CHAPTER I
INTRODUCTION AND DESIGN OF THE STUDY

1.1 INTRODUCTION

Airline provides a rapid worldwide transportation network, which makes it essential for global business and tourism. It plays a vital role in facilitating economic growth, particularly in developing countries. Air transport facilitates world trade, and helps countries participate in the global economy by increasing access to international markets and allowing globalization of production. The airline industry is one of the most volatile industries in the world. Thus, the human resources management in an airline industry has the challenge of staffing for this never-changing need. Service quality is one of the best models for evaluating customers ‘expectations and perceptions’. Passenger satisfaction is fundamental to the practice of consumer sovereignty. Understanding exactly what customers expect is the most crucial step in defining and delivering high-quality service. In a highly competitive environment the provision of high quality services to passengers is the core competitive advantage for an airline's profitability and sustained growth.

In today's highly competitive economy, innovative ideas and brilliant employees are key factors to remaining ahead of competitors. By effectively utilizing the power of talented people, firms may achieve solid results and develop a highly productive work force. The level of performance of employees relies not only on their actual skills but also on the level of motivation each person exhibits. Motivation is an inner drive or an external inducement to behave in some particular way, typically a way that will lead to rewards. Over-achieving, talented employees are the driving force of all firms so it is essential that organizations strive to motivate and hold on to the best employees. Employee commitment, productivity and retention issues are emerging as the most critical workforce management challenges of the immediate future, driven by employee loyalty concerns, corporate restructuring efforts and tight competition for key talent. For many firms, “surprise” employee departures can have a significant effect on the execution of business plans and may eventually cause a parallel decline in productivity. This phenomenon is especially true in light of current economic uncertainty.
People do not quit companies, they quit bosses. By focusing on leadership, organizations improve employee retention leads to reduce labor turnover and retain productive employees, management has to improve working conditions and keep the employees properly motivated. Organisations may differ in the priority they attach to the human resource component, in their efforts toward achieving high productivity and competitive advantage, yet they all recognise the value of a qualified, motivated, stable, and responsive team of employees.

In an increasingly competitive environment, companies must be customer oriented and customer satisfaction represents a modern approach for quality in business life and serves the development of a truly customer-oriented culture and management. Modern management science’s philosophy considers customer satisfaction as a baseline standard of performance and a possible standard of excellence for any business organization.

High customer satisfaction ratings are widely believed to be the best indicator of Air India’s future profit. Customer satisfaction can be experienced in a variety of situations and connected to services offered by Air India. It is a highly personal assessment that is greatly affected by customer expectations. Satisfaction also is based on the customer’s experience of both contacts with the organization and personal outcomes. Every airline must define customer satisfaction regarding their market. Customer satisfaction is about relationships between the customer and product or service and the provider of a product or service. Customer satisfaction is a highly personal assessment that is greatly influenced by individual expectations.

Aviation Industry in India is one of the fastest growing aviation industries in the world. With the liberalization of the Indian aviation sector, aviation industry in India has undergone a rapid transformation. From being primarily a government-owned industry, the Indian aviation industry is now dominated by privately owned full service airlines and low cost carriers. Private airlines account for around 75 percent share of the domestic aviation market. Earlier air travel was a privilege only a few could afford, but today air travel has become much cheaper and can be afforded by a large number of people.

1.2 AVIATION INDUSTRY IN INDIA

The origin of Indian civil aviation industry can be traced back to 1912, when the first air flight between Karachi and Delhi was started by the Indian State Air
Services in collaboration with the UK-based Imperial Airways. It was an extension of London-Karachi flight of the Imperial Airways. In 1932, JRD Tata founded Tata Airline, the first Indian airline. At the time of independence, nine air transport companies were carrying both air cargo and passengers. These were Tata Airlines, Indian National Airways, Air Service of India, Deccan Airways, Ambica Airways, Bharat Airways, Orient Airways and Mistry Airways. After partition Orient Airways shifted to Pakistan.

In the early 1948, Government of India established a joint sector company, Air India International Ltd in collaboration with Air India (earlier Tata Airline) with a capital of two crore and a fleet of three Lockheed constellation aircraft. The inaugural flight of Air India International Ltd took off on June 8, 1948 on the Mumbai-London air route. The Government nationalized nine airline companies (vide the Air Corporations Act, 1953). Accordingly it established the Indian Airlines Corporation (IAC) to cater to domestic air travel passengers and Air India International (AI) for international air travel passengers. The assets of the existing airline companies were transferred to these two corporations. This Act ensured that IAC and AI had a monopoly over the Indian skies. A third government-owned airline, Vayudoot, which provided feeder services between smaller cities, was merged with IAC in 1994. These government-owned airlines dominated Indian aviation industry till the mid-1990s.

