CHAPTER I
INTRODUCTION
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“If you wish to plan for a year, sow seeds,
If you wish to plan for ten years, plant trees,
If you wish to plan for life time, develop people.”

- Chung Tzu

The Changing Role of HR: An Evolution

Human resources are perhaps the most strategic and critical determinant of growth and yet its development has not received the required attention. Even though a country may possess abundant physical resources, it cannot make rapid economic and social advancement unless there are people who are enterprising and have developed necessary skills and attitudes. Human effort is required to mobilize, organize and use those resources effectively and efficiently, towards the production of the required goods and services. Human resource is thought as “the total knowledge, skills, creative abilities, talents and aptitudes of an organization’s workforce, as well as the values and attitudes of an individual involved. It is the sum total of inherent abilities, acquired knowledge and skills represented by the talents and aptitudes of the employed persons.

Human resources are the very vital resources of an organization. They play a pivotal role in every activity of the organization and the success of an organization depends to a large extent on their efficiency and effectiveness. The evolution of Human Resource Management (HRM) and development can be traced along the lines of experience of mankind in various evolutionary and revolutionary situations over the period of time. As times changed, so too the expectation of individuals from their occupation,
resulting in multifarious activities of HRM. During the Pre-Industrial revolution, the agricultural state paved the way for class system and the need for hired labour and the seeds of HRM were sowed then. During early stage of Industrial Revolution, the guild workers who had worked in tightly knit social group were facing authority and control of the industrialists. The worker was treated as a part of the machine. The employees were getting frustrated with the poor working and economic conditions. As the industrialization began to take shape the views about the labour slowly kept changing. Emergence of scientific management gave rise to the goodwill approach to labour and the employers began to feel convinced that welfare of the employees had direct bearing on the productivity. This slowly evolved into natural resources concept of labour wherein the work force was conceived as a resource for the first time. Robert Owen (1771-1858) refused to employ children below the age of 10, fixed standard hours of work to 10.5 hours and called his workers as vital machines. Fredrick Taylor (1856-1910) introduced one best way to produce the product and thus trained his manpower to perform in similar manner. He also introduced the differential wage system thus motivating the workforce to produce more and more. Henry Fayol (1841-1928) propounded that the managers can be made and they are not only born and believed that the principles can be taught thus highlighting the need for training and development. Hugo Munsterberg (1863-1916) stated that the production can be increased by finding best possible person thus highlighting the importance of recruitment and selection. The period after world war saw the birth of Indian trade union movement which reiterated that the labour as a citizen in a democracy has certain rights to voice, in determining the rules and regulations under which they should work. The essence of this evolutionary process is that employees are now viewed as a valuable resource rather than a cost to be minimized, which if managed, rather than administered, effectively will
Contribute significantly to organizational effectiveness and thus will be a source of competitive advantage to the organization concerned. The truly successful organization accomplishes its goal through development of its human resources to their fullest potential. Modern organizations place high emphasis on empowerment, motivation, and creativity etc. due to the changed expectations of employees. New generation firms develop their employees offering training and development paving opportunities for employees on their individual growth and potential development and use it as a strategy for retention of employees.

Human Resource Development (HRD) is essential for any growth-oriented and dynamic organization, which wants to succeed in a fast-changing and competitive environment. It is an effort and competency of HRD that makes the organizations dynamic and growth-oriented. Organization and individual should develop and progress simultaneously for their survival and attainment of mutual goals. So, every management has to develop the employees in order to develop the organization. HRD, in its turn, is heavily dependent upon employee training and management. Every organization, big or small, productive or non-productive, economic or social, old or new, should train all employees irrespective of their qualification, skill, knowledge, suitability for the job. Thus, no organization can choose whether or not to train employees. Especially, in an airline industry, which is a service-oriented industry, it is essential to recognize that it is the people who make the organizations grow and therefore, it is necessary that people have opportunities to grow continuously to make organizations effective.
Goals of HRD:

HRD is a continuous process to ensure the development of employee competencies, dynamism, motivation and effectiveness in a systematic and planned way. HRD, on the other, has multiple goals. This includes employee competency development, employee motivation development and organizational climate development. Employees require a variety of competencies (knowledge, attitudes, and skills in technical areas, managerial areas, behavioral and human relations areas and conceptual areas.) to perform different tasks or functions required by their jobs. The nature of job is constantly changing due to changes in the environment, changes in organizational priorities, goals and strategies, changes in the profiles of fellow employees (subordinates, bosses, colleagues etc.), changes in technology, new opportunities, new challenges, new knowledge base etc. Such a change in the nature of jobs requires continuous development of employee competencies to perform the job well. HRD aims at constantly assessing the competency requirements of different individuals to perform the jobs assigned to them effectively and provide opportunities for developing these competencies. HRD also aims at preparing people for performing roles, jobs, tasks and functions that they may be required to perform in the future as they go up in the organizational hierarchy. Other goals of HRD are to develop and maintain a high motivation level of the employees, strengthen team spirit among different teams, strengthen superior-subordinate relationships, promote inter-team collaboration and to promote the development of organizational climate and health.

HRD Defined:

According to Nadler (1969), “HRD is a series of organized activities, conducted with in a specified time and designed to produce behavioural changes.” More specifically, it refers to the three activities namely training,
education and development. It is concerned with focusing on learning experiences provided by the organization to achieve goals of the organization. The training is focused on the present job, education on future job and the development is concerned with providing learning experience to employees so that they may be ready to move in new directions that the organization change may require.

