

ADMINISTRATION OF CHENNAI INTERNATIONAL AIRPORT – A STUDY

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Introduction

Administration is an activity undertaken in pursuit of the realization of a goal. It is an effort requiring a group of persons, each individually carrying out certain allotted task, which when so performed by all, leads to the achievement of an objective which has already been established and made explicit. Administration is a distinct activity in itself separate from the technical function, even though it is itself specialization, requiring the possession of special skills. Administration deals with processes like planning, organizing, staffing, directing, coordinating, communicating, budgeting and evaluating. It is by effective management and implementation of these several processes that objectives are achieved.

Administration is the sum of all the ideas, technologies, procedures and processes employed to help an organization maintain, control and coordinate formally and informally organized human and material resources for achieving its predetermined goals. Administration is a universal activity found in every cooperative enterprise of human beings. Proper administration is essential, for the public or private organizations, requires planning, organization, command, coordination and control.¹

In simple words, administration may be defined as the management of affairs with the use of well through-out principles and practices and rationalized techniques to achieve certain objectives.

Administration consists of a structure or an organization of various institutions essential for its functioning; the processes, procedures and interaction of various constituents and the techniques and skills of human relation. It is the management of human affairs, concerned with the needs of carrying out specific objectives. Administration is involved in all fields of human endeavors where there is planned effort. It is a force which lays down the objectives which an organization and its management are to strive for and the broad policies under which to operate.²

The Public Administration is an important part of administration. Public administration is the study and implementation of public policies for the public welfare through the creation of civil society and social justice. Public administration is the management and implementation of the whole set of government activities which deals with the implementation of laws, regulations and decisions of the government and the management related to the provision of public services.³

The digital government has taken hold more slowly in the public sector than in the private sector. There are techniques of management and organization which are common to both public and private administration. In spite of similarities, there are some basic differences of approach, attitude and scope of activities performed by public and private administration with respect to political direction, public accountability, principle of uniformity, principle of external financial control, principle of service motive, legal framework, anonymity and efficiency measurement.

An effective transportation is indispensable in economic progress. The adequate facilities are necessary to move goods and people from place to place for economic and social activities. The expansion of settlements, trade and culture is influenced by development of transport in an area. The air transport is a most modern and quickest and

¹. Kamal Shankar, Srivatsava, (2007), "Public Administration in India", New Delhi, APH Publishing Corpn.pp.2

². Goel.S.L., Kumar R., "Hospital Managerial Services", New Delhi, Deep and Deep Publications, PP.40

³. Verma A.L., (2010), "Public Administration", New Delhi, Lotus Press, pp.29

the latest addition to the modes of transport. Travel by air is becoming increasingly popular. As far as the world trade is concerned, it is still dominated by sea transport because air transport is very expensive and is also unsuitable for carrying heavy, bulk goods. However, transportation of high value light goods and perishable goods is increasingly being carried by air transport.

Indian air transport is one of the fastest developing aviation sectors of the world. In recent years, Indian air transport has witnessed a boom which has given rise to the need for improving Indian air transport infrastructure like never before. The reason for that is an upsurge in demand for air travel, much of which owes to the opening of a host of low-cost airlines by the private sector.

Together with telecommunications, air transport represents the sectors that epitomize globalization in an economic as well as in a socio-political sense worldwide. Due to the combination of rapid technological change, falling real unit costs, industry consolidation, the low-cost carrier (LCC) business model, the existence of adequate pricing mechanisms, and consumer willingness to pay for safe, cost-effective services air transport compared with other infrastructure sectors such as roads and water. Government's attention could be focused almost entirely on safety, security and increasingly environmental issues. With today's competitive standards, it is vital for any country to integrate into global and national markets with well-functioning communication and air transport systems.

The formulation and implementation of the best air transport policies and the improvement in the delivery of Air Traffic Infrastructure services are important part for a successful economic development. The efficiency and effectiveness of a country's air transport system, together with the rest of its transport network, are crucial part of its investment climate. These services encourage investment by business, which fosters growth and job creation.

There is a pressure from Airlines for Government Air Navigation services to provide better and safe services to airlines (e.g., direct routings and efficient flight profiles) by the use of satellite and aircraft based information. Environmental concerns, both national and global, will be an increasing policy challenge for Governments. Likewise, security concerns are likely to be a continuing issue along with safety regulation, which require sound management and resources to meet domestic and international requirements.

Air transport infrastructure requires investments in upgrading and expanding in the near future in many countries. The publicly owned and operated airports are an intriguing subject for those interested in the business of government. The Government by elected or appointed officials, managed by public administrators is an integral part of the national transportation infrastructure modern airports operate in an increasingly complex political and commercial environment. The demand for air transport services continues to increase, straining airport's ability to provide sufficient runways, gates, terminal space, automobile parking and various amenities that passengers demand.

