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Title

**A CASE STUDY ON EMPLOYEE MOTIVATIONAL PRACTICES
AT AIRPORT AUTHORITY OF INDIA LIMITED WITH
SPECIAL REFERENCE TO CHENNAI AIRPORT**

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ABSTRACT:

The Airports Authority of India (AAI) was formed on 1st April 1995 merging the International Airports Authority of India and the National Airports Authority with a view to accelerate the integrated development, expansion, modernization, operation, and cargo facilities at the Airport conforming to international standards. AAI has identified 12 important Domestic Airports, which are developed as model airports based on the traffic potential, tourist potential and coverage of regions of the country. The runways at these airports are designed to cater for A-320 operation with standard approach and landing aids, modern communication and navigational facilities. The modern airports are Jaipur, Lucknow, Nagpur, Vadodara, Calicut, Coimbatore, Patna, Hyderabad, and Imphal. Apart from this, AAI is developing some of the cardinal airports. These include Goa, Bangalore, Varanasi, and Agra. With the intention to analyze the motivational practices of AAI, this research had been undertaken. As a matter of fact, the key to any successful organization is the end result of management motivation. It is one of the most difficult tasks that a manager faces because every employee is endowed with unique talents and motivational requirements. So much so, these methods that are used to motivate employees must be tailored to fit each one. Every organization should have motivation plans in store as much as to stimulate and encourage the employees positively and identify the due employee motivation. Some of the most effective ways for managers to motivate them include appreciating them at the right moments, being able to recognize their accomplishments and to give them positive feedback. Motivation is one of the responsibilities of all supervisors. The purpose of this dissertation is to study the Employee Motivational Schemes followed at Airports Authority of India, Chennai. The main objective of this project is to gain maximum knowledge of the Employee Motivational Schemes followed in the organization. The practical knowledge has been gained mainly by observing all the activities taking place in AAI. This study is mainly intended to gain the understanding of the Employee Motivation, as to how it is implemented, as to why it is necessary, its implications and benefits.

NEED FOR THE STUDY:

The main purpose of this research is to study about the motivational schemes provided by AAI and to gain understanding of various emerging management practices prevailing within the

organization, the functioning of the different departments and their interdependence. As a matter of fact, the organizational excellence is the only way for any corporate sustainability and survival. The areas like HRM, manufacturing technology, Advertising, and E-commerce have undergone maximum transition after 1991 in all industrial sectors. Every organization needs to attract competent people and retain them with motivational spirit as much as to allow people to perform tasks for which they were hired, and to stimulate people to go beyond routine performance and excel themselves in their work. Thus, if the organization would like to surpass the competitors, it must address the motivational challenges faced by people so as to be productive members of the organization. A basic principle is that the performance of an individual depends on his or her outcome backed by motivation. As a matter of fact, Only the Motivated employees are quality driven. The Motivated employees look for innovative ways to excel in performance. The Highly motivated employees are more productive than apathetic workers. The fact is People get motivated not only to join the organization but also to remain faithful so as to be secured. People perform tasks for which they are hired with the certain expectancy. People when motivated go beyond normal performance level and exhibit some form of creative, spontaneous and innovative work behaviors. Motivation as a concept represents a highly complex phenomenon that affects, and is affected by a multitude of factors in the organizational context. Organizations with good motivational policies can extract more from their employees, thus together growing and developing with the employees.

RESEARCH METHODOLOGY:

Research can be defined as a systematic approach for a purposeful investigation. Methodology refers to the various methods and techniques adopted by the researcher, right from the stage of data collection. The total period allotted for the research work was one month. This research was undertaken by personal visit to the organization. **Primary data** are those data which are collected as first-hand information and thus they are original in nature. These are collected from the direct sources like: 1. Personal interview with the employees. 2. Observation method. **Secondary data** are collected from the sources like: 1. previous records of the organization 2. Magazines and Journals 3. Websites. The organizational research had to face certain limitations. One of the main limitations was that the personal interviews were affected by

personal bias to an extent. **Limitations:** The main reason why motivation is a difficult job is that the work force is changing continuously. Employees join the Organisation with different needs and expectations. Their values, beliefs, backgrounds, lifestyles, perceptions and attitudes are different. Not many organizations have understood these and not many Organizational Behavior experts are clear about the ways of motivating such diverse workforce. Motivating employees is more challenging at times. This happens mainly when the firms dramatically change the jobs that the employees have to perform, reduce layers of hierarchy, and jettison large number of employees in the name of right sizing or downsizing. These actions significantly damage the level of trust and commitment from employees, which brings a negative influence on their performance. Some organizations have resorted to strategies like hire and fire, pay for performance-outcome etc. Such strategies may have only some temporary effect (both positive and negative).

