

Air India Limited: Project Report

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Abstract— one of the most commonly debated and research field in the business world is Motivation. What people do at their work place, what made them do that, what they want from their job, what are their expectations from the job and from the employer are some of the few questions that every employer and researcher wants to know in today's competitive world. I got this opportunity to work as an intern on the topic Motivation with special reference to job satisfaction at Air India Limited, Mumbai. During my research, I found various motivation instruments used by the Personnel/HR department to motivate their employees. The present study investigates the extent to which the motivational factors affect the employees and the relationship between Motivation and Job satisfaction. The respondents were the employees working in Personnel/HR department of the Air India Limited, Western Region, Mumbai.

The result has clearly delineated that the company has been successful in motivating and satisfying majority of the employees of Air India. The study also finds relative importance of different factors that contributes to job satisfaction. The various factors used for the motivation by the company were included in the questionnaire and then the employees were asked to rate their views on those questions. Various factors that can lead to job satisfaction, and very well related to motivation, were also asked to rate in the questionnaire and further hypothesis were generated and tested so as to check whether these factors are correlated with job satisfaction or not. The study has provided the researcher a deep insight into the phenomenon of motivation which would definitely help a long way in my career as well as to other management students for thoroughly understanding the things that are required to be done in an organisation to keep the employees motivated

I. COMPANY PROFILE

Air India is the flag carrier airline of India, owned by Air India Limited, a government of India enterprise. The airline operates a fleet of Airbus and Boeing aircrafts serving various domestic and international airports. It has its headquarters located at the Indian Airlines House, New Delhi.

It has two major domestic hubs at Indira Gandhi International Airport (New Delhi) and Chhatrapati Shivaji International Airport (Mumbai). Its secondary hubs are at Chennai International Airport (Chennai) and Netaji Subhash Chandra Bose International Airport (Kolkata) ^[1]. However, international hub is being planned at Dubai International Airport, Dubai. Its fleet size is 133 (including subsidiaries) which includes youngest fleets providing superior flight experience ^[2] As of June 2014 Air India serves 131

destinations. There are 26,000 employees working in Air India (FY 2013/2013) ^[3]

Air India was once the largest operator in Indian sub continent with the market share of over 60%. Indifference financial performance and services, labour trouble pushed it to 4th place in India behind low cost carriers like Spice Jet and its full service rivalry Jet Airways. As of January 2014, Air India is the 3rd largest carrier in India, after Indigo and Jet Airways with the market share of just above 19%.

History of Air India ^[4]- Air India is the India's National Airline. Its history can be traced to October 15th 1932. On this day J. R. D. Tata, the father of civil aviation in India and founder of Air India, took off from Drigh Road Airport, Karachi in a tiny, light single engine de Havilland Puss Moth on his flight to Bombay (Mumbai) via Ahmadabad. Air India earlier was known as Tata Airlines. After the World War II, regular commercial service in India went back to normal, Tata Airlines changing its name to Air India and becoming a public limited company on the 29th of July 1946. On March 8th, 1948 Air India International limited was formed to start Air India's International operations. On the 8th of June 1948, Air India introduced a regular service from Bombay to London, and two years later, Air India started regular flights to Nairobi.

Subsidiary Companies

- Hotel Corporations of India
- Air India Charter Limited
- Air India Air Transport Services Limited
- Air Engineering Services Limited
- Airline Allied Services Limited
- Vayudoot Limited

Mission: To be rated among top five airlines in Asia Pacific by customers and distribution partners.

Objective: Achieve unit revenue, unit cost, profitability and service level target, based on benchmark parameters.

Vision

- To rationalize all business processes around passenger and departure control applications using industry standards with a view to enhance revenues and reduce cost.
- Upgrade participation levels with various Global Distribution Systems (GDS) to the highest level.
- Provide for various modes of booking and check-in and thus extend the convenience to the customers.
- Timely and accurate revenue determination per flight departure due to uplift of e-ticket coupons and speedier interline settlements.
- Ensure that NACIL hosted system has incorporated latest Industry Standard (IS) changes relevant for all PSS applications as per requirements.

- Provide the Customers using the airline IBE for passenger services an experience to cherish.
- Provide a world class Frequent Flyer system with comprehensive interface with other frequent flyer systems of Global Alliances partner airlines.

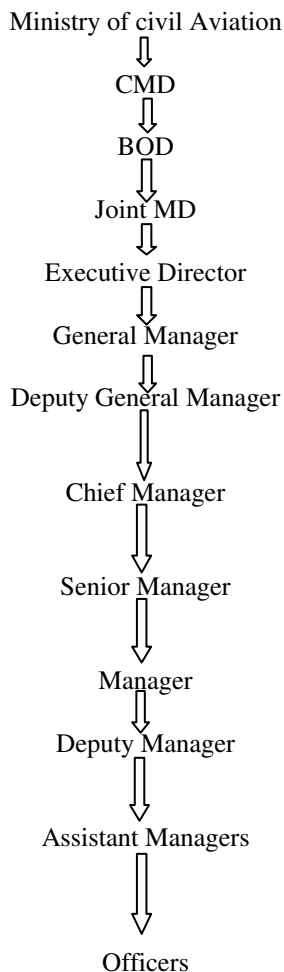
Amalgamation of Air India Limited and Indian Airlines

The need for amalgamation of Air India Ltd (AI) and Indian Airlines Ltd (IA) was necessitated due to the fact about AI and IA, which were operating in a largely protected environment, were faced with fierce competition from domestic private and global airlines companies. Market share had declined substantially for airlines. Significant increase in competitive activity had eroded historical advantage of both carriers as leading international carriers had increased coverage and frequency to major cities in India and domestic carriers also significantly ramped up operations.^[5]

Government of India, On March 1st, 2007, approved the merger of Air India and Indian Airlines. Consequents to the above, in new company viz. National Aviation Company of India Limited (NACIL) was incorporated under the company’s act, 1956, on 30th March 2007 certificated to commence business was obtained on 14th May, 2007.

It has been decided that post-merger, the new entity will be known as “AIR INDIA” while “MAHARAJA” will be written as its Mascot. The logo of the new airline will be red coloured flying SWAN with the “KONARK CHAKRA” in orange placed inside it. The corporate office of NACIL will be at **Mumbai**.