In the words of Rao T.V (1991), “HRD in the organizational context is a process by which the employees of an organization are helped in a continuous and planned way to:

Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles;

Develop their general capabilities as individuals and discover their own inner potential for their own or organizational development process and;

Develop an organizational culture in which supervisor – subordinate relationship, collaboration among sub units are strong and contribute to the professional well-being, motivation and pride of the employees.”

From the national point of view, Daftuar (1987) defines HRD as a system and process with an organized series of learning activities within specified time, designed to produce behavioral changes in the learner so as to utilize the available human resources in such a way that it acquires a desired level of competence for a present and future role.

Shanker (1989) defines HRD thus: “HRD is a development oriented planning effort in the personnel area which is basically concerned with the development of human resources in the organizations for improving the existing capabilities and acquiring the new capabilities for achievement of corporate and individual goals.”
The term 'HRD' is becoming more popular among Indian organizations. The traditional personnel function can now be effectively distinguished from HRD. The personnel function was designed to respond to the demands of personnel administration and thus it was visualized only as a coping function whereas HRD is based on developmental approach where there is a constant effort not to manage but to develop people. The traditional personnel functions assumed that the people are motivated by salary and rewards whereas HRD firmly believes that challenges and opportunities motivate people to a large extent. The traditional personnel function was thought of as an independent function whereas HRD is viewed as a subsystem of a whole system. The traditional personnel function had the main responsibilities for personnel matters whereas all managers share the responsibility in HRD approach. With regard to the advancement in job, the old personnel function looked at the initial training and job results or performance appraisal reports whereas HRD approach, apart from this, look at self-development plan, counseling and career - path development and management.

As the airline industry is becoming more and more competitive due to the increase in the number of players and also due to the informative and experienced customer who does not get lost in the competitive market, the role of training in delivering a quality service is very crucial and, therefore the effectiveness of training is an important factor in the HRD to be evaluated.

The tourism industry involves the human factor more to deal with the basic needs of tourists. Hence, the role of HRD in tourism, especially, in the airline industry forms an integral part of the development of the industry. Managing and developing HR is a process and techniques comprise of
recruitment, placement, training and development, career management, compensation management and the quality of work life.

The top management conceptualization of Human Resources Management and Development considerably determines customer service, organizational flexibility and realization of organizational purpose. The success of any organization depends very much on the quality and quantity of its human resources. In the modern era of Liberalization, Privatization and Globalization (LPG), human resources are said to be the key to an organizational success. HRD aims at developing a variety of competencies and enormously contribute to the organizational growth and development. Moreover, achieving HR excellence leads to organizational excellence. The airline sector is no exception to the other sectors in developing human resources. The industry is highly dependent upon the quality of staff and their efficiency in terms of service.

The present day organizations have designed various measures to develop multifaceted skill and efficiency of the employees to render high standards of service to its customers.

Many international airlines like British Airways, Singapore Airlines, Srilankan and Northwest Airlines have tremendously changed their services. They are regularly updating their employees about automation in ticketing and baggage handling. Recent trends in the aviation sector and changes in consumer behavior necessitate the need for enhancing the quality of its human resources. Skilled personnel contribute to efficiency, growth, and increased productivity and market reputation of an organization. Industrial, commercial, research establishments and even governments have realized this. Invariably, a separate Human Resources Development Department
exists in almost all these organizations to attend to the matters relating to recruitment, training and deployment.

**Need for HRD:**

Technological advancements in various fields world over are very rapid and the every other day we see new products or machines or equipments with more and more advanced features, with which users have to be acquainted. In order to cope with the industry demand and technological advancements, we need to develop training strategy for our human capital to attain the required skill levels. New HRD strategies should focus on balancing the organizational and employee needs. HRD policies and tools adopted and practiced by the public and private sector organizations are the tips of the iceberg as these are generally practiced within big organizations and help in the development of a section of the employees within the organization. The HRD policies need to be understood in terms of its contribution to the development of all categories of employees such as professional, managerial, technical, skilled and general category of workers. The effective use of employees through training and motivation along with others could strengthen the organization. The expansion of tourism sector raises a series of critical new problems to public and private concerns. The introduction of new facilities into new areas, expansion, diversification, technological innovation, sophistication and upgrading of existing facilities and standards calls for better, qualified and highly trained personnel into various sectors of tourism industry.

Globalization intensified the competition among tourism enterprises and resulted in the emergence of a knowledge-based economy. The knowledge-based economy utilizes the skills of the workforce to the full and prompts new ways of thinking about Human Resource Development (HRD) by organizations. This has placed a great demand for specialized
competencies and value added services from the employees in these tourism organizations. The major changes in the tourism environment have also increased the significance of HRD. It is only the human asset which can improve the standards of tourism industry and may continue to meet the challenges of globalization and deregulations. HRD is very crucial in tourism industry because of the similarity among the intangible products and services offered by similar tourism enterprises. It can only be differentiated by its services and professionalism. It is the calibre of the human resource that makes difference between an average and superlative tourism experience. Training has a central role to perform and in carving new competencies. Without the positive HRD activities, it would be difficult for tourism enterprises to stay alive in the fast changing world. The penetration of technology has demanded different skills and competencies on behalf of employees and also impacted upon education and training needs. The emergence of ‘new tourist’ also has implication for HRD. The more discerning and experienced consumers demand higher quality tourism products and services. In such a situation only the organizations capable of creating a competitive edge can continue their achievements. The only way to reach such competitive edge in field is through HRD. In the last two decades, HRD has come a long way. Liberalization of the economy and its improvement towards globalization has brought in new challenges for Indian business in terms of business strategies, technology, quality concerns; cost effectiveness, management systems etc. All these have led to the emergence of the new challenges for the human resource function. As a result, HRD has emerged as a business necessity of the time.