1.3 SIGNIFICANCE OF STUDY AREA

South India is the area encompassing India’s states of Andhra Pradesh, Karnataka, Telangana, Tamil Nadu, and Kerala as well as the union territories of Lakshadweep and Puduchery, occupying 19.31 percent of India's area (635,780 km² or 245,480 sq mi). The southern region has a high population of 251.3 million spreading all over the southern states. In India there are 132 domestic and international airports which are connecting national and international destinations. The total number of airports in southern region is 49 of which, 13 are domestic airports, 6 international airports, 5 private/ JV airports, 3 customs airports, 5 non-operational airports and 19 AAI operational airports are used for transport and military purposes. In the southern region airports 118 international scheduled airlines and 100 scheduled domestic airlines are operating. In the southern airports totally 71 airlines are operating as non-scheduled operations and 144 non-scheduled domestic airlines are operating in south airports.
1.4 STATEMENT OF THE PROBLEM

Based on review of literature and pilot study, the researcher found the following research problems:

1. Air India provides promotion, career growth and conduct performance appraisals for the employees, even though the employees have negative perceptions. Hence, the researcher made an attempt to find the reasons for the problem.

2. Training is an important input for employees working in service-oriented industry like Air India. In order to fulfil HR policy, Air India provides training to their employees. But the trainings do not have much impact among employees and their productivity. So the researcher wishes to study whether the training is useful or not.

3. During the pilot study the researcher understood that, customers are highly dissatisfied with baggage handling, connecting flights and other allied services. Customers choose Air India as their last option.

4. It also comes to know Air India is not providing proper menu selection and the customers are not satisfied with the quality of the food provided by Air India. In-flight entertainment is also not up to the mark. There is no proper passenger complaining system and feedback forms.

Hence, the researcher made an attempt to study whether the customers are satisfied with the services provided by Air India or not.

1.5 SCOPE OF THE STUDY

The study is confined to the employee’s perception and customer satisfaction of Air India in the southern region only. Primary data were collected from the sample respondents of Air India employees and the customers in the southern region namely, Chennai, Hyderabad, Bangalore, Cochin and Trivandrum. The data were collected from the employees in Air India except housekeeping department, engineering department, airport employees and ground staff.

1.6 NEED FOR THE STUDY

Examining Air India employee perception and customer satisfaction has been a general practice among airline service researchers over the years. The main motive for
continued interest in this area of research is the forever-changing airline business environment throughout the globe. Customer satisfaction and employee perception are the most important factors for each and every airline.

However, not much research has been done to study the employee perception and customer satisfaction as regards Air India airline in the southern region. Hence, the need for the study arises due to the changing concept of air transport in India, along with the inclusion of new airlines into the market. Moreover the researcher interacted with the customers of Air India and went through research articles in the relevant field. The customers of Air India are not at all satisfied with the services provided by the airline. Since, Air India is the only airline owned by the government, though it has been facing loss for decades. Hence, the researcher attempts to do a research regarding customer satisfaction and employee perception of Air India in the southern region.

1.7 OBJECTIVES

1. To study the profile and growth of Air India since 1991.
2. To investigate the factors which influence the satisfaction of customers regarding Air India.
3. To examine the on-board and pre-flight service quality of Air India.
4. To measure the employee perception regarding the working environment with Air India in the Southern Region.
5. To identify the employee perception of the motivational factors offered by Air India.

1.8 METHODOLOGY

This present study is both descriptive and analytical in nature. The researcher attempted to do a research on the employee perception and customer satisfaction of Air India in the southern region. There is no connection between the employee’s perception and customer satisfaction. Hence, the researcher has made the data collection and analysis separately for the employees and the customers of Air India. Methodology of the study helps the researcher to draw a systematic approach for the research process. Methodology includes period and area of study, sources of data, pilot study, sampling design, hypothesis and statistical tools used for data analysis.
1.8.1 PERIOD OF STUDY

The primary data were collected from September 2014 to February 2015. The secondary data were collected from Air India’s financial statements for the period of twenty four years from 1990-1991 to 2013-2014. The geographical area of the study covers the Southern Region of India namely Chennai, Bangalore, Hyderabad, Cochin, and Trivandrum.