Organizational Chart:



Employee Profile of the organization

| GRADE | DESIGNATION |
|-------|--|
| 1-2 | Helpers, Peons, Datary, Security Guards, Safaiwalas |
| 3-6 | Assistant, Senior Assistant, Motor Mechanics, Aircraft Technicians, Senior A/C Technicians |
| 7-8 | Superintendents, Master Technicians |
| 9 | Foreman Inspectors, Senior Superintendents |
| 9 A | Officers |
| 10-12 | Assistant Managers |
| 13-14 | Deputy Managers, First Officers, A/C Engineers |
| 15 | Managers, Captains, Senior A/C Engineers |
| 16 | Senior Managers, Commanders, Deputy Chief A/C Engineers |
| 16 A | Chief Managers |
| 17 | Deputy General Managers |
| 18 | General Managers |
| 19 | Executive Directors |
| 19 A | Deputy Managing Director |

II. PRESENT STATUS OF AIR INDIA LIMITED

Two years ago, a section of Air India pilots went on a 10 day strike demanding better pay. The strike forced the national carrier to cancel dozens of flights, suffering a loss of revenue and market share. To regain market share, the loss making airlines slashed fares that proved disastrous. “It played havoc with our finances,” says Chairman and Managing director Rohit Nandan, who took over the airline in August 2011, “After I came, I decided no more low fares. There is no point in focussing on your market share at the cost of profitability.”

The carrier posted earnings before tax, interest, depreciation and amortisation (EBITDA) of Rs 19 crore in 2012/2013. The achievement is significant, considering that

the airline has been making losses for the past seven years. Air India's operational parameters have improved as well. Its flights, for instance, stick to their schedules more often than before. Air India's on time performance improved to 82 per cent in May 2013 from 80 per cent a year earlier, according to data from industry regulator Director General of Civil Aviation. And its local market share leapt to 19.1 per cent in May 2013 from 16.2 per cent a year earlier, the data show.^[6]



The airlines current avatar is a result of the merger of state run carrier **Indian Airlines** with **Air India** in 2007. Both airlines posted profits in 2005/06. But rising competition, worsening operational performance, massive aircraft purchases, and the ill conceived merger pushed the combined airline deep into the red. Total losses have accumulated to almost **Rs 20,000 crore** while the debt burden is at a staggering **RS 43,000 crore**. The precarious financial situation forced the government to announce a bailout package in April 2012. The turnaround plan entails an equity infusion of more than **Rs 30,000-crore** into the airline by 2020 if it meets certain milestones.

So far, say Air India executives, the airline is meeting the milestones. The carrier aims to become cash positive, or make a profit after excluding depreciation costs, by 2016/17. Joint managing Director Syed Nasir says the target is to make a net profit by 2019/20. "But with the pace with which we are moving, I would not be surprised if we become profitable much before."

At present there are no concerns about whether the staff would get next month salary. The airline is also improving fuel efficiency and maximising revenue generation from aircraft. The airline has introduced all economy seats in 14 Airbus **A320** aircraft for flights that take less than one hour. It is looking to lease more 19 A320 jets with all economy seats. The carrier also has 48 narrow body aircraft with both executive and economy class. The airline is also inducting more **Boeing 787 Dreamliners**. These jets, says Joint Managing Director Ali, are 25 percent more fuels efficient than aircraft of the Boeing 777 family, which accounts for 60 per cent of the airline's long haul fleet. The airline is implementing several other measures which include restructuring or withdrawing loss making flights, selling or leasing out underused assets such as land and building, and stopping excessive allowance to pilots and crew members. Air India expects to save **Rs1000 crore** this year by implementing

these measures. The carrier has also appointed global consultant DTZ to raise money from its real estate assets. The target is to get **Rs 5000 crore** from leasing and selling off its assets in the next 10 years.

The airline is likely to seek permission from the new government of Prime Minister **Narendra Modi** to raise **Rs 10,000 crore** through an issue of tax free bonds in the current financial year. The airline is additionally seeking immediate cash infusion of **Rs 3,000 crore** to repay loans it had taken last year to clear dues to vendors, in the event of a shortfall in the equity infusion earlier promised by the government. AI currently has debt of Rs 42,000 crore, of which **Rs 22,000 crore** is for working capital. In October last year, the finance ministry had extended a sovereign guarantee to AI for cheaper funds from banks. The approval enabled the airline to negotiate with banks to raise **Rs 3,000 crore** from financial institutions, as the government was not in a position to infuse more resources into the carrier.

For the current financial year 2014/15, AI is scheduled to receive equity infusion of **Rs 5,000 crore** from the government. Of this, the first tranche of **Rs 1,375 crore** has been released. The airline plans to utilize this money to expand international operations. It would start direct flight to Rome and Milan with newly acquired Boeing 787 Dreamliners. Flights to Moscow would fall within a month.

The airline's losses widened to **Rs 5,400 crore** in 2013-14, primarily on high operational cost. It also missed the target of **Rs 1,040 crore** in operational profit; this is expected to be Rs 770 crore. The net loss was Rs 5,100 crore for 2012-13 and Rs 7,100 crore in 2011-12. The second quarter of FY14 was the worst for the airline, when it missed its revenue target by Rs 700 crore because of lower passenger load and a local fare war. It, however, hit the revenue target for 2013-14 of **Rs 19,300 crore**.

AI recently signed a pact with MoCA on the financial and operational targets in 2014-15. The agreement specifies targets for categories based on scenarios (depending on whether the airline's performance is average, good or excellent). Another AI senior executive said, "The oversight committee would continue to evaluate the performance on targets set in the turnaround plan. The agreement with the ministry is separate and more broad-based. Every parameter of evaluation has been assigned a weight and the airline's performance in each would be assessed for an overall rating."^[7]

SWOT Analysis of Air India

Strength

- Strong backing by the Government of India
- Brand new fleet of aircraft and owns most updated fleet
- Its information systems are advanced
- Known for its unique and high quality "Maharaja" advertising
- Presence in nearly 54 countries
- Flying to 61 destinations within India

Weakness

- Labour problem and political intervention is a cause of worry
- Financial crises leading to payment issues of employees
- Low profitability and utilization of capacity

- Airline high cost structure and compulsion of being a public sector unit are the reasons it had been making a loss

Opportunities

- Dedicated set of customers
- Can leverage on brand new fleet
- Expansion of routes and international destinations
- Solving international issues regarding workforce can highly boost image and operations
- The routes agreement is easier to achieve
- The number of foreign visitors and investors to India is increasing rapidly
- Complementary industry like tourism will increase demand for airline services
- Customers are getting wealthier, tend to be less price conscious and prefer to choose quality service over cost

Threats

- Rising labour costs
- Rising fuel costs
- Faces imminent aggressive competition from world leading airlines and price wars triggered by domestic players
- Losing market share due to other airlines

III. REVIEW OF LITERATURE

What is Motivation?

A simple definition of motivation is that it is the description of person's motive to action. It is 'what makes us do what we do.' The most complex and valuable resources of every organization are the employees working in it. It has to be considered that people should be highly motivated and their efforts should also be aligned with the goals of the organization.

'Drives within a person that account for the degree, direction and persistence of efforts extended at work.'