OBJECTIVE OF THE STUDY:

1. To analyze the Employee Motivational schemes in “Airports authority of India”.
2. To study in detail the functions and the practices of various Department of the AAI.

MAJOR FUNCTIONS OF AIRPORT:

1. Control and management of the Indian airspace extending beyond the territorial limits of the country, as accepted by ICAO.
2. Design, Development, Operation and Maintenance of International and Domestic Airports and Civil Enclaves.
3. Construction, Modification and Management of Passenger Terminals.
4. Development and Management of Cargo Terminal at International and Domestic Airports.
5. Provision of Passenger Facilities and Information System at the Passenger Terminals at airports.

6. Expansion and strengthening of operation area viz. Runways, Aprons, Taxiway, etc.
7. Provision of visual aids.
8. Provision of Communication and Navigational aids viz. ILS, DVOR DME, Radar, etc.

Chennai International Airport is located in Meenambakkam, 19km south of Chennai. It has the IATA Airport code and it is the third largest international gateway in the country after Mumbai and Delhi. In addition to this, it is the main air hub for south India. After Mumbai, it is one of the most important Cargo terminal for the country. Chennai is also a hub airport for Jet airways, Indian Airlines, Air Deccan, Air Sahara and Air India. One of the first airports in India was in Chennai. This was the final destination of Air India's first flight from Bombay (via) Belgium in 1954. The first passenger terminal was built at the northeast side of the air field, which lies in suburb of Meenambakkam due to which it was referred to as Meenambakkam airport. Subsequently, a new terminal complex was built further south, near Pallavaram to which passenger operation was shifted. Chennai international airport consists of three terminals of Meenambakkam which were used for cargo. The new passenger terminal complex consists of the domestic and international terminals interconnected by a link building, which houses administrative offices and a restaurant. All though the complex is one continuous structure it was built at different periods. The airport has the honor of receiving the ISO 9001-2000 certificate in 2001. It is the first airport in the country to receive this prestigious certificate.

THE FUNCTIONS AND PRACTICES OF HUMAN RESOURCE

DEPARTMENT AT AAI, CHENNAI:

AAI comprises of motivated, trained and highly qualified professional, which helped them to emerge as a highly skilled professional organization amidst all the aviation sectors. High morale of the employees continues to enhance smooth and efficient operation of airport activities towards accomplishing the objective of customer satisfaction. The authority has successfully used the Human Resources tools like job rotation, redeployment etc. to sustain employees' interest in their job. AAI has strength of about 21000 employees both Executives and Non-Executives. The management of AAI firmly believes that, it can achieve its valuable goals through their invaluable asset of Human Resources alone. The personnel director's endeavor is

to have progressive HR practices and uniformly implement them in order to keep employee morale. This enables them to discharge their duties efficiently and reach excellence in their respective fields. From 1st January 1997, the wage agreements for both Executives and Non-executives were implemented with harmonious industrial relations. It strives hard to improve its services further. The HR department at AAI takes the responsibility of maintaining its employees' welfare as its major policy.

TRAINING AND DEVELOPMENT PRACTICES IN AAI:

AAI offers a wide range of training and simulation products and services. The company is recognized as a leader in analysis, design, development, and production of military technologies. All these are done for maintenance training, embedded training system, upgrade modifications and Instruction. To cope up with constant changes and strides in technology and to fill the gap between actual performance, skill acquisitions and upgrading is ensured amongst the employees through the process of training at various levels. The training requirements are catered through:

1. National Institute of Aviation Management And Research (NIAMAR)
2. Civil Aviation Training College (CATC), Allahabad
3. Fire Training Centre (FTC), New Delhi
4. Fire Service Training Center (FSTC) Kolkata

These Four Institutes meet all requirements of in-house human resource development and manpower training for AAI in Terminal Management, Air Space Management, Air Cargo, Airport Fire & Safety Services, and Airport Commercial aspects. The CATC, Allahabad and the NIAMAR, New Delhi are approved by ICAO Train air Centers and many courses at FSTC, Kolkata & FTC, Delhi are on the approved ICAO training schedule. CATC being AAI's residential training establishment is operating since 1948 in India. This training center which was modernized under UNDP/ICAO agreement in the year 1988 has full-fledged infrastructure including well furnished hostel, an Auditorium with 400 seats capacity, seminar hall for in-house academic and culture activities. CATC is a full-time member of ICAO TRAIN AIR Program since 1993 and has an established Course Development Unit (CDU). The CDU has developed 7 Standard Training Packages (STPs) which are available for global sharing. In addition to this,

CAT has the privilege of imparting training not only to non-AAI organization like IAF, COAST GUARD, HAL etc. but also training to the other countries as per international arrangements specially to Iraq, Bangladesh, Nepal, Singapore, Sri Lanka and Ethiopia.