1.8.2 SOURCES OF DATA

Data and information were collected from both primary and secondary sources.

a) Primary data: Primary data regarding the employees and the customers of Air India were obtained with the help of structured pre-tested questionnaires in English. For the present study, two sets of questionnaires were used, for the employees and the customers of Air India. The questionnaires comprised dichotomous, multi choice questions, and open ended and closed ended questions.

b) Secondary data: Information related to the scope of the airline market, Air India’s financial statements, employees’ performance and other relevant information was collected from secondary sources such as, Air India’s annual report, MRO (Manufacture, Repair, and Overhaul) report, newspapers, journals, Indian aviation magazines, and websites. For collecting the required secondary data from the southern region, Air India’s Chennai, Bangalore, Hyderabad, Cochin and Trivandrum offices were approached.

c) Pilot Study

Table 1.1 shows the details about the pilot study. The pilot study was undertaken with 30 employees and 50 customers. Cronbach's Alpha reliability test was used for both the employees and the customers of Air India to identify the reliability of the questionnaires. Cronbach's Alpha reliability value for employee perception is .979 and for customer satisfaction it is .980, which means, the both questionnaires are reliable to collect data from the respondents and necessary modifications were made in the questionnaires to make them more user-friendly.
Table 1.1
Table Shows the Reliability of the Pilot Study of Air India Employees and Customers in Southern Region

<table>
<thead>
<tr>
<th>EMPLOYEE PERCEPTION</th>
<th>CUSTOMER SATISFACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach's Alpha</td>
<td>Cronbach's Alpha</td>
</tr>
<tr>
<td>Based on Standardized Items</td>
<td>Based on Standardized Items</td>
</tr>
<tr>
<td>.979</td>
<td>.980</td>
</tr>
<tr>
<td>No of Questions</td>
<td>No of Questions</td>
</tr>
<tr>
<td>107</td>
<td>71</td>
</tr>
</tbody>
</table>

Source: Derived from primary data

1.8.3 SAMPLING DESIGN

This present study considered the employee perception and customer satisfaction of Air India in the southern region stations namely Chennai, Bangalore, Hyderabad, Cochin, and Trivandrum. The population of the current study consisted of the employees of Air India and the passengers who were travelling in various classes of Air India. The employees comprise only those who were working in the year 2014 – 15 at Chennai, Bangalore, Hyderabad, Cochin, and Trivandrum. Air India management was contacted for their co-operation in providing the list of offices in each station and thereafter, permanent employees were sorted out. The population related to the customers of Air India in various stations could not be ascertained because of the various ticket booking modes like direct booking, online booking, and booking through travel agents.

This study covers a sample size of 735 respondents of whom 385 were passengers and 350 employees. Stratified random sampling and multi stage sampling were used for selecting sample respondents from the employees and customers respectively. Regarding the selection of sample customers, multi stage sampling was used. For conducting the pilot study the researcher collected 50 questionnaires with the responses from customers of Air India, and standard deviation was calculated at 5 percent level of significance. The sample size was 385. From south India, four states were taken based on number of customers (Tamilnadu, Karnataka, Telangana and Kerala). Based on the number of passengers five, important stations were identified (Chennai, Bangalore, Hyderabad, Cochin, and Trivandrum). The researcher directly visited them for a period of six months (September 2014 to February 2015) and each international departure flight was developed as a cluster and directly collected data from the selected departure customers. The distribution of sample customers was based on the number of passengers travel from each station for a period of six months.
proceeding September 2014. The details are given in table 1.2. A structured interview schedule was used for collecting from the customers data. The questions were phrased in the form of statements scored on a 5-point Likert type scale, ranking from 1 “strongly disagree” to 5 “strongly agree”.

Customers Sample N = \(\left\lceil \frac{z^2 \cdot \sigma^2}{E^2} \right\rceil \) = \(\left\lceil \frac{1.96^2 \cdot .50^2}{.05^2} \right\rceil \) = 385 samples

**Table 1.2**
Table Shows the Sampling Frame of Air India customers in Southern Region

<table>
<thead>
<tr>
<th>SL. No</th>
<th>No of Stations</th>
<th>Total No of International Passengers*</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Chennai</td>
<td>179,130</td>
<td>116</td>
</tr>
<tr>
<td>2.</td>
<td>Bangalore</td>
<td>109,374</td>
<td>69</td>
</tr>
<tr>
<td>3.</td>
<td>Hyderabad</td>
<td>104,874</td>
<td>65</td>
</tr>
<tr>
<td>4.</td>
<td>Cochin</td>
<td>133,314</td>
<td>85</td>
</tr>
<tr>
<td>5.</td>
<td>Trivandrum</td>
<td>79,752</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Total no of Samples</td>
<td>385</td>
<td></td>
</tr>
</tbody>
</table>