Just like any other word, there are variations of definitions to describe a concept. Motivation too has many different definitions, but it is important to focus on those that are related to the workplace. Understanding exactly what motivation is will help managers decide what actions to take to encourage their employees. The definition of motivation starts with the root word, motive. Webster's Dictionary defines motive as, something that causes a person to act. Therefore, motivation can be defined as, the act of providing motive that causes someone to act (*Shanks, 24*). In other words, according to *Nancy Shanks*, motivation causes someone to act and someone else cannot make someone motivated. It is the discretion of the person to decide if they are going to be motivated or not. Motivated and unmotivated are not opposites, but instead, there are determining factors that could cause someone to be unmotivated, such as life events and attitudes towards a specific job.^[8]

Motivation is an employee's intrinsic enthusiasm about the drive to accomplish activities related to work. Motivation is that internal drive that causes an individual to decide to take action. Every employee has activities, events, people, and goals in his or her life that he or she finds motivating. So, motivation about some aspects of life exists in each person's

consciousness and actions. The trick for employer is to figure out how to inspire employees' motivation at work. To create a work environment in which an employee is motivated about work, involves both intrinsically satisfying and extrinsically encouraging factors. Employee motivation is the combination of fulfilling the employee's need and expectations from work and the workplace factors that enable employee motivation. These variables make employee motivation challenging. Many employers fail to understand the significance of motivation in accomplishing their mission and vision. Even when they understand the importance of motivation, they lack the skill and knowledge to provide a work environment that fosters employee motivation.

Motivators-

- A. Desire for pleasure (positive motivators) - represents desirable qualities that we want to achieve and will usually direct our actions to attain one or more of them.
- B. Avoidance of pain and discomfort (negative motivators) - we usually attempt to avoid them. They do motivate us to take actions but only in trying to avoid this.

Positive and Negative motivators comprises of following factors:

"Connection and belonging, Independence, Constancy, Change, Power and control, Progress, Achievement, Recognition, Stimulation, Possession, Self expression, Contribution, Meaning purpose and values and Physical conditions."

Every factor may act as positive or negative motivators i.e. it varies from person to person. Ex: An employee works harder and harder so as to get connected with the upper management and stay connected with the group he belongs to. On the other hand he may work harder and harder so as he does not lose the recognition he gets from upper management.

Employee performance is frequently described as a joint function of ability and motivation, and one of the primary tasks facing manager is motivating employees to perform the best of their ability (*Moorehead and Griffin, 1998*).

Pinder (1998) describes work motivation as the set of internal and external forces that initiate work related behaviour, and determine its form, direction, intensity and duration; work motivation is a middle range concept that deals only with phenomena related to people in a work context. *Pinder (1998)* said that an essential feature of this definition is that work motivation is an invisible, internal and hypothetical construct, and that researchers, have to rely on established theories to guide them in measuring work motivation.

Various theories of Motivation are as follows:

1. **Maslow theory:** Maslow gave hierarchy of need category. According to him, lower needs take priority. They must be fulfilled before the others are activated. There is some basic common sense here—it's pointless to worry about whether a given colour looks good on you when you are dying of starvation, or being threatened with your life. There are some basic things that take precedence over all else.

| Need | Home | Job |
|---------------------------|---|---|
| Self actualization | Education, religion, hobbies, personal growth | Training, advancement, growth, creativity |
| Esteem | Approval of family, friends, community | Recognition, high status, responsibilities |
| Belongingness | Family, friends, clubs | Teams, depts., co-workers, clients, supervisors, subordinates |
| Safety | Freedom from war, poison, violence | Work safety, job security, health, insurance |
| Physiological | Food, water, sex, sleep | Heat, air, base salary |

2. **Alderfer's theory:** Alderfer classified need into three categories, also ordered hierarchically-

- **Growth needs** (development of competence and realization of potential)
- **Relatedness needs** (satisfactory relations with others)
- **Existence needs** (physical well-being)

Alderfer believed that as you start satisfying higher needs, they become more intense (e.g. the Power you get the more you want Power), like an addiction.

3. **Herzberg two factor theory:** According to Herzberg, two kinds of factors affect motivation, and they do it in different ways:

- **Hygiene Factors.** These are the factors whose absence motivates, but whose presence has no perceived effect. They are things that when you take them away, people become dissatisfied and acts to get them back
- **Motivators.** These are factors whose presence motivates. Their absence does not cause any particular dissatisfaction, it just fails to motivate.

4. **Reinforcement theory:** Operant conditioning is the term used by B.F. Skinner to describe the effects of the consequences of particular behaviour on the future occurrence of that behaviour. There are four types of operant conditioning: **Positive Reinforcement, Negative Reinforcement, Punishment and Extinction.**

- **Positive Reinforcement-**This is the process of getting goodies as a consequence of behaviour. You make a sale, you get a commission. You do a good job; you get a bonus and promotion.
- **Negative Reinforcement-**This is the process of having a stressor taken away as a consequence of behaviour.
- **Extinction-** This is the process of getting no goodies when you do behaviour. So if person does extra effort, but gets no thanks for it, they stop doing it.

- **Punishment-** This is the process of getting a punishment as a consequence of behaviour. E.g. having your pay docked for lateness.

5. **Equity theory:** Equity theory says that it is not the actual reward that motivates, but the perception, and the perception is based not on the reward in isolation, but in comparison with the efforts that went into getting it, and the rewards and efforts of others. If everyone got a 5% raise, B is likely to feel quite pleased with her raise, even if she worked harder than everyone else. But if A got an even higher raise, B perceives that she works just as hard as A, she will be unhappy.

6. **Vroom's Expectancy theory:** Motivation = Expectancy * Instrumentality * Valence

- **Expectancy-**the person's perception that effort will result in performance. In other words, the person's assessment of the degree to which effort actually correlates with performance.
- **Instrumentality-** The person's perception that performance will be rewarded/punished.
- **Valence-** The perceived strength of the reward or punishment that will result from the performance. If the reward is small, the motivation will be small, even if expectancy and instrumentality are both high.

Job Satisfaction- Job satisfaction is a complex and multifaceted concept, which can mean different things to different people. It is usually linked with motivation, but the nature of this relationship is not clear. Satisfaction is not the same as motivation. Job satisfaction is more of an attitude, an internal state. It could, for example, be associated with a personal feeling of achievement, either quantitative or qualitative.

It is often suggested that job satisfaction is necessary in order to achieve a high level of motivation and performance. One view, associated with the early human relations approach, is that satisfaction leads to performance. An alternative view is that performance leads to satisfaction.

