said that Ecotourism has been accepted as a new approach to preserve fragile land and threatened wild areas and to provide people in host countries with opportunities for community based development. While mass tourism creates initiatives in the developing countries that are directed to satisfying the needs of the tourists alone, the ecotourism on the other hand, not only stresses the appropriate use of resources, but also emphasizes, the community development to meet the economic, social, and cultural needs of the community. Ecotourism is one of the tools for sustainable long term planning that is highly controlled (Khan, 1997)<sup>24</sup>.

### **Planning for Sustainable Tourism<sup>25</sup>**

Stated in the very simple form, planning is organizing the future to achieve certain objectives. Tourism planning is adaptation and application of the basic principles of general planning to the tourism system. Planning concepts and principles, in context of tourism have changed in the recent past. The earlier emphasizing on the "Master Plans" has now died out in favour of a modified concept of planning which is a continuous process and is flexible depending upon the changed circumstances. It now applies a comprehensive and integrated approach based on the notion that all development sectors and supporting facilities are interrelated with one another and the natural environment and society of the area. It is therefore important to take a holistic view of tourism development. Systems approach to planning is therefore more popular these days.

### **Role of various Agencies in Promoting Sustainable Development<sup>26</sup>**

All players in tourism like government, non-governmental organizations, tourism industry, and the tourists have to do their bit to promote sustainable tourism. In keep (1991) discuss the role of various actors in tourism process.

#### Agenda 21 for Travel and Tourism Industry<sup>27</sup>

Three International Organizations the World Travel and Tourism Council, the World Tourism Organization, and the Earth Council, joined together in 1996, to launch an action plan entitled "Agenda 21 for the Travel & Tourism industry: Towards Environmentally Sustainable Development" a sectoral sustainable development programme based on eh Earth Summit companies, governments, national tourism administrations (NTAs), and representative trade organizations, as well as the traveling public.

Agenda 21 is a comprehensive programme of action adopted by 182 governments at the United Nations Conference on Environment and Development (UNCED) the Earth Summit, on 14 June, 1992. The first document of its kind to achieve international consensus, Agenda 21 provides a blueprint for securing the sustainable future of the planet, groom now into the 21<sup>st</sup> century. It identifies the environment and developmental issues that threaten to bring about economic and ecological catastrophe and present a strategy for transition to more sustainable development practices. As the world's largest industry, it has the potential to bring about sustainable development of the communities and countries in which it operates. Concerted action from governments, and all sectoral of the industry, will be needed in order to realize this potential and to secure long term future development.

The Agenda 21 for the Travel & Tourism Industry document contain priority areas for action with defined objectives and suggested steps to be taken to achieve them. The document emphasis the importance of the partnerships between government, industry and non-government organizations, analyses the strategic and economic importance of Travel & Tourism and demonstrates the enormous benefits in making the industry sustainable.

The document provides guidelines for the travel and tourism industry, the government and the individual units.

#### Methodology

The study is based on published literature. It is descriptive study. Therefore, only secondary data has been collected.

#### Himachal Pradesh, the Case Study Area<sup>28</sup>

Himachal Pradesh - a small province of India is spread over an area of 55,673 sq. km.. Situated between the foothills and high mountain ranges of the Himalayas, its boundaries extend to Jammu Kashmir in the north, Punjab in the west and south west, Haryana in South, U.P. in south east, and Tibet in the East. Three prominent mountain ranges the Shivalik, Dhauladhar and Pirpanjal loom large over the fertile Himachal Valleys. Dotted with charming hamlets, terraced fields snow fed perennial rivulets, brooks and springs, the valleys remain unsurpassed in scenic beauty. Physiographical, the state is divided into three well identified divisions of the typical Himalayan topography, namely, outer Himalayas or the Shivalik, lesser Himalayas or the Central Zone, and the Great Himalayas and Zanskar or the northern zone. The Shivaliks are composed of highly fragile and unconsolidated deposits in the recent past, heavy deforestation in this region has led to drastic erosion culminating into the formation of Chos or deep channels in land. The lesser Himalayas is mostly of the same physical character as Shivaliks but of greater elevation and magnitude. The great Himalayan range with an average height of 5000 to 6000 metres runs along the eastern boundary and separates the drainage of the Spiti from that of Beas. The Zanskar range forms the easternmost part of this region.

Owing to altitudinal variations, the climate variations occurs leading to diversified type of flora. The variety of flora ranges from the luxuriant meadows in Himalayan highlands and the coniferous species to shrubs and grasses of the lower areas. The state has a potential to offer activities of varied interests to match the diverse tastes of tourists from all segments. Despite all modern inroads, Himachal continues to retain a rare cultural unity, transactional cohesion, and experimental authenticity. The comparative advantage of investing in tourism sector in the state is that, so far, it has a pollution free environment, places of scenic beauty and place with enormous potential for developing sustainable tourism. During late eighties and early nineties the industry got a substantial boost in H.P. with a lot of investment flowing in the tourism sector. It resulted in indiscriminate growth of tourist infrastructure in a few places which has today posed serious environmental threats. It is high time that the system is geared to safeguard against the negative consequences.