HRD in Services: A Case of Tourism Industry:

The service industry is an important segment in a developed economy. Service industry involves the provision of services to businesses
as well as final consumers. Services may involve the transport, distribution and sale of goods from producer to a consumer or may involve the provision of a service, such as pest control or entertainment. However, the focus is on people interacting with people and serving the customer rather than transforming physical goods. The service sector consists of the "soft" parts of the economy such as insurance, government, tourism, banking, retail, education, and social services and the output of this sector is content (information), service, attention, advice, experiences (also known as "intangible goods").

Tourism industry is one such service industry which is a multi-faceted industry with numerous job opportunities for skilled, semi-skilled and unskilled people in the host country. Tourism industry is the major employer of skilled labor and also provides much scope for unskilled and semi-skilled employment. Tourism is the second largest industry in the world in terms of earnings. The availability of trained manpower is essential to achieve excellence in the tourism industry. Tourism industry, which is a service industry, depends heavily on human resources and, therefore, HRD is expected to play a great role in the growth of tourism business. Human resources are said to be the key to success in the modern era of globalization. HRD in tourism sector requires not just a human touch and service with smile but human resources in the industry need to be multi-skilled, forward looking in terms of perspective and mindset and embody strategic, creative and systematic thinking.

Tourism is a high touch, high tech, high involvement industry where it is the people who makes the difference. The quality of human resources in tourism will allow enterprises to give a competitive edge and deliver added value with their service. People can only achieve excellence in service. By developing individuals and deprived groups through various learning
experiences in a definite time period, the job performance in an organization could be improved. Tourism industry is undergoing tremendous change in the recent past, which requires a systematic HRM approach. HRD through the education, training and development of employees is a vital component in maintaining the industry’s competitiveness in the international arena.

**HRD in Airline Industry:**

The increasing significance of HRD in service organizations is very well realized by the airline industry in India. Airline industry is a business of people (staff) providing services to the people (customers) who share these services with other people (fellow passengers). These services are intangible, perishable, variable and inseparable in nature. The production and consumption of these services are carried out simultaneously. It is here that the HRD is expected to play a crucial role in airline industry to cope with the challenges of advancement in technology, changing markets, industry restructuring and more competitive domestic and international business environment. The ability to succeed will depend largely upon the skills, qualities and knowledge that managers will be able to bring into their business.

Recently, top executives of aircraft manufacturers Boeing and Airbus and airline carrier Indian Airlines have expressed the need to shore up human resources training and infrastructure to sustain the current rate of over 30 per cent growth in India’s aviation sector. However, with the growing demand for new breed of trained professionals, they feel the necessity to concentrate on airline management, airport management, and avionics along with technical training programmes like MRO (Maintenance, Repair and Overhaul). There is a huge potential in the market as demand for air travel increases. A fleet addition of such a large magnitude over a four-
year period would require skilled people with new capabilities who also understand new aviation industry regulations.

From a situation where ground handling was managed by airlines on their own, it is now shifting to a situation where a common company would take care of ground handling services. Airline industry is poised to grow three times within 20 years where India, China and the region would play a lead role. To meet the projected addition of about 400 aircrafts, India would require about 4,000 pilots, 3,000 engineers, a minimum of 8,000-cabin crew and about one lakh support staff. All of them would need specialized training. Hence, HRD practices are of great significance in aviation industry too.

Till 1990, the public sector Indian Airlines had the monopoly over Indian skies. In 1990, as a result of ‘Open Sky Policy’ of government of India, domestic airline industry became more competitive with the participation of private airlines like Jet Airways, Air Sahara etc. In the era of globalization and information technology, the trends in airline industry will be to increase employee motivation, and thus assure retention and qualitative service. The emergence of a more discerning and experienced customer is demanding higher quality products and service. The performance failure in an airline may be largely due to human failure. It is the human resources that create organization and make them survive, grow and excel. Airline Industry has to be very selective both in terms of recruitment, selection, orientation, training, supervision and motivation. If the HRD policies and practices are poor, the survival of airlines will be in danger. The impact of deregulation of airlines, changes in technology, globalization and events like September 11, 2001 had led to drastic changes in HRD policies and practices of public and private domestic airlines in India. Productivity per employee and the employee ratio to provide services,
compensation etc. in Indian domestic airline industry is quite varied in nature. The second phase of open sky policy saw the emergence of low cost airlines and the international operations of certain domestic airlines flying abroad. The consolidation of private airlines have already begun and grow effectively in larger size in the days to come.

**Review of Literature:**

Pandu Naik, G. (2004), in his Doctoral research titled “An Appraisal of Human Resource Development Practices in the Nationalized Banks in India with special reference to Bank of Baroda” stated that in the rapidly changing business environment, organizations are recognizing the value of workforce that is not only highly skilled and technically adept but more importantly a work force that can learn quickly, adopt to change, communicate adequately and foster interpersonal relationships. This empirical study was conducted with the main objective to find out the effectiveness of HRD interventions in Bank of Baroda and also to identify the HRD practices in vogue which are adding immense value to employee development but are not institutionalized by the bank. The sample size of the study was 100 respondents from officers and 100 respondents from clerical staff. The researcher evaluated the HRD practices and identification of employee expectations for improvement in the HRD subsystems in Bank of Baroda. The investigator was of the opinion that to a great extent the HRD interventions are effective, from the perspective of the user employees. He also found out that Coaching on the job and Counseling on the job are adding immense value for the learning and development of employees, though the bank does not institutionalize them.

emphasis on Retention Practices” revealed that the training and career management programmes should be so designed to provide the workforce to widen the opportunities for self-growth and learning because training and development (career management) is perceived as a positive impact on retention. The sample was confined to 155 employees and the main objectives of the study was to find out the HRM practices in vogue in Hi-tech organizations and also to study the impact of modern approaches adopted by the organizations on the retention of top talent. It was disclosed in the research work that though HRM practices such as recruitment and selection, training and development, compensation, performance appraisal, organizational culture and retention in Hi-tech industries are similar to other industries, it also depend on the prevailing trends in the industry. The findings of the study also revealed that monetary incentives than non-monetary ones play a decisive role in the successful retention of key drivers in an organization. But it is also identified that factors like, happiness and contentment of the employees is not completely linked up with the inflow of resources but in finding an outlet to their stream of needs, aspirations and embedded life interests operating on one’s own choice than to be tied up to the chance.