DEPARTMENT OF FINANCE & ACCOUNTS - OBJECTIVES & FUNCTONS:

Objectives: To facilitate other service departments with speedy clearance of expenditure proposals and to ensure the financial property. Secondly, revenue billing, follow up and realization of revenue etc. Thirdly, disbursement of all staff related payments as per schedule.

Functions: The major function is to maintain a system of financial control, internal check and financial scrutiny of all expenditure and revenue proposals. Secondly, to manage cash flow disbursements to staff including retired persons. Thirdly, disbursements to outside agencies for supplies and services provided. Lastly, preparation of budget and maintenance.

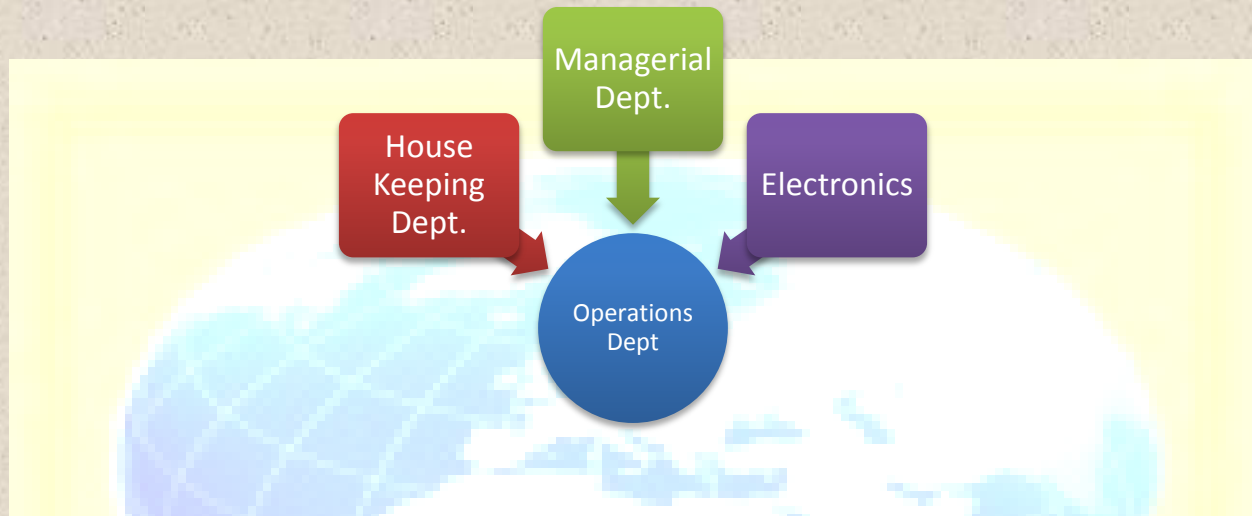
DEPARTMENT OF CARGO - FUNCTONS AND PRACTICES:

1. Export 2. Import 3. Trans-shipment. AAI air cargo terminals provide truck locks, store rooms, live animals sheds, hazardous cargo godown and palletisation station, offices for airlines, govt regulatory agencies, multimodal cargo operators, break bulk agents, and consolidators for ease of operation and user convenience. CCTV systems, X-ray scanners etc. are also provided with safety standards.

DEPARTMENT OF OPERATIONS- FUNCTONS AND PRACTICES:

The entire functions of the terminal building are controlled by the operations dept. The work has been divided and is controlled by various sections according to their activities such as house keeping, electronic, material management.

Functions of operation department: To receive and dispose complaints and to take possible actions on the comments and suggestions from passenger/user agencies and to look after and maintain terminal building, city side and baggage breakup areas. Lastly, to up-keep and allotment of retiring rooms, etc.



DEPARTMENT OF COMMERCE - FUNCTIONS AND PRACTICES:

For the past 10 years, AAI has developed a team of experts in the field of commercial aspects. Based on the experience gained, they provide assistance to other airports operators in improving the financial viability of the airports. Functions of commercial department are as follows: 1. Management of all commercial revenue contracts. 2. All space allotments in the airport area. 3. Insurance of AAI assets.

