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Study of HR strategies to Improve Productivity of Employees in the Field of Aviation

Monica Bijlani,
Research Scholar,
Bharathiar School of Management and Enterpreneur Development, Coimbatore

Dr. G Bharni,
(Fullbright Scholar, DAAD, DIES, Alumnia Associate Prof
Bharathiar School of Management and Enterpreneur Development, Coimbatore

Abstract

The study is important in the current context of employee productivity within Indigo and Air India, two of India's leading airlines. The research provides valuable insight into how the HR strategies affect employee's productivity, a key factor in organizational success. It helps in understanding the motivating factors that influence workplace attitudes in the airline industry, which is known for its high operational demands and stressful work environments. The research is framed exclusively within the context of Resource-Based Theory (RBT), which emphasizes the strategic utilization and impact of available resources on employee productivity concentrating on how employees react to and utilize the resources provided by their respective organizations.

Keywords: Aviation Industry, HR strategies, Employee Productivity, Resource availability, Employee Engagement

Introduction

The Indian aviation industry has emerged as one of the fastest-growing sectors globally, with an impressive growth trajectory driven by rising demand for air travel, increasing disposable incomes, and significant investments in airport infrastructure. According to data from the Directorate General of Civil Aviation (DGCA), India's domestic air traffic has grown by approximately 18% annually over the last decade. By 2023, India became the third-largest domestic aviation market in the world, surpassing United Kingdom and ranking just behind the United States and China. The industry's employment rate mirrors this growth, with over 3.6 million direct and indirect jobs being generated, covering a range of services including flight operations, ground handling, in-flight services, maintenance, and airport management. Furthermore, the government's ambitious UDAN (Ude Desh ka Aam Nagrik) scheme, aimed at enhancing regional air connectivity, is projected to create an additional 100,000 jobs in the coming years. The industry's future potential remains promising, with a projected requirement of over 1,750 new commercial aircraft by 2038 to meet the burgeoning demand for air travel in India. However, while the Indian aviation industry thrives economically, it faces significant challenges in managing its most vital resource: its workforce. The rapid growth of the industry has exposed gaps in employee management, with companies grappling to align human resource practices with the demands of a complex and evolving operational environment. The demands placed on aviation professionals—long working hours, irregular schedules, frequent time zone changes, and constant pressure to adhere to strict safety and service standards—have had adverse effects on employee productivity(Bacon & Blyton, 2005). These challenges highlight the need for substantial reforms in employee management, focusing not only on compensation and benefits but also on fostering a supportive work environment that prioritizes employee well-

being(Appelbaum & Fewster, 2003; Nguyen, Thanh, & Le). As the Indian aviation industry continues to grow, it is essential for companies like Indigo and Air India to develop and implement HR strategies that enhance employee satisfaction, commitment, and overall productivity to sustain their competitive advantage in the global market. Employee productivity in the aviation sector is closely tied to the effectiveness of human resource management practices. While the industry offers attractive salary packages, there has been a consistent decline in job satisfaction among employees due to the stressful nature of the work. High-pressure conditions, limited work-life balance, and insufficient attention to career development and workplace flexibility have led to burnout, increased absenteeism, and higher turnover rates. Recent incidents of employee unrest across major airlines—including strikes and protests driven by demands for more flexible work schedules and better organizational support—underscore the urgent need for comprehensive HR reforms. These reforms are crucial for not only managing productivity but also retaining skilled workers in a sector where the demand for qualified personnel outstrips supply (MoghadasNian & Nasr). The current study aims to explore the effectiveness of HR strategies within two of India's leading airlines: Indigo, and Air India. The study seeks to address how HR practices such as training and development, compensation, employee recognition, workplace flexibility, and talent management impact employee productivity in a highly regulated and competitive industry. While there have been various initiatives aimed at improving operational efficiency and customer satisfaction, less attention has been given to addressing the psychological and emotional needs of employees. In a sector that relies heavily on the physical and mental well-being of its workforce to maintain safety standards and deliver quality service, this neglect can have far-reaching implications (Zlatanovic & Sjenicic, 2024). Therefore, the study highlights the need for organizations to adopt more holistic HR strategies that consider the long-term development and well-being of employees, which in turn enhances productivity and operational efficiency. The Resource-Based Theory (RBT) provides a strong conceptual framework for understanding how airlines can leverage their human capital as a source of sustained competitive advantage (Acedo, Barroso, & Galan, 2006; Teng, 2007).