### **Damage to Environment in Himachal Pradesh (Kullu-Manali)<sup>29</sup>**

On 23<sup>rd</sup> of September 2002, the Supreme Court of India slapped fine on Himachal Pradesh Government for Advertisements on rocks. The Supreme Court held that it will not tolerate 'vandalism' on ecology. The Supreme Court set up a corpus fund and asked the Himachal Pradesh Government to deposit exemplary Rs. one crore (10 million). The two colossals, a publisher and a cement manufacturer who had painted ads on rocks on the Rohtang-Manali road in the Himalayas were ordered to pay a total of Rs 4 crore (40 million). The fund was ordered to be utilized for restoring the rock faces. The Supreme Court observed that 'it is unfortunate that such large scale vandalism had been taking place without any check by the state government. A three-Judge bench comprising Justice B. N. Kirpal, Justices K.G. Balakrishnan and Arjit Passayat made these observations and passed orders.

### **Conclusion**

Sustainable tourism, therefore, represents and encompasses a set of principles, policy prescriptions

and management methods which chart a path of tourism development in such a way that the destination area's resource base is protected for future development. As tourism poses a serious challenge on environmental, economic and social front, in the new and existing destinations, therefore, a holistic approach to development has to be taken. Actions of all players need to be coordinated to ensure that the actions are not counter-productive and desired results are achieved. Due to their strengths in providing economic benefits with lesser leakages, better forward and backward linkages, and minimum impact on the environment. Alternative tourism and Ecotourism are propagated for adoption, especially in developing countries. More so, while the mass tourism perpetuates dependency among the developing countries due to its high requirements of imported products and capital, Ecotourism strengthens the local economies with minimal impacts. It has been seen that eco-tourism with its small scale development, provides opportunities for local empowerment, encourages the use of local knowledge and labour promote local ownership, perpetuates, local identity, and strengthens economic equity.

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# **Wellness Tourism in India**

## **Issues and Challenges**

***Ramesh C. Devrath & Aditya Ranjan***

### **ABSTRACT**

In modern way of living, people are working in stressful conditions, rigorous lifestyle and dependency on the fast food has roused an alarming condition for the society. Diseases like diabetes, obesity are slowly gripping the people all across the globe. Even having awareness of the facts people are forced to ignore, may be because of the working conditions, financial situations and even sometimes family circumstances. But, the desire to be a well being lies with every individual.

The wellness is now becoming a priority for the society to remain healthy and sound life. And this has given an opportunity for the flourishing of a new niche market for the wellness tourism. People either in their locality or travel to different places for the learning practices and attainment of wellness. A number of people from different parts of globe are travelling to India for wellness

In India, wellness is a concept which has been in vogue since ancient times. Traditional medicinal and health practices like Ayurveda and yoga have always stressed on 'a healthy mind in a healthy body'. Government of India through Ministry of AYUSH is developing and promoting the India as a hub for wellness. Recently, central government has also announced to come up with a new National Health Policy with special emphasis on AYUSH system.

The current paper discuss about the issues India is facing in branding and developing as wellness tourism destination and upcoming challenges afterwards.

**Keywords :** *Ayurveda, Siddha, India, Issues, Challenges, Tourism, Wellness, Yoga*

### **Introduction**

*"Wellness is the result of personal initiative, seeking a more optimal, holistic and impartial state of health and well-being across multiple dimensions."*

-Valenty(2007)

It is always being said Health is Wealth. The wealth of a country is also reflected by the health of its citizen. Here health doesn't mean the physical only, rather it constitute of the physical, psychological, spiritual and societal well being of the citizens. In modern lifestyle people around the globe are living in stressful conditions. Rigorous lifestyle and dependency on the fast food has roused an alarming condition for a number of countries. Diseases like diabetes, obesity, cardiac disorders are slowly enthraling the people all across the world. Even

knowing the facts people are forced to ignore, as because of one or more reasons like the working conditions, financial situations and even sometimes family affairs. But, the yearning to be a well being deceit within every individual.

The wellness is the now becoming the priority for the society to remain healthy and for sound life. And this has given an opportunity for the flourishing of a new niche market for the wellness tourism. People either in their locality or travel to different places for learning the practices and attainment of wellness.

The other reason for the inclination of society towards wellness activities is the failure of modern medical technologies and practices to cater the disease like diabetes, AIDS, Cancer and more recently Ebola and swine flu.

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Now wellness tourism is grabbing attention of people all over the globe. Every year the new trends and practices are being introduced in this area especially through spas. A lot of countries especially those of South East Asia (Singapore, Thailand, Malaysia, The Philippines) realizing its potential has started promoting themselves as the desirable destination for wellness tourism. Not only South East Asian countries but now-a-days most of American (Brazil) and European (Spain, Turkey) and even African Countries (South Africa, Kenya) are promoting themselves as the hotspot for wellness tourists. Recently Caribbean Countries has come up with vision 2018 document to develop them as wellness tourism destination specially trying to tap the American market.

India is one of the desirable destinations among the tourists seeking for wellness activities. But, India till date is not able to utilize its platform as wellness tourism destination. With its historical regimes and vast stretch of different landforms, India is still getting stiff competition from the adjacent South East Asian countries. Ministry of AYUSH (Ayurveda, Yoga, Unani, Siddha and Homeopathy), realizing potential of wellness has moved forward with the announcement to come up with new National Health Policy focusing on wellness and developing India as wellness tourism hub.

### **Need for Study**

"Wellness Tourism" which developed few decades back as a niche market is now a global phenomenon. Stanford Research Institute International in its recent study has mentioned that, the global wellness industry corresponds to a market of nearly US\$ 2 trillion as divergent to the Indian Wellness Industry, which is a US\$ 9.8 billion market; constituting therefore, for less than 2% of the global wellness industry. These figures seems more throbbing for a country like India, from where the 7 different Wellness products (Ayurveda, Yoga and Naturopathy, Unani, Siddha Homoeopathy and Sowa Rigpa) are now in the demand globally. This also indicates there underlying issues and challenges which are hindering the path for India to becoming the global wellness hub.