EMPLOYEE MOTIVATION SCHEMES AND PRACTICES IN AAI:

The Airports Authority of India, Chennai Airport follows certain Schemes and Programmes to motivate their Employees, to draw maximum outcome of quality from them. The various Motivational Schemes followed by the AAI, Chennai Airport are:

1. Incentive Scheme for acquiring Professional/Additional Qualifications.
2. Flexible Complimenting Scheme (FCS).

3. Career Progression Scheme (CPS).
4. CPS under Wage Agreement.
5. Productive Linked Incentive (PLI).

INCENTIVE SCHEME FOR PROFESSIONAL COMPETENCE AT AAI:

To encourage employees to improve their knowledge and professional competence by pursuing advanced studies relevant to their functions in the Organization at their own cost and time, employees shall be given increment(s).

Eligibility: The Organisation has its own criteria of eligibility towards the employees in their respective areas of functionality. This Scheme shall cover all employees of the Organisation below the Board level except where specifically excluded. Qualification should be pursued and acquired during service in Authority. The discipline of his/her course of study should obviously relate to his/her area of functioning. The additional increments shall be paid from the due date of normal increment, which falls due after acquiring the qualifications.

Procedure: An eligible employee may apply for the incentive under the scheme through proper channel in the prescribed form substantiating the reasons duly recommended by the Recommending Officer. Application for the sanction of incentive increment(s) should be made within three months after acquiring the respective qualification.

Benefits: Employees can improve their educational qualifications without any interrupt in their job. Employees can enhance their growth in job position, suited to their qualification. Employees can avail certain incentives through this Scheme, which helps them in improving their qualification. Employees can avail additional improvements in the pay.

FLEXIBLE COMPLEMENTING SCHEME AT AAI:

FCS stands for Flexible Complementing Scheme. It was evolved in the year 1995, to give relief to the staff who had been waiting for promotion for long years after completing the eligibility period. Here the staffs are in want of vacant posts in the higher grade. This is a scheme of flexible complementing, by grouping two cadres at the entry level and at the next higher level.

Objectives: To provide reasonable opportunities for career growth which is an important factor in motivating employees. To create and sustain morale of employees. To recognize and award employees for their contribution to the growth of the Organisation. Lastly, to provide accelerated career progression to the employees.

Benefits: Employees are provided with reasonable opportunity for career growth. Employees are recognized and awarded for their contribution to the growth of Organization. Employees can have accelerated career progression in the Organisation.

Employees can enjoy increment in pay after they complete certain period of service in the Organisation. Employees in the lower cadre are promoted to the higher cadre after they complete 8 years of service thus helping them in their career progression.

CAREER PROGRESSION SCHEME AT AAI:

CPS stands for Career Progression Scheme. As one time measure, Managers/Assistant Managers in various disciplines are eligible for promotion to the next higher post of Sr. Manager post. But they must qualify the following conditions: The Managers/Assistant Managers have completed 10 and 8 years regular service respectively in the grade. Should have passed necessary CATC course or have minimum qualification for the entry level post, or possess requisite qualification for promotion to the next higher grade. Promotions will be on the basis of seniority in the grade subject to the condition that the employee is not unfit for promotion. Promotion is subject to clearance from Disciplinary and Vigilance angle. Promotions against regular vacancies will be in accordance with the provisions of R & P rules. All eligible officers irrespective of the fact whether they have been granted promotion under Career Progression Scheme (CPS) or not will be considered as per procedure laid down for DPC. For purpose of counting the requisite service of 10/8 years, the date of joining at CATC Allahabad for training will be taken into account for deciding the qualifying service in case of direct recruits. The promotions shall be treated regular. Since these promotions will be beyond the sanctioned strength, the same will be personal and the officer will continue to perform the same functions unless otherwise specified. The Bench Mark/Criteria for promotion will be as per normal DPC rules.

PRODUCTIVITY LINKED INCENTIVE AT AAI:

PLI is Productivity Linked Incentive. Productivity Linked Incentive was introduced to offer appropriate incentive to the employees of Airports Authority of India and enable them to give their best for enhancing efficiency and quality of services offered by the Authority. The Scheme shall cover all Employees (Executives & Non Executives), Apprentices, Consultants/Advisors and employees engaged in contract basis but, contract labor (other than those covered under Supreme Court judgment) will not come within the purview of this Scheme. The Chief Executive and other full time members of Airports Authority of India (AAI) are also eligible as per the instructions contained in Department of Public Enterprises Office Memorandum dated 19.07.1995 on this subject. This Scheme is effective from 01.04.1996 and is extended from time to time. The starting point from the payment of productivity-linked incentives will be 80% of the Operational Performance Issue (OPI). In other words, if the OPI falls below 80%, no Productivity Linked Incentive is payable.