Prabhakar, B. (2006), conducted an empirical study on “Human Resource Development in Commercial Banks – A Study of SBH and Vysya Bank” and attempted to highlight the training and development aspects in commercial banks in addition to the HRD subsystems such as performance evaluation, promotional avenues, change and organizational development and employee grievances. It was a comparative study of 300 employees representing the above sample units. It was found in the study that the majority of the employees surveyed expressed that they have a system of
imparting training to the employees and the techniques are relevant and suitable for imparting training to the staff.

Pai Subraya, B. (2004), conducted a study on “Human Resource Development Policies and Practices- A Study with reference to selected Industrial units in Karnataka State ” in large and medium scale organizations. The main focus of the study was to report on the major trends and status of corporate policies and practices pertaining to the training, education, and development of human resources in the public, private, and multinational enterprises operating in Karnataka state and to raise important managerial and organizational implications for enhancing the effectiveness of HRD policies and practices. A survey of 288 respondents clearly indicated that most of the MNCs, mainly engaged in the provision of services and those having ISO accreditation status were more likely to demonstrate greater corporate commitment to HRD function by systematically conducting training needs assessment and evaluation; having a training and development budget; offering training and development opportunities mainly to their IT, technical and professional personnel; extending educational support; providing the facility of coaching and/ or mentoring to some of their managerial personnel; and measuring and assessing the contributions of HRD departments as compared to their respective counterparts in Karnataka state. The study also revealed that ownership pattern, nature of the organization, and ISO certification status emerged as principal organization characteristics influencing the trends and status of corporate level HRD policies and practices.

Karami Azhdar(2002) in his empirical article on “Corporate Strategy: Evidence from British Airways Plc” analyzed the key role of Human Resource Management in British Airways Plc. The objective of the
study was to understand the changing patterns of Human Resource Management. In his view, motivation and commitment of all employees continues to play a major role in the success of British Airways. The airline implements various schemes to motivate and earn commitment from its employees. The author also discussed about the airline’s positive attitude towards women and ethnic minorities. This article highlights the fact that British Airways places great emphasis on the training and development of its employees. The airlines also run a number of customers service training programmes. It was found in the study that the airline carried out imparting of the various skills in employees to achieve the organizational goals.

Rao, T.V. (1982), conducted a Survey of HRD practices in Indian industries. The survey revealed that only 17 out of 53 companies had formal policy focusing on HRD. According to Mr. Rao, HRD appeared to be becoming a significant aspect of work life in many organizations.

Rao, G.P and Rath, Jibitesh (1992), in an article entitled “Innovative HRD intervention: A case study or strategy for Implementation of Executive Performance Appraisal System (EPAS) in SAIL emphasized the significance of a comprehensive implementation strategy to ensure benefits envisaged in the system by the HRD professionals.

Venkata Ratnam C.S (1991)8, in his article “The Sound and Substance of HRD in Public Sector: Challenges for PE managers in the 1990s” said that the HRD effort becomes more meaningful and effective if due care is exercised at pre-recruitment/acquisition state itself in terms of recruitment, numbers and nature of jobs. He also stated that in future the standardized HR policies of organizations will give way for customized
HRD efforts which focus on employees and also look to other constituents like dealers and customers.

Parmar Singh Jai and Suresh Kumar (1996), conducted a study of 70 Class I engineers from Himachal Pradesh State Electricity Board and reported that government undertakings so far have not realized the significance and bearing which a scientific management of human resources has on the overall performance of an organization. According to the researchers, this lackadaisical approach towards managing personnel and the absence of professionally qualified personnel experts have led to under performance and lack of motivation on the part of employees. The authors are of the view that the adoption of a comprehensive HRD strategy could enrich the human resources in order to attain the optimal level of efficiency.

Mirza S Saiyadin (1991), in an article “Human Resource Development: Currency Vs Concept” stated that HRD is a very powerful tool to regenerate organizations provided it is clearly understood and equally subscribed by all employees in the organization.

Pillai Prakash R (2007), in an article on “HRD Climate in Banks: A Comparative analysis of Public and Private sector Organizations” stated that the development of employees has been a keen concern for organizations for several decades. He also opined that the present organizational context demands more priority for this dimension in spite of technological advancement and innovative service provisions.

Rao, P. Punna and Reddy M. Sudarshan (2001), in their compiled and edited book entitled “Human Resources Development: Mechanisms for Extension Organisations” have mentioned the importance of HRD for
Agriculture Extension. They concluded that there is a need for fresh look at efforts to build the capacity and capability for HRD in the emerging areas.