Although FICCI in 2013 the projected growth of the wellness tourism for India is at the Indian wellness industry will grow at a CAGR of 20% to reach INR 875 billion from current INR 430 billion in next three years, still the question arises is Indian stakeholders are equipped to defy such demand on a positive note. It is also being said that Indian

wellness tourism market will continue to grow with 10.4% till 2017, but how this can be so accurately portrayed, especially when its major proportion is highly unorganized.

This study is commenced to focus on different pre-discussed current issues and upcoming challenges in wellness tourism along with the suggestions to overcome such issues which is India's need of the hour to congregate global ethics and competitions.

### **Objective of Study**

The objectives of study are:

1. To have critical insights, what actually Wellness Tourism is all about especially in India context.
2. To examine what are the current issues and upcoming challenges for wellness tourism in India.
3. To observe the opinion of various researchers regarding wellness issues and challenges in India.
4. To find out the suggestions given by various researchers to counter those issues and challenges regarding growth of wellness tourism in India.

### **Methodology**

As this is a complete secondary research paper, the facts and figures are collected from the various sources i.e. research reports, journal articles, policy drafts, websites, videos etc. regarding wellness tourism in India and world. Around 55 such different sources have been refereed for this paper and wide-ranging wellness tourism trends in 2014 and 2015 and related issues are also taken into consideration. The referee can be further classified as per following:

1. Wellness Tourism background (1959 - 2015) - Refereed includes 34 Journal Articles, 7 Reports, 14 Websites and 7 other sources (Include Newspaper Article, Videos, etc.)
2. Indian Panorama (2011-2015) - Refereed includes 6 Journal Articles, 7 Reports, 11 Websites and 6 other sources (Include Newspaper Article, Videos, etc.)
3. Issues and Challenges (2011-2015) - Refereed includes 5 Journal Articles, 3 Reports, 4 Websites and 7 other sources (Include Newspaper Article, Videos, etc.)

The time frame of study and literature review was from January 2015-August 2015. Only such issues and challenges are taken into deliberation which

are the mainly common (among the refereed) and not been countered by the Indian wellness tourism sector yet.

### What is Wellness?

Human is a social and sensual being, affected by all senses. To remain sound physically and mentally, it is necessary that all senses should work in effective and cordial way. Wellness is the apprehension of our true potential to live a healthier, happier and more successful way of life (Wellness.com, Inc, 2015).

The term "wellness" entered the mainstream glossary in 1970s and still only hazily understood by most populace. In popular usage the term can be applied to anything that makes one feel good or that is "healthy"(Global Wellness Institute, 2013).

Halbert L. Dunn (1959), an American Doctor developed the concept of wellness and wellness perspectives asserting wellness as "A special state of health consisting an overall sagacity of well-being which sees 'Man' as comprising of body, mind and soul, and being dependent on his environment".

Myers, Sweeney, & Witmer (1998) affirmed wellness as being "a way of life oriented toward optimal health and well-being in which the body, mind, and spirit are assimilated by the individual to live more fully within the human and natural community".

University of Miami (2015) and University of California (2015) propounded "Wellness is the vibrant procedure of becoming aware of, captivating responsibility for, and making choices that directly put in to one's well being and that of the common good."

President's Council on Physical Fitness & Sports (2001) cited other researchers and concluded that

*Wellness is a multidimensional state of human being describing the existence of optimistic health in an individual as exemplified by quality of life and a sense of well-being.*

This description was adapted from the definitions of Corbin, Lindsey, Welk, & Corbin, (2002), Bouchard, Shephard, Stephens, Sutton, & McPherson (1990), Corbin, Pangrazi, & Franks, Definitions: Health fitness and physical activity (2000), U.S. Department of Health and Human Services (2000). Quality of life has elucidated "as the satisfaction of an individual's ethics, purposes and needs through the actualisation of their abilities or standard of living" (Emerson, 1985).

As World Health Organisation (W.H.O.) has describe Health "a state of absolute physical, psychological and social well-being and not merely the absence

of disease or infirmity", Global Wellness Institute (2013) elucidate, this definition goes beyond mere freedom from disease or infirmity and emphasizes the proactive maintenance and improvement of health and well-being.

Vincent & Furnham (1997) suggested that there are various push and pull factors which explain the inclination of people towards wellness therapies. The push factor comprises the factors that wellness therapies are "More natural, effectual, soothing and sensible, that one could take an active part in it" and "Easy availability and their cost effectiveness". The pull factor includes "Specific letdown of orthodox medicine to bring them relief", "Adverse side-effects of orthodox medicine" and "Poor communication between patients and orthodox medicine practitioners".

In India, wellness is a concept which has been in vogue since primordial times. Established medicinal and health practices like Ayurveda and yoga have always stressed on 'a healthy mind in a healthy body'(FICCI-PwC Knowledge Publication, 2011). Most of the ancient wellness concepts have largely focused on the basic needs of an individual within the need hierarchy, explicitly a focus on health, nutrition and relaxation(FICCI, 2013).