PERFORMANCE-PLI RELATIONSHIP:

The payment of incentive would be regulated as follows:

OPI %	Incentive as % of Basic Pay + DA
Below 80	Zero
80	4
81-82	5
83-85	6
86-88	7
89-91	8
92 & above	9

The Employees who have rendered service as a part of the financial year are entitled to payment of Productivity Linked Incentive on proportionate basis. The Productivity Linked Incentive (PLI) payment shall be computed as income for the purpose of Income Tax deduction. Chairman, AAI

under this scheme is empowered to reduce the rate of incentive applicable to employees on account of operational constraints such as:

- a. Excessive over time payments to non-executives.
- b. Abnormal increase in establishment and administration charges.
- c. Resource crunch.
- d. Cost escalation/delayed execution of capital projects and
- e. Absenteeism/Work stoppage/Go slow agitation/Work to rule action etc.

The Productivity Linked Incentive (PLI) is declared every financial year as percentage of basic pay & DA payable subject to a maximum of Rs.10,500/- depending on the performance index.

RESEARCH IMPLICATION AND DISCUSSION:

- a. The organization of AAI, Chennai Airport has, no doubt, various Motivational Schemes that helps in enhancing the quality of its employees to great extent. With the employees drawing benefits from these schemes, they show their dedication and commitment in work, towards the Organization. Training and Development opportunities provided by the organization helps in improving the morale of the work force and thereby helps to increase the quality of workforce and increase the productivity of the organization. As a matter of fact, AAI has been positioning itself as one of the largest air carrier providers in India with the proven track record of traffic volume and company assets. No wonder, it owns the most updated fleet and competent maintenance expertise. AAI definitely has the government backing in terms of finance, technical expertise, skilled employees and other essential resources.
- b. Apart from these strengths, it has a good reputation in both international and domestic markets for quality service. Nevertheless, the age-old Goodwill has been still kept alive. Its information systems are advanced and compatible with its operation and service.
- c. Though AAI is operating airlines across international and domestic markets competing with world class leading giant operators as well as local operators, there is lack of clarity on the strategic direction which largely dilutes its capabilities and confuses its brand within markets.

- d. One of the important concerns is that of insufficient profitability and utilization of capacity. The AAI should introspect itself whether it is able to utilize its resources in terms of expertise, technology, with the available airline facilities to the maximum capacity so as to compete international airliners.
- e. The next concern is high cost structure in AAI, which has to be strategically analyzed as much as to find out opportunities as to convert this weakness in to strength.

CONCLUSION:

The study on “Employee Motivation” has been done by studying various Motivational Schemes in the AAI Organization. As a matter of fact, the ultimate aim of every Organization is to create a win-win situation, to earn profit in the long run while providing quality service and satisfaction to its employees. Since it is the employees who constitute the Organization, their efficient performance is immensely necessary to improve productivity. Your employees are your greatest asset and no matter how efficient your technology and equipment may be, it is no match for the effectiveness and efficiency of your staff. Their efficient performance in turn depends on how motivated they are in their work place setting. In fact, an Organization is like a home with various family members living together. As a result, the efficiency of Organization greatly depends on the unity between its various personnel. The organization AAI, Chennai Airport has various Motivational Schemes that helps in enhancing the quality of its employees. The employees are drawing benefits from these schemes and hence showing their dedication in work, towards the Organization. Training and Development opportunities provided by the organization helps in improving the morale of the work force. It helps to increase the quality of workforce and thereby increase the productivity of the organization. All these help the organization further to achieve its long-term goal. Of course the opportunities for Indian airline industry are growing faster and will continue to grow as the GDP increases, and the trend is predicted to continue once the slowdown recedes. Moreover, worldwide deregulations make the skies more accessible; the route agreement is easier to be achieved. The number of foreign visitors and investors to India is increasing rapidly. Since the complementary industry like tourism will increase the demand for airline service, the Civil Aviation Ministry’s strong regulation and protection can pave way for brighter opportunities for efficient consolidation and optimization in future.

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WEBSITES:

- www.aiaaero.com
- www.chennaiairport.com
- www.google.com
- www.hrzone.com

NOTE: (This being the case study of AAI, much of its contents is referred from the manual of the AAI and not from the text books)