In short, the current study is well-suited to address the pressing challenges facing the Indian aviation industry today. It not only fills a critical gap in the literature by providing a comparative evaluation of HR strategies in Indigo and Air India but also offers practical insights for industry stakeholders looking to enhance employee productivity and retention. As the Indian aviation industry continues to expand, the findings from this research will be instrumental in guiding HR reforms that prioritize both the operational needs of airlines and the well-being of their workforce. Through the application of Resource-Based Theory and a focus on psychological well-being, the study aims to contribute to the development of more effective HR strategies that can sustain the industry's growth and competitiveness in the years to come.

Statement of the Problem

The desired productivity of employees in aviation sector in India is affected and consequently a fair amount of job changes and movements are conspicuously observed. Are HR strategies directly linked to the performance and productivity in the sector.

Research questions

To address the issues specified in statement of problem, the researcher formulated the following research questions:

1. What are the HR strategies that influence the workplace attitudes in aviation industry?
2. Do employee's socio-demographic and organizational factors influence their perception about HR strategies and workplace attitudes in aviation industry?
3. How does employee's intention to stay mediate the relationship between various workplace attitude and employee productivity?

Objectives of the study

1. To identify the specific human resource management strategies influencing workplace attitude in selected airlines.
2. To examine the difference in perception of employees towards human resource strategies and workplace attitudes in selected airlines.
3. To evaluate the effectiveness of HR strategies in influencing job satisfaction and affective commitment in selected airlines.

Literature Review

Recently (Shanmuganathan & Krishnan, 2024) offers valuable insights into the influence of work practices on performance and productivity of employees intermediated by the motivation in Indian airports under PPPs-Public-Private Partnership. The outcomes shows that the digitization, flexibility, work design integrated with leadership, employee empowerment and motivation shows positive influence on performance and productivity. The research recommended that the study must use objectives measures of performance and productivity relatively than self-reported data for minimizing the bias in responses. In addition job satisfaction, employee engagement and other variables can also be considered. Moreover, recently (Siddiqui, 2025) compared the employees of jet Airways with Indigo while assessing the significance of Skill Development, Challenge and Personal Growth in Airline Employee Motivation through a survey taken from 400 employees based on empirical method. Compared with Jet Airways, Indigo Airlines is better in equity and also satisfied with engagement activities, job redesigning and cost-effectiveness.

According to (Kaur, 2019), management studies gives importance to employees engagement which is more significant for organizations' competitive advantage. Also there is only few empirical researches performed on Indian Aviation sector compared with IT or BPO sectors which have performed with respect to retention or HR practices in an organization. Hence, more comprehensive theoretical model of HRM retention association is needed in Indian aviation firms with suitable empirical evidence. Likewise, (Chaurasia, 2024) stated that airlines identified the most significant effect of HRM in maintaining the competitive edge and operational excellence. HRM strategies adopted includes different major practices like developing, retaining and attracting major talents and developing a productive and positive work environment. Indigo recruitment is exactly structured in assuring unified position among the employees' skill sets and operational needs. (Sharma, Sachdeva, & Kaur, 2020) emphasized that the HR practices in enhancing the employee's welfare and quality of service was directly related to employee's behaviour.

Research Methodology

Population and sample size: The entire employees of the select companies namely Indigo and Air India. Due to paucity of time and pragmatic reasons, the entire population of the study cannot be enumerated. Hence disproportionate random sampling technique is chosen.

Sampling design and technique: This study focuses on the employees working in three core areas of airlines such as flight operations, in-flight services, and airport operations and customer services.

S**ource and method of data collection:** The researcher relied on primary data for the study. 65 respondents were reached out through their email id obtained through proper channel.

Common method bias: The potential pitfalls of common method bias was ruled by using the combination of methodologies suggested in previous literatures (Fuller, Simmering, Atinc, Atinc, & Babin, 2016; MacKenzie & Podsakoff, 2012).