Global Wellness Institute (2013) has arrive to a question that:

*Why is wellness important to people, business and government?*

They suggested six motives for the question raised which are as follows:

- Worldwide obesity has nearly doubled since 1980.
- Almost 10% of the world's adult population has diabetes.
- Chronic disease is responsible for 60% of deaths.
- Over half the worldwide business population has experienced an appreciable rise in workplace stress in recent years.
- From 2002 to 2020, health spending in OECD (The Organisation for Economic Co-operation and Development) countries will more than triple, to \$10 trillion.
- From 2000 to 2050, the percentage of the world's population over 60 years will double.

There are different principles given by various author to define fundamentals of living well and involvement of both the mind and body. The following principles can also be considered as the characteristics or principles of wellness

| S. No. | Principles           | Assorted aspects  | Citation  |
|--------|----------------------|---|---|
| 1.     | Multi-dimensional    | The most commonly described sub-dimensions are:<br><br>Source : Wellness.com, Inc. ( 2015) | Adams(2003),Global Wellness Institute(2013), Bruess & Richardson (1992), President's Council on Physical Fitness & Sports (2001), Global Spa Summit (2010), Corbin, Lindsey, Welk, & Corbin(2002), Eldin & Golanty (1992), Barwais (2011) |
| 2.     | Holistic             | Importance of quality of life - a sense of happiness and satisfaction with our lives  | Adams (2003), President's Council on Physical Fitness & Sports (2001), Global Spa Summit(2010), U.S. Department of Health and Human Services (2000)   |
| 3.     | Individualistic      | It is your body, mind, and spirit that do all the healing.  | Adams (2003),Global Spa Summit (2010),President's Council on Physical Fitness & Sports, (2001), Total Health Method (2012), Hopper Institute(2007), Barwais (2011)  |
| 4.     | Self-responsibility  | Possessed by the individual.  | Global Spa Summit (2010), Hopper Institute(2007), President's Council on Physical Fitness & Sports(2001)  |
| 5      | Attribute of Balance | Maintaining balance in our lives.   | Adams(2003), Barwais (2011)   |

### Wellness Tourism

In numerous ways Wellness Tourismis one of the most ancient forms of tourism. If one considers that careful attention was given to well-being by Romans and Greeks, the pursuit for spiritual enlightenment of mediaeval pilgrims, or the therapeutic seaside and spa tourism of the 18<sup>th</sup> and 19<sup>th</sup> Century European privileged. Possibly, however, there has been an unparalleled amplification in the pursuit of wellness in the history of tourismin recent years. The proliferation of wellness centers, holistic retreats, spas, and spiritual, pilgrimages, complementary and alternative therapies is unprecedented (House of Lords Report, 2002).

Wellness tourism is sum of all the affairs and phenomena ensuing from a journey and residence by people whose main motive is to protect or uphold their health. They usually stay in a specific hotel

which provides the suitableexperts knowhow and individual care. They require a wide-ranging service package consisting of physical fitness/beauty care, healthy diet/diet, relaxation/meditation and psychological activity/edification(Mueller and Kaufmann, 2001).

Wellness tourism engagesnatives who travel to a unlike place to proactively pursue activities that maintain or enhance their health and wellbeing, and who are looking forexclusive, genuine or location based experience/ treatment not available in the home country (Global Wellness Institute, 2013).

Wellness tourism is also a much newer concept than medical tourism. So, it is difficult to pin down sources that define and explore the concept of wellness tourism on its own(Global SpaSummit, 2011).

| Descriptions                 | Medical Tourism  | Wellness Tourism  | Cited  |
|------------------------------|--|---|--|
| <b>Definition</b>            | Includes populace who travel to a different place to get treated for an ailment, disorder, or a condition, or to undergo a superficial procedure, and who are seeking lower cost of care, higher quality of care or different care than what they could avail in the home country. | Includes populace who travel to a different place to proactively pursue activities that sustain or enhance their health and well being, and who are seeking unique, genuine or location based experience/therapies not available in the home country.                                     | Tourism Committee, PHD Chamber of Commerce and Industry and RN-COS (2014), Global Spa Summit, (2011), Voigt (2013) |
| <b>Tourist typology</b>      | These tourists are generally ill or looking for superficial/dental surgical procedures or enhancements.  | These tourists generally seek integrated wellness and preventive approaches to improve their health/quality of life.  | Tourism Committee, PHD Chamber of Commerce and Industry and RN-COS (2014), Global Spa Summit (2011), Voigt (2013)  |
| <b>Motivation for travel</b> | Treat a specific disease, condition or ailment, and to access: <ul style="list-style-type: none"> <li>• Lower cost medical care?</li> <li>• Higher quality medical care?</li> <li>• Different medical care?</li> </ul>   | <ul style="list-style-type: none"> <li>• Proactive attention in maintaining or enhancing health / wellness / well-being?</li> <li>• Access to different, authentic, or location-based offerings not available at home?</li> <li>• In quest of to practice a certain lifestyle?</li> </ul> | Tourism Committee, PHD Chamber of Commerce and Industry and RN-COS (2014), Global Spa Summit (2011), Voigt (2013)  |
| <b>Components</b>            | Untainted focus on disease & ailment cure  | Focus on holistic well-being of mind, body and soul   | Tourism Committee, PHD Chamber of Commerce and Industry and RN-COS (2014), Global Spa Summit (2011), Voigt (2013)  |
| <b>Therapies</b>             | This involves the conventional medicinal practices/ surgeries completely inclined towards treating diseases and disorders of human body.   | These include traditional/Vedic healings like Yoga, Ayurveda, Salt baths, vital oil massage, rejuvenation therapies among others.   | Tourism Committee, PHD Chamber of Commerce and Industry and RN-COS (2014), Global Spa Summit (2011), Voigt (2013)  |
| <b>Responsibility</b>        | Clinical responsibility  | Individual responsibility   | Global Wellness Institute, (2013), Voigt (2013)  |