Source: *Air India Chennai

Stratified random sampling was used for collecting data from the sample respondents among the employees. Airport and level of employment were the different strata. To find out the number of sample respondents, the researcher conducted a pilot study from 30 respondents, and the standard deviation was calculated. Based on the calculation, the researcher obtained 350 samples. Based on number of employees in each station the researcher gave the weightage. The details of the employees and the sample from each station are given below

Employee Sample N = \(\left\lceil \frac{z^2 \cdot \sigma^2}{E^2} \right\rceil \) = \(\left\lceil \frac{1.96^2 \cdot .48^2}{.05^2} \right\rceil \) = 350 samples

**Table 1.3**
Table Shows the Sampling Frame of Air India Employees in Southern Region

<table>
<thead>
<tr>
<th>SL. No. (1)</th>
<th>Station (2)</th>
<th>No of Employees* (3)</th>
<th>Sample (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Chennai</td>
<td>708</td>
<td>137</td>
</tr>
<tr>
<td>2.</td>
<td>Hyderabad</td>
<td>602</td>
<td>113</td>
</tr>
<tr>
<td>3.</td>
<td>Bangalore</td>
<td>284</td>
<td>55</td>
</tr>
<tr>
<td>4.</td>
<td>Trivandrum</td>
<td>155</td>
<td>30</td>
</tr>
<tr>
<td>5.</td>
<td>Cochin</td>
<td>63</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Total no of samples</td>
<td>350</td>
<td></td>
</tr>
</tbody>
</table>

Source: *Head office information
Table 1.3 shows, 350 employees were selected. The top level includes general manager, general manager sales & marketing, general manager ground handling, deputy general manager, assistant general manager. The middle level includes senior manager, manager, deputy manager, assistant manager. The lower level includes officers, assistant officers, senior traffic assistant and traffic assistant.

1.8.4 HYPOTHESES

Based on the research problems following hypotheses were formulated:

1. $H_0$: There is no relationship between the demographic variables of employees and their perception.
2. $H_0$: There is no relationship between the perception of employees and their work in Air India.
3. $H_0$: There is no significant relationship between the employee perception and training and development practices in Air India southern region.
4. $H_0$: There is no relationship between the demographic variables of passengers and customer satisfaction.
5. $H_0$: There is no relationship between the service quality of Air India and customer satisfaction.
6. $H_0$: There is no relationship between the on-board service of Air India and the customer satisfaction.

1.8.5 TOOLS FOR ANALYSIS

The collected data were edited, classified, tabulated and presented in a precise manner. Application of statistical tools helps the researcher to arrive at appropriate findings and the data were analysed with the help of SPSS 22.0.0.0. The following statistical tools were used for data analysis:

1.8.5.1 Compound Annual Growth Rate

The concept of CAGR is relatively straightforward and requires only three primary inputs: an investment’s beginning value, ending value, and the time period. Compound annual growth rate was analysed to identify the financial performance of Air India after liberalization from 1990-91 to 2013-14.

1.8.5.2 Chi-Square Test

It is used to compare the variables for employee perception, which are, age of the employee, gender, level of employment, experience of employee, working hours of
employee, passengers marital status, passengers qualification, passengers employment, purpose of visit, advance ticket booking, mode of ticket booking, airline accessibility, and passengers income and levels of customers’ satisfaction.

1.8.5.3 Factor Analysis

This analysis used to identify the factors in employee perception of the training and development practices, employee perception of work environment, employee perception of organisational needs, level of customer satisfaction, level of customer satisfaction with overall airline service, customer opinion about airline service quality, customer satisfaction with pre-flight service of airlines, and customer satisfaction with on-board service quality.

1.8.5.4 Weighted Average

This is developed after developing Likert-type scales. Likert scales are developed by utilising the item analysis approach wherein a particular item is evaluated on the basis of how well it discriminates between those persons whose total score is high and those whose score is low. This analysis is made to identify the weighted average for the attitudes of Air India employee training & development practices, weighted average for performance evaluation practices, weighted average for employee promotion practice, weighted average for employee grievances handling system, weighted average for employees carrier planning, and weighted average for employees job satisfaction.