Srivastava M.P (2001)\textsuperscript{13} in an article titled “HRD Strategy to Balance People, Firm Needs” stated that new HRD strategy should focus on balancing the organizational and the employee needs stated that new HRD strategy should focus on balancing the organizational and employee needs. He also said that the HRD policies and tools adopted and practiced by public and private sector organizations are the tips of the icebergs as these are generally practiced within big organizations and help in the development of a section of the employees within the organization. The author disclosed that the HRD policies need to be understood in terms of its contribution to the development of all categories of employees such as professional, managerial, technical, skilled and general category of workers. The study further found that the effective use of employees through training and motivation along with others could strengthen the organization.

Subba Rao and Durga Prasad (1988)\textsuperscript{14}, published an article on “Human Resource Development Policies In Public Enterprises-Emerging Trends” which stated that every management has to develop the employees in order to develop the organization. HRD, the authors observed that in its turn, not solely, but heavily is dependent upon employee training and management development. Every organization, big or small, productive or non-productive, economic or social, old or new, should train all the employees irrespective of their qualification, skill, knowledge, suitability for the job. They also pointed out that employee training refers to the training given to employees in the areas of operations, technical and allied areas where as management development refers to the areas of managerial and behavioral skills and knowledge etc.
Naama, Ahmed; et al (2008)\textsuperscript{15}, in their article entitled “Human Resource Development issues for the hotel sector in Libya: a government perspective”, stated that the Libyan government emphasized the significance of tourism in economic diversification through its Libyan Tourism Master Plan identifying various initiatives to develop the Libyan tourism industry, including human resource development (HRD). According to the authors hotels are key to an internationally competitive industry and human resources are critical to perceptions of service quality. This paper analyzed issues relating to the Libyan hotel sector, including the need to strengthen the private sector, to match education/training programmes to industrial needs, and to address cultural and religious dimensions, which exacerbate poor industry image. The authors suggested a partnership approach among governmental, educational and hotel sectors to address HRD issues through workforce planning.

Steven H. Appelbaum, Brenda M. Fewster (2002)\textsuperscript{16}, in an article entitled “Global aviation Human Resource Management: contemporary recruitment and selection and diversity and equal opportunity practices” it was observed that the commercial airline is an extremely competitive, safety-sensitive, high technology service industry. People, employees and customers, not products and machines, must be the arena of an organisation’s core competence. Completed by 13 respondents (executives), this study presented a series of select findings of a human resource management audit carried out in 2001-02 and contained extensive data on airlines from nine countries across the globe. The conclusion drawn from these three bodies of work is that with the exception of a handful of high performing airlines, the industry as a whole continues to function as per a traditional, top-down, highly divisionalised, industrial model of operations and governance. This model is manifestly inappropriate in such a highly
knowledge-based service market as the airline industry. The authors held the view that, HRM expertise in general and recruitment and selection as well diversity and equal opportunity in particular are required now, more than ever, to spearhead the strategic development of a customer-centric, learning-oriented workforce that is capable of adapting quickly to the strategic goals and change imperatives facing the airline industry.

An empirical article on "Indian Airlines' HR Problems" (1999) published by Business India, examined the causes and consequences of the HR problems faced by the Indian Airlines (IA) and revealed how poor management and stubborn work force can drive away company into losses. It was found that there could scarcely be a more undisciplined group of workers than 22,000 employees working in IA. The study further revealed that IA, the national carrier, is daunted by excessive expenditure on human resources, political interferences, adamant unions and ineffective manpower planning and lack of basic educational qualifications in senior executives. Other problems faced by the airline include mismanagement of major issues, wage hikes and perquisites, re-employment of retired employees, monopoly attitude and frequent strikes. Apart from the HR problems and gross mismanagement, adamant attitudes of pilots put together resulted in generating public resentment over the working of the airlines.

In another theoretical study made by Spencer and Barbara (1992) on "HRM and sustainable competitive advantage: lessons from Delta Air Lines", it was stated that the development of an effective human resource system can play a major role in the creation of sustainable competitive advantage. The authors in their article offered examples drawn from the experiences of Delta Air Lines as practical evidence that HRM systems can be a source of sustainable competitive advantage. They further demonstrated that HRM system capabilities can contribute to sustainable
competitive advantage as they help in exploiting opportunities, neutralizing threats in a firm's environment, etc.

Srilankan Airlines (2007)\textsuperscript{19}, in their website stated the importance of Human Resource Management and Development after the airlines won again top honours at “Human Resource Management Awards – 2007”. Employees, whom they call the SriLankan Family, form the greatest asset and the company believes that they must be continuously nurtured and developed as they strive to maintain the airline’s reputation for excellence in the highly competitive global air travel industry. The airline has adopted a multi-faceted approach, which incorporates all aspects of HR, which serves the employees from ‘Recruitment to Retirement’. SriLankan Airlines is unique among corporate players in the country, as the workforce is stationed around dozens of countries around the world, the airline serve 54 destinations in 28 nations. The “people factor” is given top priority in the organization. They welcome feedback and inputs from management, other divisions and diverse employee groups, and this has immensely contributed towards improving the standards and quality of output from HR division. SriLankan Airlines have created a positive work environment where people can perform at their best and derive job satisfaction.

Taylor, R. (2004)\textsuperscript{20} in her research article on “Evaluating an Instrument Designed to Assess Job Satisfaction of Airline Passenger Service Staff” reported the findings of a survey with 74 airline flight attendants who responded to a questionnaire that provided data for assessing relationships between work unit context variables and job satisfaction. The importance of understanding how the practices of the work setting impact employee job satisfaction has stimulated a great deal of research, much of which has been researched within the secondary or manufacturing industries. The author
investigated employee job satisfaction as it relates to the tertiary or service sector. Human resource management implications from the study results, particularly in terms of creating and maintaining favourable work settings were discussed in this article.