Dimensions of Job Satisfaction:

- Individual factors include personality, education and qualifications, intelligence and abilities, age, marital status, orientation to work.
- Social factors include relationships with the co workers, group working and norms, opportunities for interaction, informal organization.
- Cultural factors include underlying attitudes, beliefs and values.
- Organizational factors include nature and size, formal structure, HR policies and procedures, employee relations, nature of work, technology and work organization, supervision and styles of leadership, management systems, and working conditions.
- Environmental factors include economic, social, technical and government influences.

Mumford examines job satisfaction in two ways:

1. In terms of the fit between what the organization requires and what the employees is seeking; and

2. In terms of the fit between what the employees is seeking and what they are actually receiving.

According to *Sem pane, Rieger & Roodt (2002)*, “Job satisfaction relates to people’s own evaluation of their job against those issues that are important to them”. Job satisfaction is regarded as related to important employee and organizational outcomes, ranging from job performance to health and longevity (*Spector, 2003*). A variety of factors motivate people at work, some of which are tangible, such as money, and some of which are intangible, such as a sense of achievement (*Spector, 2003*).

According to *Keith Davis and John W. Newstrom (2002)*, Job satisfaction is a set of favourable or unfavourable feelings and emotions with which employees view their work. It is an affective attitude a feeling of relative like or dislike towards something. *Toby Marshall Egan, Baiyin Yang, Kenneth R. Barlett (2004)* examined the effects of organizational learning culture and job satisfaction on motivation to transfer leaning and turnover intension.

According to research done by *T. A. Judge and R. Ilies (2004)* on job satisfaction, People who tend to be positive and cheerful most of the time do indeed tend to express higher job satisfaction than ones who tend to be down and gloomy.

Motivation basically has two dimensions (*Anonymous, 2010*), one being “making employees work better, more efficiently and effectively” from the point of view of managers, the other being “enabling employees to do their job in the best way with enjoyment and desire” from the point of view of employees.

Motivation and job satisfaction has been considered to be affected by economic variables and this fact cannot be denied but are not sufficient enough to have a prolonged effect. However, it is seen that appeal to the motivating economics tools and expecting from them more than needed does not seem to result in success very much. Therefore, in planning rewarding, encouraging economic tools should be employed in accordance with employees’ needs. In fact there are ways of increasing employees’ work motivation and satisfaction other than monetary tools (*Moncrief, 2010*).

Yasemin Oraman (2011), worked to evaluate the effective dynamics of work motivation and job satisfaction of textile employees. It analyzes the effectiveness of psycho-social, economic, organizational and managerial tools over individual’s motivation in terms of maintaining the motivation and job satisfaction of the employees in the business. He came out with the conclusion that economics tools by employees are positively and significantly related to the level of motivation increase perceived by the employee.

IV. OBJECTIVE OF THE STUDY

The study has been initiated keeping in view of the merger of the two airlines Erstwhile Indian Airlines Ltd and Air India in the year 2007, which has led to lot of changes which has directly or indirectly had a very strong impact due to the changes implemented in the merged scenario.

The major challenges and issues of merger were:-

- Unified work practices
- Man power integration
- Pay parity
- Carrier progression
- Succession planning

During the initial phase of the merger there were a lot of ambiguities concerning the above factors. However the recent initiative & recommendation implemented by the Justice Dharmadikari Committee instituted by the Ministry of Civil Aviation/Govt of India, has given a yardstick for the management for integrating both the companies as per the vision & mission of the merged entity. In the view of the above statement of problems and changes of employees perception morale and motivation level due to the fear of the unknown had come down multilevel as also due to the surmounting losses which company has been trying to overcome in the past years as a result of which employees were getting delayed salary, part payment and a big cluster of cost cutting measures has been a very de-motivating factor for the employee, there by resulting low productivity and ambiguous work culture.

Therefore the management is very keen on to examine, analyze and find out various factors affecting motivation of employees. The primary objective of this study is to know various motivation facilities extended to the employees at Air India Limited and to see up to what extent these factors are related with the Job satisfaction i.e. whether these factors, provided by the company, leads to job satisfaction or not. Secondary Objectives includes-

- To involve participation from employees.
- To check whether various factors are co-related to job satisfaction.
- To suggest measures in improving the motivation techniques used by the company.
- To seek various suggestions or expectations from the unsatisfied employees

V. SCOPE OF THE STUDY

- Effective Motivation techniques lead to proper satisfaction of the needs of the employees.
- If the Motivation techniques are correlated with the Job Satisfaction, then it would help the managers in implementing such techniques and thus getting work done from the employees.
- The study also deals with the present job situation.
- Improving Motivation techniques leads to low employees’ turnover rate.
- Improving Motivation techniques will help the Air India in improving the brand image.
- Employees will be more dedicated and loyal towards Air India.
- The approach of study has been from the point of view of developing and effective motivation program.
- These techniques can also be adopted for the blue collar employees of Air India Limited

VI. LIMITATIONS OF THE STUDY

- Few of the respondents hesitated to give the correct information.

- Few of the employees hesitated to give their opinion against the management.
- The study does not cover, what is the motivation factor for each employee.
- The study pertains to the employees of western region Mumbai only. The findings of the study cannot be generalized to employees of other region and out station.
- The period of the study was limited.
- The validity of the study depends on the reliability of Primary data

VII. RESEARCH METHODOLOGY

Sample:

The study has used sample survey; the type of sampling used is convenience and judgemental sampling. The sample comprises of 60 white collar (supervisor and above) employees working in both Erstwhile Indian Airlines and Erstwhile Air India. Participants were selected through the HR department pool (121 permanent employees presently being working in HR department).

Measures:

A demographic form was filled by the participants, which included information about age, gender, qualification, length of service and designation.

The questionnaire was divided into two parts which represents various questions on Motivation and Job satisfaction. The participants were expected to rate their answers on a Likert format response scale (i.e. Strongly Agree, Agree, Neutral, and Disagree and Highly Disagree). At last any suggestion or expectation of the employee from the company was also asked.

Procedure:

The questionnaires were distributed to respondents and they completed the questionnaire manually. The data was collected individually. At the beginning of each questionnaire, an overview was provided. All respondents must fill a demographic form which includes information on age, gender, qualification, length of service and designation. Participation was voluntary and the responses were anonymous. The respondents were informed about the purpose of the research. As with all study participants, they were assured that all information would be kept confidential.

First Percentage method was applied on the various factors of motivation included in the motivation part of the questionnaire. And then for the job satisfaction part, Hypothesis was formed for each question to see if it's related to overall job satisfaction.

Period of Study: Period of study was of two months i.e. from 02/06/2014 to 01/08/2014

Type of Data Collection:

- Primary data- The primary data was collected using the Questionnaire.
- Secondary data- The secondary data were collected from various books, already worked projects, company manual, records and websites.

VIII. STATISTICAL ANALYSIS

After the collection of data, the answer sheets are scored. Then, the data are tabulated and Pie charts are formed using Microsoft Excel.