The airports provide employment to a large number of people. Airports in recent years have come to play and indirect role in promoting trade. A great deal of cargo is being shipped by air transport, particularly since the large scale introduction of wide body aircraft. The compulsion of present day commerce demands speedy transportation of certain types of goods. It seems reasonable to suggest that air transport is going to play an increasing role in world trade and international airports have to be equipped for large scale cargo handling.⁴

An airport authority is an independent entity charged with the operation, an oversight of an airport or group of airports. These authorities are often governed by a group of Airport Commissioners, who are appointed to lead the

⁴.Nath Dhar Prem, (2006), "Aviation and Airports in Tourism Development", New Delhi, Kanishka Publications, pp.218-219.

authority by a Government official. A regional airport is an airport serving traffic within a relatively small or lightly populated geographical area.

Each largest airport in the world employs more than 100,000 workers. They are immensely complex entities with regard to the physical facilities that they comprise, the organizations that are active within their boundaries, and the services that are provided in conjunction with their operation. The physical facilities includes runways, taxiways, aprons and strips, which are used for the landing and takeoff of aircraft, for the maneuvering and positioning of aircraft on the ground, and for the parking of aircraft in order to load and unload passengers and cargo.

Many organizations are involved in the operation of modern airports. The Overall management is usually in the control of the organization's authority, or company that holds a license to operate the facility. This license is granted subject to a judgments by the National Civil Aviation Authorities that, the managing body is fit and competent to run an airport within National and , if applicable, international laws governing safety and operations. While overall responsibility for efficient, safe, and legal operation lies with the airport management, many of the individual services at an airport are provided by other organizations. Such organizations include airlines, air traffic control authorities, ground handling companies etc.

With the advent of technology the civil aviation is getting popular or being accepted as a mode of travel and transportation, so India having come on the global map upgradation of infrastructure, became imminent. Accordingly, in 1972, IAAI (International Airports Authority of India) was carved out of Civil Aviation Department/Director General of Civil Aviation and came into existence through an Act of Parliament with the sole aim to develop the four International Airports at Delhi, Bombay, Madras and Calcutta, so as to meet the rules and regulations laid down by ICAO (International Civil Aviation Organization) for air transport operations. Accordingly, once again in 1985, by an Act of Parliament NAA (National Airport Authority) was carved out of Civil Aviation Department/Director General of Civil Aviation with the responsibility to maintain and develop all civil airports in the country.

Airports in Tamil Nadu

The Nineteenth National Airport Authority of India in Meenambakkam was set up first in February, 1972, by an Act of Parliament (Act No.43, 1971), with effect from 1.2.72. Prior to thisAct, all the airports and public aerodromes in India were managed by the Civil Aviation Department, Government of India. The four international airports at Delhi, Bombay, Calcutta and Madras were vested in there in on 1st April 1972. The authority was responsible for international airports and for management of four international airports and for providing services, facilities expecting air traffic control, aeronautical communication and navigational aid which continue to be provided by the Director General of Civil Aviation for the efficiency of air transport services.

Profile of Chennai Airport

The Chennai capital city of Tamil Nadu, has both the international terminal and the national terminal. The international terminal is named as Anna International Airport and National Airport is named as Kamaraj Domestic Airport. The Chennai International Airport (IATA: MAA, ICAO: VOMM), earlier known as Madras International Airport is located 7 kms to the South of Chennai. It was in the year 1912 when the first domestic flight had flown between Karachi and Delhi by the Indian State Air Services in association with the Imperial Airways, UK. It was one of the primary airports in India and in the year 1954, Air India's operated its first flight via Belgaum. It was the prime airport in south Indian. It is located on GST road in Tirusulam. The IATA code MAA for the airport is derived from the old name, Madras. The land for airport was donated by the old Governor of Madras Presidency, L. Sriramulu Naidu. Although the initial aircraft "Puss Moth" landed in Madras Airport in 1932, the usage was limited only to martial operations during the World War II. In 1952, the Civil Aviation Department took over its operations followed by the IAAI in 1972. The first passenger terminal was constructed at the North East side of the airport and it was known as Meenambakkam Airport. The Air Cargo Complex was authorized in 1978. A new terminal complex was subsequently constructed at Tirusulam, close to

Meenambakkam where the passengers's operations were shifted. The operation of domestic flight started in 1985 and the operations for international flights in 1989. The international airport complex got an annexure building in the 2003, whereas the old one is used for cargo purpose at present. The airport is spread across the suburban areas of Meenambakkam, Tirusulam and pallavaram with traveller entry at Tirusulam and cargo entry at Meenambakkam. The domestic and the international terminals are named after the great political leaders of Tamil Nadu, Mr.K. Kamaraj and Mr.C.N. Annadurai, respectively. It is the only airport in India where international and domestic terminals are located adjacent to each other. The airport is the local headquarters of the Airports Authority of India for the southern region of India comprising the states of Tamil Nadu, Andhra Pradesh, Karnataka, and Kerala and the Union Territories of Puducherry and Lakshadweep. It functions from the ATS Complex inside of the airport and has 49 airports under its control.