Wellness and medical tourism are synchronously and frequently used across the globe. But there exist the differences between these two terms. The following table further explains the differences as:

### Why India?

Global Spa Summit (2011) supported that "India is one of the oldest countries in terms of wellness tourism and one of the leading countries now in medical tourism. Many Indian traditional wellness

therapies are being practiced by different countries worldwide (e.g., Ayurveda, Yoga, and Meditation). India along with other Asian countries is one of the typical nations which understand and practice body-mind-spirit balance and use holistic or integrated medical systems that are also based on lifestyle."

"India is perceived globally as one of the true spiritual abode of the modern wellness movement and has a powerful and unique 'wellness aura' with its primeval, rich history of Ayurveda, Yoga, Panchakarma, Siddha, Unani, and Meditation,"

Susie Ellis, chairman, and CEO, Global Spa & Wellness Summit

British rock band "The Beatles" inadvertently set the trend for international celebrities visiting India on wellness tours? In 1968, they traveled to Rishikesh to attend an advanced Transcendental Meditation (TM) session at the ashram of Maharishi Mahesh Yogi (Sawan, 2013). Afterward, Prince Charles, Camilla Duchess of Cornwall, Mia Farrow, Steve Jobs, and Oprah are just a few of the many Westerners who have congregated to India for the life-changing excursion to visit meditation retreats and spiritual sites (Gregoire, 2013). Low entry barriers and growth potential of the wellness industry in India has attracted international players and domestic new entrants (FICCI-PwC Knowledge Publication, 2011).

Global Spa Summit (2011) concluded that the key attractions for wellness tourism in India includes "Low costs of treatments relative to other countries", "High quality of care", "Lack of language barriers (most speak English well)" and "Long history of traditional and alternative healing therapies (e.g., Ayurveda)."

In India, in addition to continuation of modern medicine, native or traditional medical practitioners continue to practice throughout the country. Popular aboriginal health care traditions include Ayurveda, Yoga, Siddha, Unani, Homeopathy, Naturopathy, and Yoga (Bansal, 2013).

The objective of wellness tourism is fulfilled in India by providing an opportunity to be away from the daily routine, hustles- bustles and coming into a different surrounding for relaxation. During their stay, the tourist receives an orientation that helps them to improve their life in terms of health and general well-being through Ayurveda and Yoga. It is just like rejuvenation and cleansing process at all levels for an individual - physical, mental and emotional.

## Issues and challenges

India is now becoming the hub for global wellness tourism. Apart from such a vast spread and development of wellness tourism in India, there lays certain factors which are hindering the growth of this industry. If not focused it may appear as a threat in the future:

### 1. Negative image about the Country

In past few years, the increasing numbers of the cases of molestations and harassments against the international/ domestic tourists and natural calamities like floods in Uttrakhand in 2013 and Jammu and Kashmir in 2014 has created a darkatmosphere, which in turn has resulted into decreasing inflow of the tourist. Apart from that the fear of terrorist attacks and activities has always a major consent among tourists.

### 2. Alarming diseases

Outbreak of diseases like Swine Flu, Dengue Malaria, and Meningoencephalitis has raised the questions on the wellness components like Ayurveda, Yoga, Unani, Siddha, Homeopathy, etc. If alternative therapies are being so successful, why till date no cure has been developed or even cures has been developed, why people (Indian) are hesitating to go for such therapies. This also deviate prospective wellness tourists form undertaking such therapies.

### 3. Meager visiting experience

Customers who are visiting India have somehow met with the poor experience due to certain reasons like infrastructural facilities, poor hygienic conditions. Limited amenities, even unsatisfactory outcomes of the wellness therapies have also contribute to the meager visitor experience. Sometimes the therapies are so heavily charged it goes beyond the customer's pocket, this also act as add on to the poor customer experience.

### 4. Lack of talent:

The rapid growth of wellness industry in the recent years, has led to the huge demand of the talented professional.FICCI-PwC Knowledge Publication in 2011 has projected for the additional skilled personnel requirement would be 600,000 additionalover the next five years and also major concern would be their availability of such pool. There are only few institutions which offer reliable education with adequate

practical training. Lack of universally accepted accreditation or education standards affects the training quality imparted in local academies, thus leading to the gap between the demand and supply of the trained professionals for this industry. This also restricts the prospective students for thinking about such courses as a viable career alternative.

##### **5. Service space is highly fragmented**

The wellness industry is highly fragmented industry and thus it becomes challenging for the consumers to distinguish between a good service provider and a mediocre player. This is happening so because of the low-entry barriers which provide easy access of anyone to get into the business. This is also resulting into the pricing pressure on the organized players who are forced to curtail the prices of the services and products offered. The entry of unorganized players and their misconducts has led to negative image of the industry. Even the customers are sometimes being heavily charged for the services and customers find it fooled by them.

##### **6. Wellness Insurance**

Till date there is no such criteria defined for the wellness in terms of insurance. The insurance companies as well as wellness providers are not able to secure the person who is travelling for seeking wellness services. Consumers are always being at the peril suitability of products or services and risk injury by untrained professionals. Therefore, it is desirable to have wellness insurance as similar to health insurance for Wellness customers.