Drawing on extensive research and interviews with frontline Southwest employees, managers, and senior executives Jody Hoffer Gittell (2004)\textsuperscript{21}, in her book titled, “The Southwest Airlines Way,” explained how Southwest's relationship-based performance principles can be adopted by managers in any airline industry, with excellent results. This volume focused on Southwest's innovative management style, high-performance relationships and its people-management practices for unparalleled success in the airline industry. It revealed how any organization willing to invest the time and effort can learn from Southwest's management style by creating shared goals, knowledge, and mutual respect among management, employees, and suppliers. Infact, the exploration of the policies, strategies and techniques by SW airlines way led to the tremendous success.

Jochen Wirtz et al, (2008)\textsuperscript{22}, in an article entitled “Managing human resources for service excellence and cost effectiveness at Singapore Airlines (SIA)” stated that Service employees are a key input for delivering service excellence and productivity, both of which can be important sources of competitive advantage. According to the author from a service organization's perspective, the service level and the way service is delivered by the front line can be an important source of differentiation as well as competitive advantage. They, further, expressed that a key challenge of these airlines is to adopt HR management practices to attract, develop, motivate and retain employees who contribute to the achievement of company's objectives. The article identified that SIA has placed heavy
emphasis on the aspects of selection, training and motivation especially for
its front-line staff. The airlines places heavy emphasis on all aspects of
selection, training and motivation especially for its front-line staff. Stringent
selection and recruitment processes, extensive investment in training and re-training, successful service delivery teams, empowerment of frontline staff, motivating staff through rewards and recognition are the five inter-related elements contained in the airlines HR strategy. Building high-performance service delivery teams is a prerequisite to service excellence in SIA and the frontline employees are empowered to control the quality. Suitable rewards and recognition are given to the employees as motivation. Effective teams are often a pre-requisite to service excellence. Empowerment of the front line is especially important during service recovery processes. They also motivate the staff through rewards and recognition. Understanding the underpinnings of SIA's competitive success has important implications for other organizations. A first key implication concerns strategic alignment, in particular aligning HR practices to a company's competitive strategy. At SIA, the HR management practices enable the development of service excellence, customer orientation, adaptability and cost consciousness capabilities that in turn support the dual generic strategy of differentiation and low cost which in turn is the appropriate strategy for the environment of airlines. At SIA, the reward and evaluation system is fully aligned with expected behaviours.

On "Human Resource Management in the Airline Industry," Ruth Taylor (2008)\textsuperscript{23}, has analyzed the level of job satisfaction felt by airline employees as well as the measurements used by managements." This paper discussed effective human resource management in the airline industry, including employee recruitment, management and evaluation. Airline companies place increased emphasis on the human resource strategies and
policies and have integrated them in the company's values. This research paper presents the most relevant human resource management practices as revealed by numerous academicians and specialized economists. The company first expects to better satisfy the needs of its employees and the management hopes that the implementation of the HR practices leads to an increased job satisfaction and performances and this in turn will generate a superior quality of the airline services offered by the organization.

Thomas A. Kochan et al (2009)\textsuperscript{24} in their book "Up in the Air: How the Airlines Can Improve Performance by Engaging Their Employees" identified the need for totally altering employee/employer relationships as the critical opportunity and threat faced by the airline industry. The authors explored the airline industry models that have worked (and are working) along with those that haven't. And they suggested that the employee engagement and empowerment of service employees on the front lines is one of the keys of making work places more collaborative.

HRD in tourism: A role for government by Baum et al (2008)\textsuperscript{25}, identified the government's engagement with tourism and in the development of tourism sector. This paper explored the substantially neglected role of the state and its agencies in creating an enabling environment for effective HRD within tourism, through policy and planning as well as the delivery of actual HRD initiatives. The role of human resources in enabling tourism businesses, destinations and countries to operate effectively and competitively in the contemporary global economy is addressed and the paper considered the impact that tourism's defining structural and operational characteristics have on the role of people. The paper also explained the role of government and its agencies to play a useful role in guiding policy and delivering programmes that act to enhance the quality and productivity of people in the delivery of products and services to
guests within tourism and if they can, how this role can best be defined and operationalised.

Jia Wang (2008)\textsuperscript{26}, in his paper "Developing Organizational Learning Capacity in Crisis Management" discussed organizational learning procedures that can assist in organizational crisis management. The author expressed that crises can represent opportunities for organizations to learn and develop adaptability through HRD. Finally, the author suggested a process model emphasizing the symptoms, preventive measures, damage control, recovery and organizational learning and change as key elements in crisis management.

In an article on "A New Era for Career Development and HRD" by Hite et al (2008)\textsuperscript{27}, examined the changing role of career development (CD) programs in HRD. It was reported that globalization has caused the priorities of employees and human resources departments to shift by creating more mobility within job markets. The authors suggested that, since employee loyalty has become less important in a global society, CD projects designed to create job mobility within companies need to be re-evaluated and changed to address the changing needs of human resource professionals and employees alike.

Schmidt et al (2007)\textsuperscript{28}, in their article entitled "The Relationship Between Satisfaction with Workplace Training and Overall Job Satisfaction" analyzed the opportunities for training and development which are paramount in decision-making regarding employee career choices. Despite the importance, many research studies on job satisfaction do not address satisfaction with workplace training as an element of overall job satisfaction, and many job satisfaction survey instruments do not include
a "satisfaction with workplace training" component. This study examined the relationship between satisfaction with employer-provided workplace training and overall job satisfaction of customer contact representative and a significant relationship was found between job training satisfaction and overall job satisfaction. Components of job training, including time spent in training, training methodologies, and content, were determined to be significant in their relationship to job training satisfaction, and trainees were significantly more satisfied with the training they received when the methodology employed was their preferred one. On the basis of these findings, conclusions were drawn and recommendations for researchers and practitioners in the field of HRD were made.