Table 1

Table showing response of employees as to whether they find opportunity for advancement (career growth) in Air India Limited

| Response | No. Of Respondents | Percentage |
|-----------------|--------------------|------------|
| Strongly Agree | 0 | 0 |
| Agree | 13 | 22 |
| Neutral | 8 | 13 |
| Disagree | 27 | 45 |
| Highly Disagree | 12 | 20 |
| Total | 60 | 100 |

Inference:

The table clearly shows that majority of the employees (i.e. 45%+20%= 65%) do not find the opportunity for their career growth and only 22% employees experiences the opposite.

Chart1- Pie chart showing the above responses-

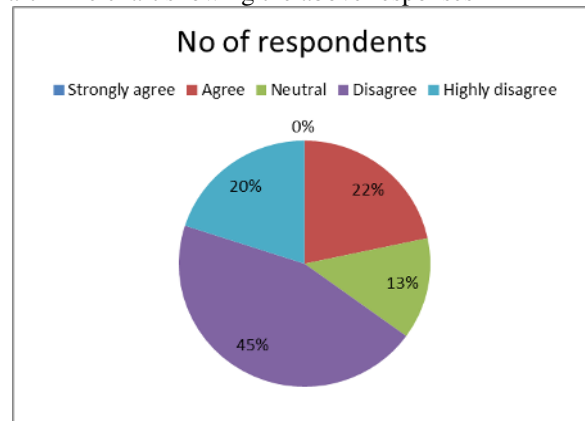


Table 2

Table showing response of employees as to whether timely training programs are provided to them

| Response | No. Of Respondents | Percentage |
|-----------------|--------------------|------------|
| Strongly Agree | 2 | 3 |
| Agree | 25 | 42 |
| Neutral | 9 | 15 |
| Disagree | 18 | 30 |
| Highly Disagree | 6 | 10 |
| Total | 60 | 100 |

Inference:

The above table indicates that 45% of employees agree that timely training programs are provided, but at the same time 40% employees shows contradiction to this. The difference between the two is not too much and can be considered equal.

Chart 2- Pie chart showing the above responses-

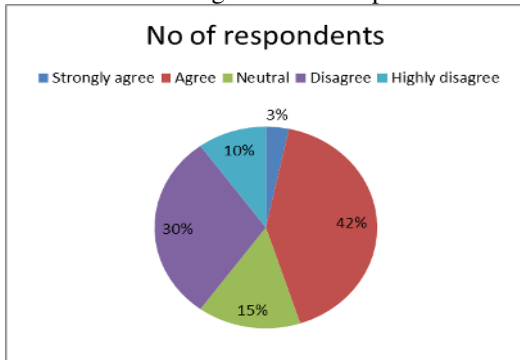


Table 3
Table showing responses of employees as to superior always recognises their work

| Response | No. Of Respondents | Percentage |
|-----------------|--------------------|------------|
| Strongly Agree | 6 | 10 |
| Agree | 40 | 67 |
| Neutral | 6 | 10 |
| Disagree | 6 | 10 |
| Highly Disagree | 2 | 3 |
| Total | 60 | 100 |

Inference:

The above table clearly points out that majority of the employees (77%) agree that their supervisors always recognise their work.

Chart 3- Pie chart showing the above responses-

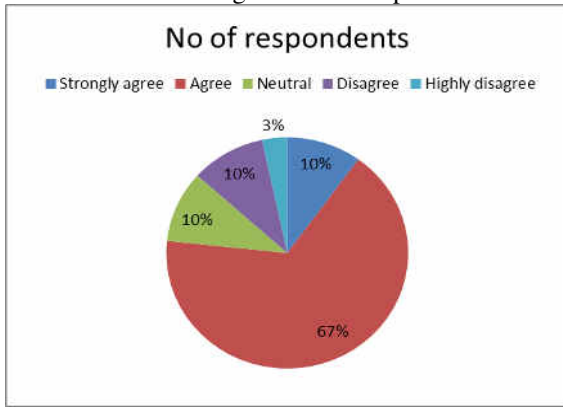


Table 4
Table showing response of the employees as to guidance and instructions from their superiors always inspire them to work

| Response | No. Of Respondents | Percentage |
|-----------------|--------------------|------------|
| Strongly Agree | 2 | 3 |
| Agree | 29 | 49 |
| Neutral | 21 | 35 |
| Disagree | 6 | 10 |
| Highly Disagree | 2 | 3 |
| Total | 60 | 100 |

Inference:

From the table, it can be stated that more than 50% of employees agree that they are inspired from their superior's guidance and instructions. But at the same time we cannot deny that 35% employees are Neutral to this question.

Chart 4- Pie chart showing the above responses-

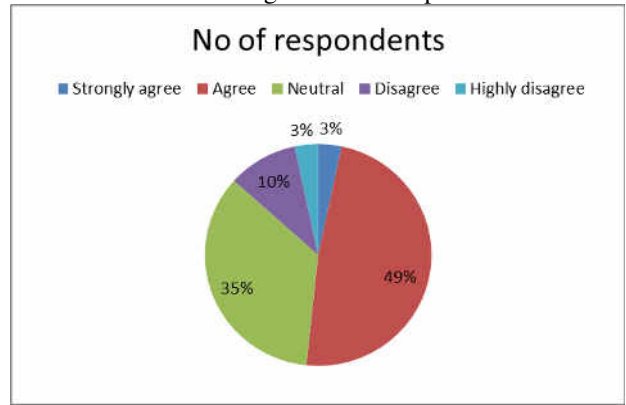


Table 5
Table showing responses of the employees as to whether they are valued equally in the organization

| Response | No. Of Respondents | Percentage |
|-----------------|--------------------|------------|
| Strongly Agree | 10 | 17 |
| Agree | 29 | 48 |
| Neutral | 10 | 17 |
| Disagree | 11 | 18 |
| Highly Disagree | 0 | 0 |
| Total | 60 | 100 |

Inference:

Here, majority of the employees (i.e. 65%) agree to this fact that they are valued equally in the organization.