##### **7. Accreditation of wellness courses**

Acceptance and penetration of QCI-NABH (Quality Council of India - National Accreditation Board for Hospitals & Healthcare Providers) guidelines in wellness industry is negligible. There is no accreditation body in India to accredit and monitor the wellness courses running in country. This also led to development of large pool highly untrained professional and as a result degradation of the quality services to customer. Customers find it difficult to distinguish between accredited and non-accredited center.

##### **8. Quality guidelines and compliances:**

There are no quality guidelines and compliances

which should be made mandatory for the service providers from government part. The industry is also providing services and products as per their availability not what actually being required by the customers. As a result customers are not aware of the quality of products or services they are availing. Consumers are always being in a doubt with unreliable quality of services and products.

#### **Suggestions**

##### **1. Setting up a Regulatory Body/Association for Accreditation:**

The first and foremost step should be taken from government side is to set up a Regulatory body or Association to provide credit and monitor the wellness centers throughout the country. This will also help the industry for getting talent inputs which are required to run the business.

##### **2. Security:**

The government must focus on the negativity which has been aired or airing about the country like cases of molestations and harassments against the International/Domestic tourists and ensure about the submissive steps must be taken in that regard. Initially the security of foreign tourists must be taken into priority.

##### **3. Collaborations and tie ups:**

The wellness must come up with the tie ups or collaborations with the companies providing health insurance facilities to come up with the wellness Insurance for the tourist who are especially visiting India for the wellness purpose. This will act as add on for the safety of the tourists.

##### **4. Quality guidelines:**

The government should lay down the quality guidelines and compliances for the products and services offered to the tourists by the wellness centers. Also the integrants, quality and quantity must be made available to the public like of allopathic medicines. This will help the user to know about the products and its quality before availing that.

##### **5. Research and development:**

The wellness centers must develop research and development cells for the developing new process and therapies for the diseases which are causing stern life loss across the country.

like swine flu, dengue, etc. This will help in the people in remedial from these diseases and also restoring trust on these wellness therapies.

### Conclusion

No doubt, wellness tourism is a booming industry and is in initial stage all across the globe. Since, India is home for ancient wellness therapies like Ayurveda, Yoga and Siddha, it has got the added advantage. But it is lagging far behind utilizing these advantages. If, mentioned issues are not focused and actions are not taken immediately, India would fall behind the countries like Thailand, Malaysia, and Philippines which are currently giving stiff competition in the wellness sector. As wellness tourism is penetrating in India at a very fast pace, Government of should come up with a strategic

plan to overcome these challenges in wellness sector to improvise the quality of services, and also strengthening the base of wellness tourism in India. The government should also lay down the laws to prevent this grooming industry to develop into a mushrooming industry. Though the Government of India has announced to come up with the new National Health Policy focusing AYUSH (Ayurveda, Yoga, Unani, Siddha and Homeopathy) at its centre, the focus should also be on the allied sectors which help the populace to meet the desired alternative therapies at the best available price with quality services.

Now the time has come when there is need of relevant primary qualitative and quantitative research can be done having this secondary research as one of the reference.

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# Pasts of Entertaining Art of Magic Including An Insight from the Archive

**K. C. Pandey**

## ABSTRACT

The word 'Magic' has always attracted the attention on human mind. It evokes a lot of emotions and gives a number of words for it to our mind - 'entertainment', 'bliss', 'performing art, miracle witchcraft, sorcery, shamanism and sometimes even 'superstition', but not as often as it should - 'intangible cultural heritage' or 'a living tradition'. The pasts of entertaining art of magic can be traced back to the culture and religion of cave dwellers. At every stage of development of human society, the faith and belief in magic has always been strong. It is the most universal of the entertaining arts, because it translates so easily from one culture to another. The archival records show that even during the 20<sup>th</sup> century this art was patronized by the kings and emperors. The magicians not only entertain the visiting guests/tourists but also travel long distances for entertainment.

**Keywords:** *Magic, Magician, Religious rituals, Entertainment, Maharaja, Kings and emperors, Sorcerer, Alchemy, Buddhism, Harry Houdini, Rope Trick, Westcar Papyrus.*

## 1. Objective / Significance of the Study

- i. The purpose of this study is to reconstruct a background history of Entertaining Art of Magic.

## 2. Methodology:

- i. Study the documents recovered from Archives (National Archives, Delhi Archives, etc)
- ii. Consulting different books on Magic, Religions, Heritage & Tourism
- iii. Search of material available on different websites of the related field

## 3. Background Introduction

When we see the history we find that from Cave-Man, Ancient Egypt, Greek and Roman, Middle Ages and from 1500s to 1700s people had strong faith & belief in Magic. The world of magic, witchcraft and sorcery is a fascinating world and holds many secrets. It is the world of spells; communication with the spiritual world besides performing acts that science or reason says cannot work or violate specific physical / natural law. Magic, witchcraft and sorcery and its practitioner are imposter's of mystery. This mysterious world of Magic, Witchcraft and

Sorcery generally holds some logical / scientific secrets not known to the audience / believers and public at large. In ancient times magic was also involved in healing of sick (Ian Adair, 1996, p.8) & (Geoffrey Samuel, 2005, p. 75). Even the highly educated people believed in its power. For example, Sir Isaac Newton studied alchemy.