Kennedy, Vijila. (2007)29, in an article on "Do HRD Practices Differ Among the Categories of Indian Commercial Banks?", explained that human resource is being increasingly recognized as a prime source of strategic advantage. The need for its effective development is, therefore, more important than ever before especially in the service sector. This paper examined the HRD practices in banks in Coimbatore through a questionnaire-based data on seven dimensions from 260 employees belonging to the public sector, old private sector, and new private sector banks. The study concluded with the differences in HRD practices among the categories of banks and the implications for the banking sector on implementing appropriate HRD practices.

Greene, Edward. (2007)30, in his article on "Reconfiguring Human Resource Development in the Caribbean: Beyond the Global Marketplace.", discussed the reconfiguration of HRD in the Caribbean during globalization. The Caribbean Development Bank stated that the HRD should enhance foreign direct investment, trade liberation through knowledge transfer, boost
productivity through interactions, the capabilities of knowledge generation and technology assimilation and efficiently utilize skills and strengthen the mechanisms for people to participate in their development.

Clardy, Alan (2008)\textsuperscript{31}, in his article on “The Strategic Role of Human Resource Development in managing core competencies.” observed that the Resource-Based View (R-BV) of strategy emphasized the importance of core competencies as the critical basis for sustainable competitive advantage.

Nafees A. Khan (2008)\textsuperscript{32}, in an empirical article entitled “Human Resource Development in Tourism Industry in India: A Case Study of Air India Ltd, analyzed the HRD initiatives of Tourism Industry with special reference to Air India Ltd. with an objective of enhancing and sharpening the capabilities of its employees. The study identified the need for Air India to incorporate the spirit of HRD in day to day functioning by utilizing the all possible human resource systems and mechanism to the organization.

Swain, Sampad Kumar (2006)\textsuperscript{33}, in his book on “Human Resource Development in Tourism: Principles and Practices” analyzed the various sub-systems of HRD in tourism sector in Orrissa. According to the author, most frequently used HRD subsystems in Orrissa tourism are training and development, performance appraisal, and reward system. The book also says that although all HRD practices are practiced but they seem to be handicapped which needs refinement of results.

Chand Mohinder ( 2003)\textsuperscript{34} in his book “Travel Agency Management: An introductory Text ” said that the term HRD is not essentially to retain well educated and trained tourism professionals but also to get better
returns out of their expertise. He also said that it is not only necessary to create an infrastructure for tourism industry, but also essential to have efficient and effective HRD sub-systems. It is the human asset which can improve the standards of tourism industry and may continue to meet the challenges of globalization and deregulations.

Mary L Tanke (1990)\(^3\), in her book on "Human Resource Management for Hospitality Industry" said that to take full advantage of their employee's skills as a key competitive weapon, managers must have a 'people perspective' and take human resource issues into consideration as they formulate and implement business objectives and plans.

Lionel Becherel and Chris Cooper (2002)\(^3\), in an article titled "The Impact of Globalization on Human Resource Management in the Tourism Sector" pointed that the development of informal labour market is characterized by networking, specialist indispensable skills, multi-skilling and organizational flexibility. They also said that globalization leads to the demand for highly skilled labour in order to generate world class competitiveness and the transnational corporations can succeed only by developing the skill base of their employees through empowerment and training.

Paulina Troicka (2003)\(^3\), in a critical analysis of an article by Jack Eaton, entitled "Globalization and Human Resource Management in the Airline Industry" stated that the deterioration of employee morale and motivation has resulted in low levels of employee involvement in managerial decisions and it has led to the inability of major airlines to establish a sustainable competitive advantage. According to the author, the institutionalization of job enrichment and effective people management
strategies will help the organizations to manage their human resources effectively.

Roger Hollowell (1996)\textsuperscript{38}, in his article entitled “Southwest Airlines: A Case Study Linking Employee Needs Satisfaction and Organizational capabilities to Competitive Advantage” illustrate how organizations can create and sustain the competitive advantage by focusing on human resources. This article also stated that it is the responsibility of human resource professionals and operating managers to identify which tools will be most effective in their organizations’ effort to create value for employees given their unique situations.

Jitendran K.J, (2002)\textsuperscript{39}, in his paper entitled “Tourism, Peace and Sustainability: A Human Resources Development Perspective” viewed that HRD programs at all levels strive not only to provide personnel with relevant skills and competencies but also instill values of sustainability. The author also said that HRD activities aiming at sustainability have to adopt a three –dimensional approach focusing on the tourism industry personnel, host community, and the tourists.

Sudarshan H U (1987)\textsuperscript{40}, in his article on “Man Power Development and Productivity in Civil Aviation Department” underlined the need for manpower development in civil aviation in developing countries and evaluated productivity of manpower.