Chart 5- Pie chart showing the responses of the employees-

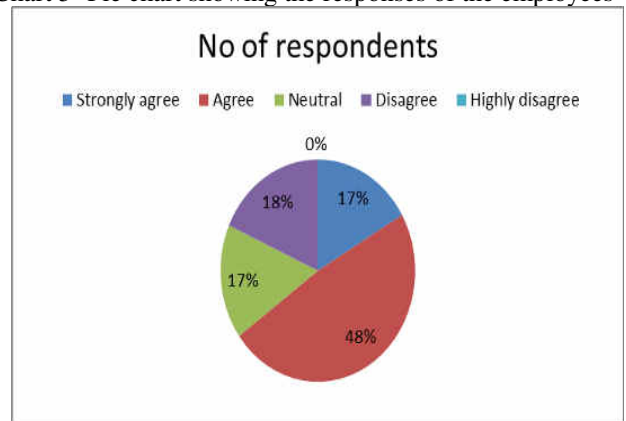


Table 6
Table showing responses of the employees as to the organization provides them with opportunity of independent thinking and decision making

| Response | No. Of Respondents | Percentage |
|----------------|--------------------|------------|
| Strongly Agree | 3 | 5 |
| Agree | 35 | 58 |

| | | |
|-----------------|----|-----|
| Neutral | 10 | 17 |
| Disagree | 12 | 20 |
| Highly Disagree | 0 | 0 |
| Total | 60 | 100 |

Inference:

From the table it is construed that 63% of the employees are provided with the opportunity of independent thinking and decision making in the organization. But this fact can't be neglected that 20% employees disagree to this situation.

Chart 6- Pie chart showing the responses-

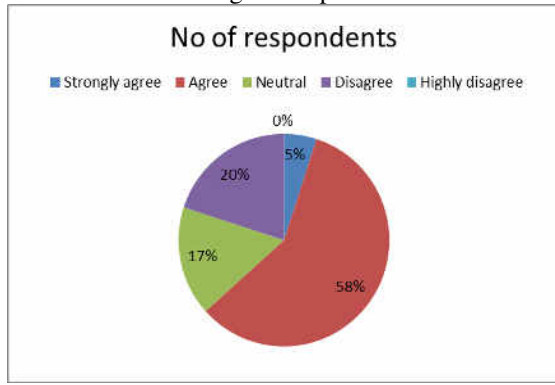


Table 7

Table showing responses of the employees as effective performance appraisal system is adopted in the organization

| Response | No. Of Respondents | Percentage |
|-----------------|--------------------|------------|
| Strongly Agree | 4 | 7 |
| Agree | 34 | 57 |
| Neutral | 12 | 20 |
| Disagree | 8 | 13 |
| Highly Disagree | 2 | 3 |
| Total | 60 | 100 |

Inference:

From the table it is clear that 64% employees agree that Performance Appraisal system adopted in the organization is very effective. On the other hand 15% of the employees are dissatisfied with it.

Chart 7- Pie chart showing the responses-

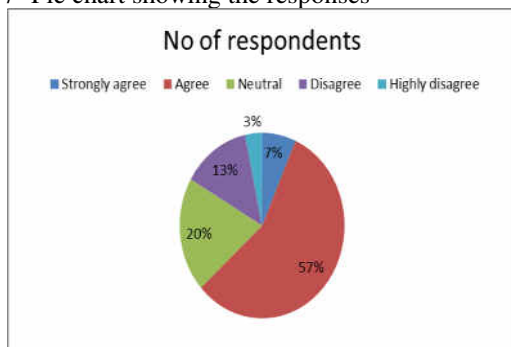


Table 8

Table showing responses of the employees as to fringe benefits provided in the organization are satisfactory and motivating

| Response | No. Of Respondents | Percentage |
|-----------------|--------------------|------------|
| Strongly Agree | 10 | 17 |
| Agree | 40 | 67 |
| Neutral | 6 | 10 |
| Disagree | 2 | 3 |
| Highly Disagree | 2 | 3 |
| Total | 60 | 100 |

Inference:

From the table it is interpreted that 84% employees agree that Fringe benefits provided by the organization is motivating.

Chart 8- Pie chart showing the responses-

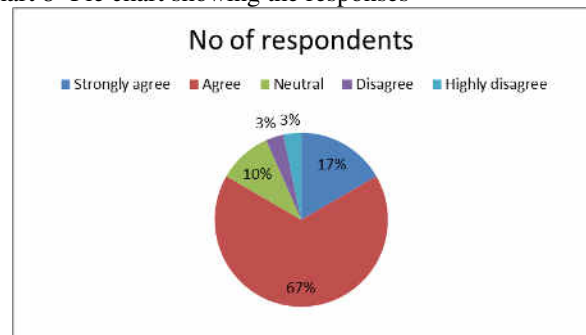
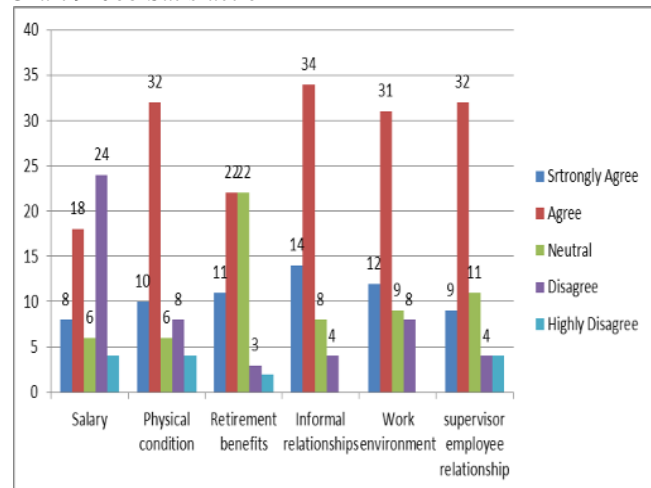


Chart 9- Job Satisfaction



Hypothesis Testing:

The following Hypothesis testing statistical formula is used:

$$r = \frac{\sum (x - \bar{x})(y - \bar{y})}{\sqrt{\sum (x - \bar{x})^2 \sum (y - \bar{y})^2}}$$

Where, r= correlation coefficient (ranges from -1.0 to +1.0)
 x= value in first array which is being compared with job satisfaction
 \bar{x} = mean of variable x
 y= value in array on job satisfaction
 \bar{y} = mean of variable y

For identifying the relationship between salary and job satisfaction, application of correlation analysis was done and test of hypothesis was carried out-

Null Hypothesis (H_0) - The salary employees draw and job satisfaction is co-related.

Alternate Hypothesis (H_a) - The salary and the job satisfaction is not co-related.

Testing Table 1-

| | Salary/Pay | Job Satisfaction |
|-----------------|------------|------------------|
| Strongly Agree | 8 | 8 |
| Agree | 18 | 44 |
| Neutral | 6 | 8 |
| Disagree | 24 | 0 |
| Highly Disagree | 4 | 0 |
| Total | 60 | 60 |

| | Salary/Pay | Job Satisfaction |
|------------------|------------|------------------|
| Salary/Pay | 1 | 0.291 |
| Job Satisfaction | 0.291 | 1 |

In the above table Variable X: Salary/Pay
Variable Y: Job Satisfaction

This co-relation table shows that there is a positive relationship between the salary employee draw and the job satisfaction and the inferred value is 0.291. So the null hypothesis gets accepted

For identifying relation between proper physical conditions provided in the organization and job satisfaction by applying correlation analysis we will test the following hypothesis-
Null Hypothesis (H_0) - The physical conditions provided in the organization and job satisfaction is co-related.