There are certain traditional families also who practice black magic - Sorcery i.e. casting of spells etc. They have their own way of functioning and performing in the society. Though they mostly use the magic tricks only but make the people believe in spells in the pretext of removing the evil spirits from someone / removing different difficulties faced by people who come to them including treating the ails giving them psycho therapy/ secretly use of medicines / herbs.

In most of the occasions, the secret tricks / methods are used in the name of supernatural powers owed by these families and Sorcerers which impresses the audience and make them believe in magic and supernatural powers held by these Families / Sorcerers. The so-called supernatural powers exhibited by the Sorcerers of these families, casting of spells on the object, the peoples (object of sorcery) belief / blind

faith in Sorcery and the social circumstances sometimes affects the psycho - physiological mechanism underlying the individuals under spells even leads to death also (Levi-Strauss Claude, 1963, p.167). The sorcerers use some secret techniques also in dealing with situations and on objects.

Though with the development of science & technology the Magic has made advancement in the field of entertaining art but still the other part of Magic - "Sorcery / Black Magic" is practiced and believed in the society.

To the secrets behind casting of spells / Sorcery / Witchcraft, the modern magicians have given birth to the art of entertainment (magic as illusion / stage art) denying the work of any supernatural power / force for performing the acts that science says cannot work.

Before the year 1750, most magic was performed outdoors in marketplaces, in fairs, and on street corners. Magicians had no stages of their own. Their shows were limited to what they could carry with them or what their audiences were likely to have handy. Magicians were also patronized during the times of kings and emperors as court magicians. During the period of kings and emperors the art of magic flourished a lot due to royal patronage.

Today's highly developed entertaining magic throughout the world has its earliest roots in religious rituals and tribal shamanism.

#### 4. Literature Review

Magic in human culture is as old as the creation of this universe. Records show that as far as 50,000 BC, magic was being practiced by cave-dwellers, probably as part of their religious rituals (Ian Adair, 1996, p.8). The cave/rock art reflects magical connotations. In cave arts, the graphical representation of animal figure was done for some magical purpose. The animal was drawn or engraved as a means of bewitching them and eventually, after performance of certain rites, of making them fall prey to the hunters. Thus, the cave art has definite magical connotations but they were however more than this. The Belgian pre-historian H. Danthine deduces that caves can not have merely as a place where hunting magic was performed in order to assure a daily supply of food and suggests that it must have been the site of something much more important, perhaps cult

ceremonies held at longish intervals, or places of initiation and worship where communication took place between men and a superior being (Ivar Lissuer, 1960, p. 148).

It was believed by the pre-historic early men that by capturing of the bodily form in effigy of a man or an animal, his soul is also caught and held captive.

The Tungus, along with Ostyaks, Voguls and other Siberian tribes carve a figure of animal which they wished to kill: "An animal is put under a spell through the medium of its effigy and the soul of a living suffers the same fate as the soul of its second self (Ivar Lissuer, 1960, p. 245). Leo Frobenius described the preparation made by Pygmies of the Congo when hunting antelope. Going to a hill before dawn, they drew the shape of animal in sand with fingers (Ivar Lissuer, 1960, p. 245). As the sun rises they shot an arrow in the neck of the animal depicted and after their real quarry had been successfully dispatched they nibbed a little of the dead antelopes hair and blood into the sand and withdraw the arrow and obliterated the picture (Ivar Lissuer, 1960, p. 245). However the author believes that this is not sorcery. 'A hunter's concentration on the task in hand, his faith in his future triumph and the psychological presentiment of victory may be actually conducive of success.

Karl J. Narr - "Saw these as forms of genuine magical observance which, by intensifying self confidence, actually influence reality" (IVAR Lissuer, 1960, p. 245).

In primitive times, the office of magician is to primitive man what that of prophet is to a more advanced people. He is the teacher of the ignorant; he delivers to men the oracles of the gods; he foretells events, and explains what is mysterious. The term magician, as that of ordinarily understood, does not cover the idea savage man has regarding his religious teacher. His conception is that of one possessed of supernatural knowledge, wisdom, and power; power which he has in virtue of his office, and which he can exercise in the discharge of it. These magicians, or prophet are among primitive men a distinct class, who, dating their origin from the very beginnings of the society, developed into guilds or colleges with the growth of thought and early human institutions"-(James Macdonald, 1883, pp.146-147).

In the central mythic narrative of Vajrayana Buddhism in Tibet, the local deities, opposed to the introduction of Buddhism, destroyed at night what was built during the day, until Santarakṣita, an Indian monastic who had been imported to serve as the first abbot of the new monastery, counselled that the great Tantric *siddha* Padmasambhava be summoned from India to tame the local deities and bind them to the service of the Buddhist teachings (Geoffrey Samuel, 2005, p. 61).

Buddhism survived in Tibet, initially, as set of techniques which were adopted by indigenous Shamanic practitioner, an often passed down as the property of the particular hereditary lineages (Geoffrey Samuel, 2005, p.76). Many Tibetan Lamas practice the Shamanic aspects of Vajrayana. The Shamanic practices are also used for healing of the sick. In Vajrayana the ultimate aim of Shamanism and Tantric yoga is the attainment of Buddhahood, the ‘supreme siddhi’(siddhi = magical power, magical attainment) (Geoffrey Samuel, 2005, p. 75). Once the practitioner have taken on identity of deities, however, en route as it were to Buddhahood, the powers of the deities are accessible to them. This is the basis of the ordinary or relative siddhis which include such pragmatic and these worldly matters as healing, long life, prosperity, divination of future events, or the destruction of obstacles and hostile forces. It is also the foundation of the ritual practice of the lamas (Geoffrey Samuel, 2005, p. 75).