**Need for the Present Study:**

The tourism industry involves more human factor to deal with basic needs of tourists. Hence, the role of Human Resource Development in tourism, especially, in the airline sector has become more vital for the
success of tourism industry in general and airlines in particular. The success of any organization depends very much on the quality and quantity of its human resources. HRD aims at developing a variety of competencies and enormously contribute to the organizational growth. Human Resource Department is essential for any growth - oriented and dynamic organization, which wants to succeed in a fast changing and competitive environment. It is an effort and competency of HRD that makes the organizations dynamic and grow. Organization and individual should develop and progress simultaneously for their survival and attainment of mutual goals. So every management has to develop the employees in order to develop the organization. HRD, in its turn, is heavily dependent upon employee training and management. Especially in an airline industry, which is a service – oriented industry, it is essential to recognize that it is the people who make the organizations grow and therefore, it is necessary that people have opportunities to grow continuously to make organizations effective. As the airline industry is becoming more and more competitive due to the increase in the number of players and also due to the informative and experienced customer who does not get lost in the competitive market, the role of training in delivering a quality service is very crucial and hence the effectiveness of training and other HRD practices are important factors in the HRD to be evaluated. The introduction of new facilities into new areas, expansion, diversification, technological innovation, sophistication and upgrading of existing facilities and standards calls for better, qualified and highly trained personnel in airline industry and hence HRD in airline industry is gaining importance in recent days. From the review of literature, it is quite evident that no efforts are made till now to unearth the significance of HRD and its subsystems to airline industry and in this background the present study is significant and a pioneering one in this area.
Objectives of the Study:

The main objective of this study is to evaluate how well the selected HRD interventions are working in public private airlines in India. This central purpose is expected to be fulfilled through the achievement of specific objectives which are listed below:

1. To evaluate the significance of HRD to effectiveness, motivation and achievement of the organizational objectives.
2. To examine the HRD policies and practices of selected private and public domestic airlines.
3. To know the HRD goals, instruments, processes, outcomes, and their impact on organizational effectiveness.
4. To identify the problems encountered in implementing HRD mechanisms/sub-systems.
5. To evaluate the perceptions of the employees from the airline industry on the HRD sub-systems.
6. To compare the performances of public and private sector domestic airlines in HRD area and draw meaningful conclusions.
7. To suggest ways and means, if necessary, to make the existing HRD practices effective in the units under study.

Nature and Scope of the Study:

The present study of HRD in airlines is designed to comprehend and analyze the different practices and policies of HRD in airline industry in India. This study is partly descriptive and partly diagnostic. Since this study is concerned with only three units working in India that too with important subsystems of HRD, the study can be considered as a microscopic one. The main source of the data for the study is primary data which is generated through a structured questionnaire and hence this work is an empirical inquiry too.
With regard to the frontiers of the present study, it is confined to 240 executives (Ground Staff) working in selected full service domestic private and public airlines in India. The employees of the airlines involved in providing services in various airports in India for the domestic air travelers are considered for the information required for conducting this empirical study. Regarding the topic of research and its coverage, though the term Human Resource Development covers several aspects related to personnel, the present study covers few significant sub-systems of HRD. The major subsystems of training and development, performance appraisal, potential appraisal, career planning and development, feedback and communication and rewards are covered under this study.

**Methodology and Data Sources:**

This being an empirical study in nature, the perceptions of the employees are obtained through a structured questionnaire. Primary data was collected from the executives of the domestic airlines from various airports in India. Personal discussions were also held in addition to the observation with airline officials to elicit relevant information for the study. However, some secondary sources such as books, journals and websites were used for the purpose of understanding the basic concepts and also conducting the review of literature relating to the field of HRD in airlines.

**Sample Size:**

For collection of primary data from the employees of the domestic airlines viz, Air India, Jet Airways and Kingfisher airlines were chosen from different airports in India mainly from Bangalore, Mangalore, Chennai and Cochin. The sample was selected at random from the employees of the airlines covered under the present study. Eighty respondents each from Air India, Jet Airways and Kingfisher Airlines participated in the survey, who
were selected at random from among 1700 employees of all the three airlines and thus the total sample was 240. A detailed structured questionnaire was administered to 240 employees of the three airlines viz; Air India, Jet Airways and Kingfisher Airlines. The questionnaire contained 65 statements with five responses based on Likert's 5 - point scale. The respondents were met at the airports of Bangalore, Mangalore, Cochin, and Chennai. The total population of airlines at these destinations are around 1700, i.e. Air India: 800, Jet Airways: 350, and Kingfisher Airlines: 550. The responses were then tabulated and analyzed for drawing meaningful and logical conclusions.

Data Analysis:

The data generated through the research methods mentioned in the earlier discussion was analyzed with the help of tables. In order to give a quantitative touch to the data analysis, few simple statistical tools such as averages and percentages are used in the research study.

Limitations of the study:

The researcher had to face very difficult situations in the completion of the research as the HR departments of the sample units were very reluctant to share the information for research purposes. The HR departments did not part with any of the written documents or manuals relating to the airlines. Hence the data was collected through extensive informal discussions and questionnaires with the employees of these airlines. The busy employees found the questionnaire as lengthy and took many days to complete it and return to the researcher. Due to volatile security issues in the airport, it was very difficult to get access to the respondents for data collection. The unstable nature of the airline industry and frequent changes in management and organizations also created
uneasiness to the researcher to complete the study within the stipulated time frame. Hence, the researcher had to encounter the constraints of time and data.

Lay out Of the Thesis:

The entire study has been divided into five chapters. A chronological list with sub-titles of these along with a brief summary is given below.

Chapter I is an introductory chapter. It attempts to discuss the changing role of HR and its evolution, Goals of HRD, Definitions of HRD, Need for HRD, and HRD in Services particularly in Tourism and Airlines. This chapter also presents an overview of literature, Need for the present study, Objectives of the study, Research Methodology and Lay out of the thesis. At the end, the referenced are also cited.

Chapter II examines the conceptual Framework of the study. It portrays the introduction to Human Resource Development, HRD practices, strategic aspects of HRD, contents of HRD, benefits of HRD, significance of HRD and HRD sub-systems.

Chapter III sketches briefly the profile of the selected units along with the major HR practices of public and private sector airlines.

Chapter IV presents an analysis of the field data generated through research tools.

Chapter V arrives at the major findings, conclusion and also offers concrete suggestions.
References