The old terminal building is at present operates as a cargo terminal and is the base for the Courier and the Indian Messenger Corporation Blue Dart. In 2001, Chennai Airport became the first initial international airport in the country to get ISO 9001-2000 approval. The new international take-off terminal was authorized in 2003.

The Chennai Airport is the city's airport for both domestic and international flights and is the third busiest (after Mumbai and Delhi) in India. Taking into consideration the importance of Chennai as a national and international tourist destination, the Airport Authority of India has authorized the construction of the new Domestic Terminal Phase II and for the expansion of existing Anna International Terminal and face lifting of the existing facilities at Chennai Airport.

The aviation sector plays a vital role in the social, economical and cultural development of the country. The Chennai Airport is becoming a major hub in the Chennai City which is put to the development of infrastructure and will also foster the growth of trade and tourism in turn which will increase the economic growth. To have sound organization, the perception of the employees towards administrative aspects is necessary. The civil aviation is passing through liberalization, privatization and globalization. Hence, in this competitive world the AAI (Chennai) should have some reforms in its administrative aspects.

Review of Literature

Biswanath Ghosh (2005), in his book he focuses on the importance and growth of air travel. He has also mentioned about the role played by the air travel in the development of international tourism.

Praveen Sethi (1999), in his hand book of Modern Tourism, he says that there is a congestion in the airports and air routes are crowded. For the next ten years it appears to be a holding period.

Cohen, Jeffrey Phillip (1998), the book focuses on several issues surrounding public spending on airports. Part of the book is motivated by the hub and spoke structure of the U.S. air transportation system, where individuals and goods are moved throughout the country by stopping over in hub airports and changing planes. This structure can lead to externalities in the form of unrealized travel time savings when local planners do not account for benefits conferred upon users throughout the system when deciding on airport spending.

Michael Pitt, Mark Jones, Modelling (2000), describes the Effect of Airport Noise on Residential Property Values. The Management of large-scale facilities such as airports requires a wide knowledge of potential problems that can arise as a result of strategic decisions. These decisions are often made many years before they come to fruition. The paper focuses on the potential compensation problems surrounding the construction of a new runway with particular reference to Manchester Airport, and examines the methods of practice and theory which may be adopted in the valuation of residential property affected by physical factors arising from the construction of a new installation.

Andrew W.Brown, M.R.Pitt, (2001), in his books says the facilities at airport are extensive, diverse in nature and are core to future income and therefore future profitability. Current forecasts indicate a probable growth in air travel of approximately 100 per cent over the next 20 years. It is unlikely that such growth will be accommodated without considerable expansion of the built facilities presently found at existing airports. However, airports are notoriously poor environmental performers. Any growth or expansion must be accompanied by improvements in relation to environmental impact.

Aguilera, Frank j., (2003), in his case study on Public Policy Implementation Process for Increasing Aviation System Capacity points out that the Increasing aviation system capacity on public policy is an implementation process whereby the National Aeronautics and Space Administration is assisting the Federal Aviation administration in modernizing the National Airspace System thereby increasing aviation system capacity in order to meet projected air traffic growth. If the National Airspace system is not modernized, the traveling public will experience more frequent airport and air traffic delays. Recent studies of the National Airspace system by state and local transportation authorities and private industry suggest that insufficient capacity of the aviation operational infrastructure, limited access to the airspace, and restrictions on flights routing flexibility have escalated operational costs, increased delays and decreased efficiency for all air passenger and air cargo users delays and decreased efficiencies in the National Airspace system are evident in the form of system grid-lock and increased ticket prices for the traveling public with increased prices for goods and services passed on to the consumer.

The above survey of literature indicates that though many aspects of airports research have been conducted, the perceptions of the administration in Chennai Airport have not been focused by the scholars and not to be found in any of the literature. Thus the researcher has selected the topic, “Administration of Chennai International Airport – A Study” to fill the gap in the literature on the subject. This study attempts to find answers to the following questions pertaining specially to the employees in the organization regarding the satisfaction in the organization.

Limitations of the Study

There are several and limitations pertaining to this study. First, it is due to the security reason the researcher could not circulate the questionnaire to the authorities and to enter the airport, The second limitation is that the respondents were not free to share their views related to the questionnaire which were circulated by the researcher among them. Thirdly there is a scarcity of literature related to the administration in Chennai Airport.