1.8.5.5 Man Whitney Test

This test helps us determine whether two samples have come from identical populations. If it is true it is reasonable to assume that the means of the ranks assigned to the values of the two samples are more or less the same. In calculating U test, all observations in a combined fashion are treated and ranked from the smallest to highest. This tool was used to analyse two variables like, training & development practices and employee performance evaluation practices, employee promotion practices and grievances handling system, employee carrier planning and job satisfaction, organizational commitment of employee and working environment, airlines pre-flight service and customer satisfaction, airlines on-board services and customer satisfaction, passenger opinion on level of service quality of Air India.
1.8.5.6 ‘t’ Test

In determining whether the mean of a sample drawn from a normal population deviates significantly from a stated value of the population, the t test can be applied. This analysis is used to identify the significance value of employee organizational commitment, for employee working environment and for employee motivation of Air India.

1.8.5.7 Kruskal Wallis Test

This test helps in testing the null hypothesis that the independent random samples have come from the identical populations as against the alternative hypothesis that the means of these samples are not all equal. This tool is used to analyse employee motivation.

1.9 OPERATIONAL DEFINITIONS

This study contains the following concepts that are necessary for this study and defined in operational terms to serve the purpose of the current study.

Airline services

A service for the transport by air of persons, mails or any other thing, animate or inanimate, for any kind of remuneration whatsoever, whether such service consists of a single flight or series of flights.

Airline Service Provider

Any licensed organization which provides Airline services.

Aircraft

Any machine which can derive support in the atmosphere from reactions of the air other than reactions of the air against the earth’s surface and includes balloons whether fixed or free, airships, kites, gliders and flying machines.

Airport

Location that contains all the technical and commercial facilities needed to support air traffic.

Crew Member

A person assigned by an Airline service provider to duty on an aircraft during a flight duty period.
Baggage Check-in Counter

Desk in an Airport where an employee of the Airline service provider checks and weighs passengers’ baggage and issues boarding passes.

Finance

Financial products are closely connected to accounting that deals with the allocation of assets and liabilities over time under some circumstances of certainty and uncertainty. Finance also applies and uses the theories of economics at a little level. It can also be defined as the science of money management. The key point in finance is the time value of money, that means purchasing power of one unit of currency, and this may vary over the time.

Financial Performance

Performance of financial products is subjective to how well a firm can use its assets from its primary mode of business and produce revenues and this term is also used as a common measure of a firm's overall financial health over a given period of time, and can be used to evaluate the similar firms across the same industry or to evaluate industries or sectors in aggregation.

Operating Revenue

Revenue resulting from sources related to a company's day by day business operations. In the case of a retail business, inventory sales produce operating income, whereas the sale of a warehouse does not. Instead of this, the latter sale is measured to be an unexpected, or "one-time", event, also referred to as "standard revenue".

Perishable Resources

In aviation industry perishable resource means, when the airline departs, unsold seats of airline cannot generate any income and thus can be considered as perishable resources.

Demographic

Analysing the population based on factors such as race, age, economic status, sex, income level and employment, and level of education among others. Demographics are used by corporations, non-government and government’s organizations for many purposes, such as counting policy economic and development market research. Demographic trends are also very important, as the amount of
different demographic groups will change over the time due to the effect of economic, political and cultural circumstances.

**Employee Satisfaction**

Satisfaction of employee is the jargon used to explain whether employees are happy and contented and satisfying their needs and desires at work. Satisfaction of employee is a factor in employee goal achievement, employee motivation, and positive employee confidence in the working area.

**Work Environment**

It is an exacting location where the mission can complete. When pertaining to a place of employment, the working environments involve the corporeal geographical location as well as the surroundings of the working area, such as office interiors and office building. It involves other factors relating to the area of employment, such as the moderate noise level, air and additional perks and remuneration of employment.

**Employee Perception**

Perception of employee is our sensory understanding of the world just about us. Through the perceptual procedure, we expand information about elements of the environment and properties that are significant to our continued existence. Perception not only creates our understanding of the world around us; it allows us to take action within our location.

**Employee Motivation**

Motivation of employee is the reason for appealing in particular actions, especially human behaviour in economics, psychology and neuropsychology. These reasons may contain basic needs such as food or hobbies, goal, state of being, a needed object, or idea. The employee motivation for performance may also be accredited to less apparent reasons such as ethics. It refers to the direction, initiation, concentration and determination of human behaviour. Employee motivation is the process of increasing the confidence of employees so that they freely give their best in accomplishing assigned tasks. Motivation is the key factor to achieve unexpected results.