“It would not be incorrect to say that the story of the art of magic is as old as recorded history. Nearly 5000 years ago, magic entertained the court of the Egyptian king Cheops. A magician named Dedi cut off and restored the heads of a goose, a pelican, and an ox. Even the Westcar Papyrus, written nearly 4,000 years ago, has on record a story of a magician performing centuries earlier in the Pharaoh’s court. Magicians performed in the streets and marketplaces of ancient Greece and Rome” (Delhi Tourism-Magic Festival Brochure, 2012, pp. 10). Almost every society during the ancient times had some form of magic. In one of the descriptions of Indian Rope Trick in the “ Memories of the Emperor Jahangir” written by himself and translated from a Persian manuscript by Major David Price, member of the Royal Asiatic Society of Great Britain and Ireland, during the beginning of the seventeenth century, at

Delhi, a magician performed the Rope Trick before Emperor Jahangir (Sorcar P.C., 1960, p. 41). Magic can be said to be the most universal of the performing arts, because it translates so easily from one culture to another.

Comparatively recently, Reginald Scot published *The Discoverie of Witchcraft* in 1584. The book aimed to expose the secret behind the common magic tricks performed by the so-called witches. In the 18<sup>th</sup> century, Jacob Philadelphia toured Europe and Russia, performing magic feats that he often disguised under the garb of scientific exhibitions. Alexander Hermann of the 19<sup>th</sup> century was perhaps the original “typical” magician sporting wavy hair, a tailcoat, and a goatee. In the same period, Harry Houdini gained fame as an escapist and awed his audience with spectacular conjuring tricks and his great performance skills.

“The period from 1750 to 1930 was seen as The Golden Age of Magic. Magicians started by performing at inns and public houses, or in rented rooms. Eventually, magic caught on with the upper classes and the magicians got a chance to perform in large theatres and gain respectability and status. Many magicians capitalized on the public interest in science, drawing people to their magic shows with scientific sounding terms or combining their shows with science lectures. The great travelling show also arose in this period” (Delhi Tourism-Magic Festival Brochure, 2012, pp. 10-11).

## 5. Insights from the Archives

### i. Bundelkhand Agency File No. 417 of 1906

*Subject: Visit of the Amir of Kabul to Agra.*

Maharaja of Charkhari, Malkhan Singh Ju Deo offered the services of his court magician Professor Ahmed of Charkhari for the entertainment of Amir of Kabul during his visit to Agra in November 1906. The magician Professor Ahmed had so many excellent testimonials which the magician Professor Ahmed had received from His Excellency the Viceroys downwards. The magician used the Persian dialect instead of English during his performance there (a very rare course which the English native experts are known have successfully adopted) so as to enable the Amir and his nobles to understand him. The offer of

Maharaja was for offering the services of magician for magical entertainment was accepted most gratefully and the magician was accommodated in the camp of His Highness, the Amir of Kabul.

### **ii. File No. 17/295/38-Political 1938**

*Subject: Grant of Visas to Malini and Son, American Magicians.*

American Magicians who wanted to visit India from Colombo sought visa from Home Department, New Delhi through Chief Secretary, Colombo.

The visas for single journey were provided in November, 1938 on receipt of No Objection from Home Department, New Delhi by Colombo Chief Secretary. The magicians were also directed to deposit necessary fare at Madras. This document shows that Magicians traveled far of places probably to show their skills and dexterity and made shows and earned good sum of money.

### **iii. 1882 Foreign Department Proceedings March 1882, Nos 56**

*Subject: Practice of magic on the life of the Gaekwar of Baroda.*

This document is about the report provided by Major General J. Watson Agent to Governor General at Baroda to Secretary to Govt. of India, Foreign Department about the arrest of three men while performing magic on the life of Gaekwar of Baroda.

## **6. Result and Analyses**

From the Archival studies and literature reviews, it can be seen that magic was practiced as witchcraft, shamanisms & sorcery etc. It was generally linked to religion and had considerable influence on the society. It was an important form of entertainment and enjoyed royal patronage.

It is evident from the Archival records about Gaekwar of Baroda that the three men who were arrested while performing black magic on the life of Gaekwar of Baroda were accused of putting pins on the image of Baroda and then burning the image. These actions seem to be of black magic which may cause harm to Gaekwar or bring bad omen on him.

British Agent clarified about this trivial incident and inferred that nothing serious transpired from it.

The Archival document in which the Ambassador of Sri Lanka requests for visas of American magicians shows that magician travelled long distances for entertainment and were well to do people of that time.

The document about correspondences between Jacob and Maharaja of Charkhari state shows the importance the magic had as a form of entertainment for visiting dignitaries and the document also highlights the importance that was given to the court magician.

## **7. Conclusion**

From the study in this paper, it can be seen that magic practices existed since the Paleolithic age when primitive man used to live in cave shelters. Primitive man will draw figures to invoke magic and bring success in his hunting expeditions. Magic remained dominant and prevalent in ancient religions, shamanism and witchcraft practices etc. which further evolved in the form of entertainment. As a form of entertainment magic travelled from street performances to the courts of kings and emperors during the medieval period. This continued till modern period as can be seen from the archival records showing the correspondences between Maharaja of Charkhari and Jacob for the visit of Amir of Kabul. Even though there has been a substantial advancement in science and technology, there are still people who believe in superstitions related to sorcery, witchcraft and shaman practices.

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