Alternate Hypothesis (H_a) - The physical conditions provided in the organization and the job satisfaction is not co-related.

Testing Table 2-

| | Physical conditions | Job Satisfaction |
|-----------------|---------------------|------------------|
| Strongly Agree | 10 | 8 |
| Agree | 32 | 44 |
| Neutral | 6 | 8 |
| Disagree | 8 | 0 |
| Highly Disagree | 4 | 0 |
| Total | 60 | 60 |

| | Physical conditions | Job Satisfaction |
|---------------------|---------------------|------------------|
| Physical conditions | 1 | 0.976 |
| Job Satisfaction | 0.976 | 1 |

In the above table Variable X: Physical conditions
Variable Y: Job Satisfaction

This co-relation table shows that there is a positive relationship between the physical conditions (A.C., lunch rooms, cabins, ventilation, lightening, etc.) and the job satisfaction and the inferred value is 0.976. So the null hypothesis gets accepted.

For identifying relation between retirement benefits provided by the organization and job satisfaction by applying correlation analysis we will test the following hypothesis-
Null Hypothesis (H_0) - The retirement benefits provided by the organization and job satisfaction is co-related.

Alternate Hypothesis (H_a) - The retirement benefits provided by the organization and the job satisfaction is not co-related.

Testing Table 3-

| | Retirement Benefits | Job Satisfaction |
|-----------------|---------------------|------------------|
| Strongly Agree | 11 | 8 |
| Agree | 22 | 44 |
| Neutral | 22 | 8 |
| Disagree | 3 | 0 |
| Highly Disagree | 2 | 0 |
| Total | 60 | 60 |

| | Retirement Benefits | Job Satisfaction |
|---------------------|---------------------|------------------|
| Retirement Benefits | 1 | 0.714 |
| Job Satisfaction | 0.714 | 1 |

In the above table Variable X: Retirement Benefits
Variable Y: Job Satisfaction

This co-relation table shows that there is a positive relationship between the retirement benefits provided by the organization and the job satisfaction and the inferred value is 0.714. So the null hypothesis gets accepted.

For identifying relation between Quality of informal relationships in the organization and job satisfaction by applying correlation analysis we will test the following hypothesis-

Null Hypothesis (H_0) - The Quality of informal relationships in the organization and job satisfaction is co-related.

Alternate Hypothesis (H_a) - The Quality of informal relationships in the organization and the job satisfaction is not co-related.

Testing Table 4-

| | Quality of informal relationships | Job Satisfaction |
|-----------------|-----------------------------------|------------------|
| Strongly Agree | 14 | 8 |
| Agree | 34 | 44 |
| Neutral | 8 | 8 |
| Disagree | 4 | 0 |
| Highly Disagree | 0 | 0 |
| Total | 60 | 60 |

| | Quality of informal relationships | Job Satisfaction |
|-----------------------------------|-----------------------------------|------------------|
| Quality of informal relationships | 1 | 0.973 |
| Job Satisfaction | 0.973 | 1 |

In the above table Variable X: Quality of Informal relationships
Variable Y: Job Satisfaction

This co-relation table shows that there is a positive relationship between the quality of informal relationships in the organization and the job satisfaction and the inferred value is 0.973. So the null hypothesis gets accepted.

For identifying relation between work environment in the organization and the job satisfaction by applying correlation analysis we will test the following hypothesis-
 Null Hypothesis (H_0) – The work environment in the organization and job satisfaction is co-related.
 Alternate Hypothesis (H_a) – The work environment in the organization and the job satisfaction is not co-related.

Testing Table 5-

| | Work Environment | Job Satisfaction |
|-----------------|------------------|------------------|
| Strongly Agree | 12 | 8 |
| Agree | 31 | 44 |
| Neutral | 9 | 8 |
| Disagree | 8 | 0 |
| Highly Disagree | 0 | 0 |
| Total | 60 | 60 |

| | Work environment | Job Satisfaction |
|------------------|------------------|------------------|
| Work environment | 1 | 0.962 |
| Job Satisfaction | 0.962 | 1 |

In the above table Variable X: Work Environment
 Variable Y: Job Satisfaction

This co-relation table shows that there is a positive relationship between the work environment in the organization and the job satisfaction and the inferred value is 0.962. So the null hypothesis gets accepted.

For identifying relation between Superior-Employee relations in the organization and the job satisfaction by applying correlation analysis we will test the following hypothesis-
 Null Hypothesis (H_0) – The Superior-Employee relations in the organization and job satisfaction is co-related.

Alternate Hypothesis (H_a) – The Superior-Employee relations in the organization and the job satisfaction is not co-related.

Testing Table 6-

| | Superior-Employee relations | Job Satisfaction |
|-----------------|-----------------------------|------------------|
| Strongly Agree | 9 | 8 |
| Agree | 32 | 44 |
| Neutral | 11 | 8 |
| Disagree | 4 | 0 |
| Highly Disagree | 4 | 0 |
| Total | 60 | 60 |

| | Superior-Employee relations | Job Satisfaction |
|-----------------------------|-----------------------------|------------------|
| Superior-Employee relations | 1 | 0.997 |
| Job Satisfaction | 0.997 | 1 |

In the above table Variable X: Superior-Employee relations
 Variable Y: Job Satisfaction

This co-relation table shows that there is a positive relationship between the Superior-Employee relations in the organization and the job satisfaction and the inferred value is 0.997. So the null hypothesis gets accepted.

For identifying relation between Fringe benefits provided by the organization and the job satisfaction by applying correlation analysis we will test the following hypothesis-
 Null Hypothesis (H_0) – The fringe benefits provided by the organization and job satisfaction is co-related.
 Alternate Hypothesis (H_a) – The fringe benefits provided and the job satisfaction is not co-related.

Testing Table 7-

| | Fringe Benefits | Job Satisfaction |
|-----------------|-----------------|------------------|
| Strongly Agree | 10 | 8 |
| Agree | 40 | 44 |
| Neutral | 6 | 8 |
| Disagree | 2 | 0 |
| Highly Disagree | 2 | 0 |
| Total | 60 | 60 |

| | Fringe Benefits | Job Satisfaction |
|------------------|-----------------|------------------|
| Fringe Benefits | 1 | 0.995 |
| Job Satisfaction | 0.995 | 1 |

In the above table Variable X: Fringe Benefits
 Variable Y: Job Satisfaction

This co-relation table shows that there is a positive relationship between the Fringe benefits provided by the organization and the job satisfaction and the inferred value is 0.995. So the null hypothesis gets accepted.