**Customer Satisfaction**

Satisfaction of customers is a significant element in the assessment stage. Satisfaction of customers refers to the buyer’s state of being sufficiently rewarded in a
buying condition for the sacrifice he has made. Sufficiency of satisfaction of customers is an outcome of similar actual past purchase and utilization experience with the usual reward from the brand in terms of its probable potential to satisfy the customer’s motives.

**Customer Loyalty**

Loyalty of customer can be distinct as customers believe that one organization’s product/service offer remains their best option. It meets their cost proposal whatever that may be. Furthermore, loyalty means hanging in there even when there may be a trouble because the organization has been good to them in the past and identifying the problems when they arise. It means that they do not search for our competitors and, when approached by competitors, are not paying attention. It also means being eager to spend the effort and time to speak with the organization so as to build on past success and beat any fault.

**Marketing Strategy**

Marketing strategy is a general plan for selecting a target and following it through product, distribution, pricing and promotional choices. That is, companies with powerful marketing cultures develop strategies that are built around fulfilling their customers’ needs. “Marketing strategy as board principles by which the business unit expects to accomplish its marketing objectives; it consists of basic choice on total marketing spending, marketing allocation and marketing mix.”

**Government**

The term government in the present study refers only to the central government.

**Service**

Any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything.

**Service Quality**

Customers’ perception of service delivered against the expectation

**Tangibility**

The physical evidence of service (e.g. Physical facilities, appearance of personnel, or tools or equipment used to provide service)
Reliability
Consistency of performance and dependability (e.g. a firm performing the service at the right time and honoring its’ promise)

Responsiveness
The willingness and readiness of employees to provide service (e.g. Timeliness of service)

Convenience
The extent to which an Airline service provider takes into account the convenience of customers (e.g. convenient flight timings, ease of booking tickets, Check-in facilities in the Airport).

Productivity
It is a ratio of production output to what is required to produce it (inputs).

Technology
Technology is the making, usage, and knowledge of tools, machines, techniques, crafts, systems or methods of organization in order to solve a problem or perform a specific function.

1.10 LIMITATION OF THE STUDY
The following limitations are found out in the present study:
1. It is very difficult to get data from employees and customers because they are very busy, even though the researcher pays more attention to collect information from the respondents.
2. The researcher put a lot of effort to get consent from Air India southern region to continue the research.
3. Secondary data were collected from Air India website, Director General of Civil Aviation website and the record maintained by Air India southern region.
4. The research period was 2012-15; because of time constraint the researcher couldn’t focus on other regions namely northern, eastern and western regions.
5. The researcher gets more experience to convince the customers and employees of Air India to get proper correct information.

In spite of the above limitations, the study throws light on a better understanding of Air India employee perception, their experience towards working
environment, job satisfaction and customer satisfaction with Air India’s various services like on-board, in-flight, entertainment and low cost. Since the study was descriptive and analytical in nature, it is expected that this will pave the way for further research in the area.

1.11 CHAPTER SCHEME

The thesis is organized into six chapters.

The first chapter deals with the introduction and design of the study. This chapter describes the introduction of airline industry, brief description about world airline performance, contemporary dynamics in airline market, a brief introduction of Indian airline industry, performance of Indian airline market, concepts and operational definitions. The design of the study has also been included.

The second chapter reviews literature. It reviews domestic and international articles, theses, books, working papers and case studies. It gives clear idea about the previous studies on domestic and international airline industry respectively.

The third chapter presents the overview of Air India airline. This chapter includes a brief history, growth, opportunities and challenges of Air India airline.

The fourth chapter analyses employee perception in Air India. Analysis has been done under two aspects, that is, socio-economic and demographic profile of the employees, and perception towards employee motivation.

The fifth chapter analyses the customer satisfaction of Air India. Analysis has been done under three aspects, that is, customer’s demographic profile, pre-flight service quality, and in-flight service quality.

The sixth chapter summarizes the findings of the study. Relevant suggestions on the basis of findings and the conclusion have been given.

This chapter deals in brief with global airline industry, and gives clear outlook for the whole research. This chapter describes the introduction of airline industry, about world airline performance, contemporary dynamics in airline market, a brief introduction of Indian airline industry, performance of Indian airline market, concepts and operational definitions. The design of the study, tools used in this research and chapter scheme have also been included.