INTRODUCTION:

In today’s increasingly competitive environment, a company’s long-term success depends on its ability to attract and motivate a creative and productive management and technical staff. The presence of goals and the awareness of the incentives to satisfy one’s need are powerful motivators leading to the increased performance and productivity. In other words results occur when these motivated employees are provided with the opportunity to perform and the resources to do so. The achievement of excellence in any organization is a primary measure of compensation strategy success. The objectives of a good compensation strategy are:

- To attract capable employees to the organization
- To motivate them towards superior performance
- To retain their services for an extended period of time

Anything that an employee finds rewarding, that results from the employment relationship must be considered at the time of compensation.

The service sector continuous to be India’s engine of growth accounting for more than 50% of the country’s GDP. The dominance of this section rides in the convergence of the new technologies for faster and efficient delivery. In a liberalized economy, the private enterprises are entering the service sector in a big way, taking advantage of the deregulation & proactive policies of the center & various state governments. Apart from driving employment generation, the service sector will continue to play a dominant role in activating the infrastructure and sectors, as they are inter-dependant for the uniform growth of the economy.

Air India is India’s National flag carrier. The national carrier takes immense pride in having successfully played a pivotal role in making various facets of India popular with the people of the world and acting as the country’s cultural ambassador.
If we want exemplary performance from the human resource we need to treat them as partners, treat them with respect and trust & above all provide them opportunities for development.

Only by doing so, one can earn their respect & loyalty that will forge a relationship contributing to a high level of performance & productivity. Consideration should be given to career progression of employees and the importance the Airlines attaches to it.

Pay for performance systems are becoming more and more popular as senior managers reach beyond the use of compensation systems to delivery pay. There is far more interest in more closely linking the reward mechanisms to the achievement of corporate objectives. Motivation for superior performance is the goal.

The scope of growth in the industry is immense and so it is important to have an in depth knowledge about aims at providing an outlook for both people already in the industry as well as for those who wants to enter the industry.

Having a keen desire to study the service sector, The Airline Industry was chosen since it has made a considerable and dramatic contribution towards the growth of the Indian economy.

It has brought the world closer together in the era of globalization and free trade. This industry being several decades old provided an ample opportunity to evaluate growth and performance of the airline. With reference to overview the performance of the airline and study the various strategies. Measures adopted and schemes introduced by the Airline in order to meet the challenges today and in future. Motivating people for superior performance in order to achieve social & organizational goals.

The present open sky policy has made airline in cutting down the cost or completely doing away with areas not directly yielding generation from the core business area.
The Airlines recently launched Budget Airlines. In the initial years, existing employees of Airlines will discharge most activities related to the new Airline. It is imperative therefore that the present staff of Airline be concentrated on the core business & their services utilized optimally. The proposed research will be able to promote wider participation amongst its employees in management functions. Good promotion policies can make the environment more competitive and conductive to growth not only of the employee but also of the organization as a whole.

“IF YOU PICK THE RIGHT PEOPLE AND GIVE THEM THE OPPORTUNITY TO SPREAD THEIR WINGS AND PUT COMPENSATION AS A CARRIER BEHIND IT – YOU ALMOST DON’T HAVE TO MANAGE THEM”

JACK WELCH