IX. INTERPRETATION AND FINDINGS

- From the project study it is found that majority of the employees agree that there are no career growth and advancement opportunities in the organization.
- From the project study it is revealed that around 50% of the employees are satisfied with the training programs provided in the organization whereas the other half displays contradiction to this.
- The study has also revealed that employee's work is recognized by their supervisors and it is a big motivational factor for the employees.
- This project study has also revealed that majority of the employees get motivated from the guidance and the instructions they get from their supervisors.
- It has been found that majority of the employees are valued equally in the organization.
- From the study it can be construed that majority of the employees are provided with the opportunity of independent thinking and decision making in the organization.
- From the data analysis it is found that the Performance appraisal system implemented in the organization is very effective.
- The project study indicates that the fringe benefits provided by the organization are motivating.

- The project signposts that Null hypothesis i.e. salary/pay is co-related with job satisfaction, is accepted.
- The project study indicates that Null hypothesis i.e. physical conditions factors are co-related with job satisfaction, is accepted.
- Null hypothesis i.e. retirement benefits is co-related with job satisfaction, is accepted.
- There exists a co-relation between quality of informal relationships amongst the employees and the job satisfaction as the Null hypothesis is accepted in this case.
- The study directs that null hypothesis is accepted in case of work environment and hence there is a positive relationship between work environment and job satisfaction.
- Null hypothesis i.e. Superior-employee relations is co-related with job satisfaction, is accepted.
- The study has revealed that fringe benefits provided in the organization is co-related with the job satisfaction and this is depicted by the acceptance of the null hypothesis.

Summary of the Findings

From the inferences drawn above, it can be assumed that Air India, to a huge extent, has successful in motivating its employees. The majority of employees are motivated by the various motivating measures of the company like providing the employees an opportunity for advancement (65% employees agreed), recognising and appreciating their work (77% employees agreed), valuing each employee equally in the organization (65% employees agreed), providing them an opportunity for independent thinking and decision making (63% employees agreed), implementing effective performance appraisal system (64% employees agreed) and providing sufficient fringe benefits (84% employees agreed). However, a majority of the employees are not happy with the training programs (40% disagreed) and are not inspired by the guidance and instructions from the supervisors (35% employees were neutral).

For the various variables those were tested to be co-related with job satisfaction, Karl Pearson Co-relation test was applied using the statistical formula stated above. Testing table 1 to Testing table 7 shows that the job satisfaction is co-related with the salary drawn by the employees, physical conditions in the organization, retirement benefits provided by the organization, quality of informal relationships amongst the employees, the work environment at Air India Limited, superior-employee relations and the fringe benefits provided to the employees. The values, which came between 0 and +1 for each hypothesis testing, support this fact (If the value would have been negative, it shows no co-relation). Thus each null hypothesis is accepted and there exists a relationship between each variable and job satisfaction.

For the Salary/Pay received it is 0.291, for physical conditions it is 0.976, for retirement benefits it is 0.714, for quality of informal relationships it is 0.973, for work environment it is 0.962, for superior-employee relations it is 0.997 and for the fringe benefits it is 0.995.

Employees were also asked if they want to give any suggestion or they have any expectations from the company.

Some other findings related to this (in employee's own words) are as follows-

1. Stagnated promotions which affect career growth leads to zero motivation level even after 28 years of service.
2. Motivating and training programs for all categories of employees required.
3. Motivation other than financial/fringe benefits are required.
4. Proper succession policy is required.
5. This organization needs a lot of improvements. The person who is sitting idle, he is idle forever and the one who is working has to bear more work load. No quick decision making, good decision making power and no salary on time.

X. RECOMMENDATIONS & SUGGESTIONS

1. The study has clearly revealed that there is a prudent need for systematic training plans at all levels. This would definitely lower down the percentage of employees (40%) who said that timely training programs are not provided.
2. Training programs may be conducted on various topics like motivation, team building skills, case study analysis, stress management techniques and many others.
3. KRA and KPI's can be formulated for each employee to enable efficiency in productivity.
4. The superior/Reporting Officer must give proper feedback sessions and seek suggestions from his subordinates for overall development of procedures and processes.
5. The major portion of the employees is covered with in the segment of above 40 years of age, hence training on stress management and Health management are suggested.
6. The study had also revealed that time gap for taking decisions is longer than expected hence it is pertinent to implement time frame for clearance of note sheets raised seeking decisions of the higher ups.
7. Since a major chunk of the employees are due for their retirement within an year, In absence of the recruitment due, blanket ban on recruitment by the Govt. of India a proper succession plan should be put in place at least six months before retirement, in order to have smooth functioning of the work and effective man power planning. Therefore, Effective succession planning must be adopted and the employees must be prepared for the higher posts in the organization. This would indirectly result in career planning and growth/advancement.
8. It is completely acceptable that company is not in a position to increase the pay level of the employees because it is gradually emerging out of the deep recession that took place in the company. However, late salary payments made should not be there as it, to a great extent, de motivates the employees and lowers their morale.
9. Finally, it is suggested that whatever measures of motivation the company has adopted, must be continued, but with a greater thrust, so that a sense of motivation prevails and brings in harmony amongst the workers and management thus resulting on job satisfaction.

10. A further study based on Department level, employee level, craft based level on motivation and job satisfaction is suggested in order to get into a detailed analysis of factors motivating each segment of the employees as motivational needs differ from person to person segment to segment.

CONCLUSION

Employee motivation and job satisfaction cannot be isolated, but they complement each other and respond to different organizational variables like productivity and working conditions. Employee and job satisfaction depends on people's insight and behaviour at the work place which is driven by a set of intrinsic, extrinsic needs and by their view of numerous job-related and organization related attitudes.

The study of motivation with relevance to job satisfaction has given me an opportunity to have a sight of the function of Personnel/HR department of Air India, western region, Mumbai as well as to understand the relationship between various such motivation factors and job satisfaction. Here it has been found that Air India Limited is concerned about its employees and does all possible things to keep them motivated as they are the real assets of the organization.

The experience, exposure and knowledge acquired during the study period will go a long way in both the personal and professional career

SCOPE FOR FUTURE STUDY

This study can be implied in any of the industry as a tool for identifying the employee perception and belief towards the Motivation factors in an organisation. One can know the requirements of the employees and introduce various motivation tools. Company can identify the various tools leading to job satisfaction and can use those as retention tool for retaining employees in the organization. This study can be used in the future for analysing the Motivation techniques and its impact on Job satisfaction in different industries as we have done in Airlines industry.

This can also be used for various other airlines, which would help in getting knowledge about motivation policies of those airlines. This study can also be taken as a reference for studying various other provisions like health, safety and welfare, performance appraisal and can be studied with reference to job satisfaction

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