Scope of the Study

This study will be useful for the research in the other aspects of administration in various airports. The study can be used for further increasing the airport services for the passengers. This will be useful to maintain a record in the organization.

Objectives of the Study

The main aim of the study is to study the functioning of the Chennai Airport.

The specific objectives of the study are:

- To trace the origin and growth of Chennai Airport;
- To study the development of the Chennai Domestic and International Airport.
- To discuss the organization and functions of Chennai Airport.
- To examine modernization efforts of the Chennai Airport;
- To analyze the services and activities of Chennai Airport.
- To give conclusion and suggestion for further improvements in administration of Chennai Airport.

Methodology

The study was conducted to know the level of administration in Chennai Airport. The study was conducted during the period 2009-2012. The methodology adopted for this study is explorative and descriptive. The researcher

applied convenience sampling technique to collect primary data. Both primary and secondary sources of information have been used in this study. The Pilot Study was conducted to test the quality of the questionnaire. The researcher distributed 400 questionnaires to the employees out of which 360 were used and 40 were rejected due to incomplete questionnaire. The data has been collected directly from the personnel working in the Chennai Airport. Also the researcher conducted interviews with the top level officials of various departments, and questionnaire was circulated to the officials wherever interviews were not possible. The secondary data has been collected from journals, periodicals, newspaper, website and reports of Airport Authority of India related to the administration. The researcher also distributed 300 questionnaires to the passengers of Chennai Airport to know their views regarding the Chennai airport. The statistical tools used to illustrate the primary data are percentages, bar diagram, pie diagram and graphs. The Anova and Chi-square test was applied to scientifically test the hypothesis.

Data and Analysis

The majority of the employees i.e. 46.1 percentage of them are from the age group of 40 to 50. This is due to the reason that the organization has stopped the recruitment of the employees in Chennai , AAI.

The majority of the employees i.e. 32.8 percentage are from the department of Human Resource department, because it is the department which takes active part in almost all the activities of the administration in the organization. The next comes the other departments like the cargo, engineering which has 21.7 percentage of the employees.

About 46.7 percentages of them are in the middle level, 35.6 percentages of them comes under the category of senior level, and the remaining 17.8 percentage of them belongs to the category of junior level. So more number of employees is found to be from the middle level than the other two levels because there is a ban on recruitment

The majority of the employees 38.3% fall under the experience of 15- 25 years and the next come the employees with more than 25 years of experience. So the organization has more number of experience employees who can play an important role in developing the organization.

About 38.1% of the employees in the age group of 40-50 years have reported high level of satisfaction whereas above 50 years of age 31.1% have reported high level of satisfaction.

The employees with UG level of qualification have only 15.0% high level of satisfaction, 23.8% of the respondents from the PG qualification have moderate level of satisfaction and 18.5% of the professionals have 37.8% of high level of satisfaction.

In the department wise satisfaction, the human resources department, 22.0% of the respondents have reported 22.2% low level of satisfaction. The 57.9% of the respondents from the finance department have reported 29.1% moderate level of administration and 17.1% of the respondents from the operation department have reported 6.5% high level of administration.

It is concluded that there is a significant difference between male and female with regard to financial benefits, workers participation and grievances and government policies. Based on mean score female employees have more satisfaction on financial benefits, workers participation and grievances and government policies than the male employees. There is a significant difference between male and female with regard to training and over all opinion on administration. There is no significant difference between male and female with respect to recruitment, awards and reward, safety and welfare measures, interpersonal relation.

It is found that there is significant difference between the employees with different income group with regard to recruitment, training, awards and rewards, safety and welfare measures, financial benefits, workers participation and employee's grievance, interpersonal relationship, government policies and over all opinion on administration.

Conclusion

The people are the greatest assets in any organization, because through people all the other resources are converted into utilities. During the research period the researcher has observed that the employees of Chennai Airport are very hard worker, co-operative, well-disciplined and punctual. The Project completed at Chennai Airport is of great importance and will greatly help me to achieve the task as an administrator.

The organization should inculcate the best of knowledge and skill for the effective administration and with coming up of new future airports. The administration of AAI has to face the challenging future. The development administration entails a social organization, efficient personnel, effective utilization of finances, autonomy and accountability and inducing public participation in administration. A suitable framework is essential for the effective function of any public enterprises.

A good and effective performance of a public undertaking should have good planning, sound finance and a good personnel relation. The employee satisfaction is one of the major criteria to improve the efficiency of the organization. As a public sector undertaking, AAI is the organization working effectively.

AAI is a consistently profit making organization. AAI has been accorded 'AAA' rating which is stable outlook rating and AAI will be able to raise funds as and when requires for future mega projects.