Framework for analysis: Structural equation modelling was used to assess the intervening role of intention to stay between workplace attitudes and employee productivity using IBM AMOS.

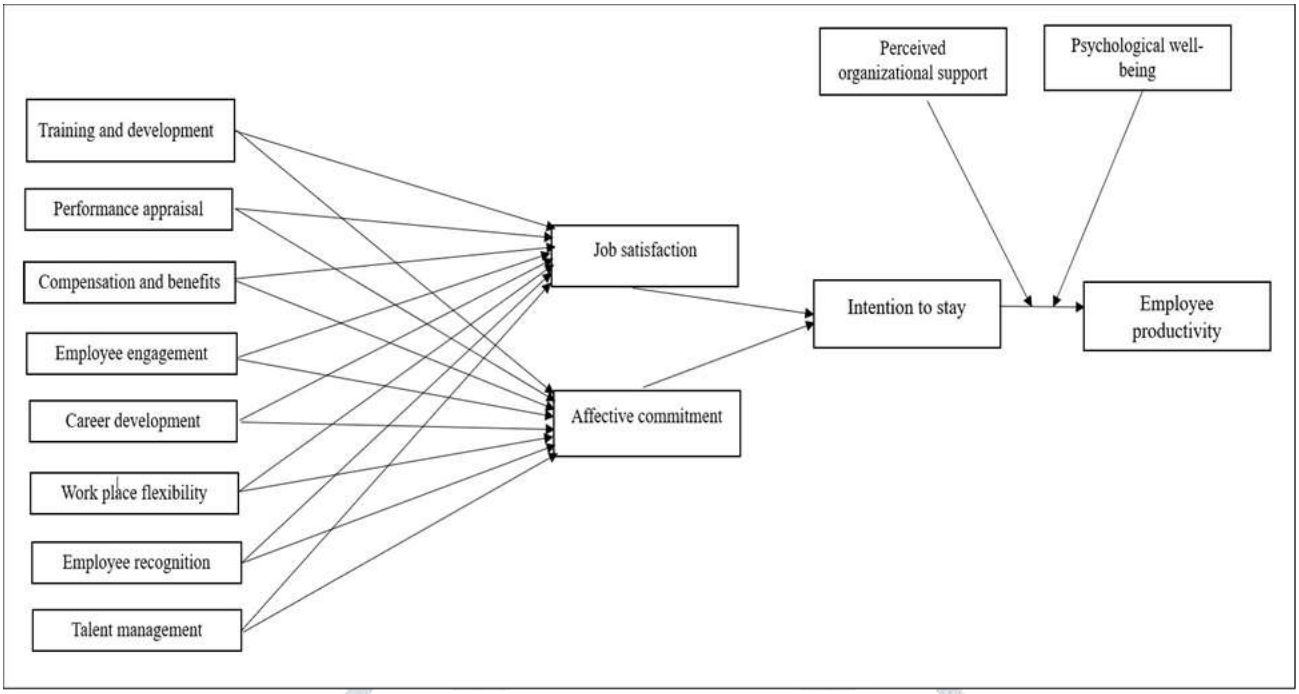

Fig 1 Conceptual model underlying Resource Based Theory (RBT)

Hypotheses of the study

H_{01}: There is no significant difference in the perception of employees towards various HR strategies based on socio-demographic and organizational factors.

H_{02}: There is no significant association between organizational factors and employee's perception about various HR strategies in select airlines

H_{03}: Human resource management strategies of select airlines do not have significant influence on job satisfaction of employees

Data Analysis and Interpretation

Based on the results, the researcher have suitably modified and altered the questionnaire to make it more comprehensive to the topic under inquiry.

Table 1: Indicating internal consistency of the data

Sl. No.	Name of construct	Number of items retained	Number of items deleted	Cronbach alpha value
1	Training and development	3	-	0.77
2	Performance appraisal	5	-	0.71
3	Compensation and benefits	5	-	0.82
4	Employee engagement	4	1	0.78
5	Career development	4	1	0.82
6	Workplace flexibility	4	-	0.76
7	Employee recognition	5	-	0.72
8	Talent management	6	2	0.88
9	Job satisfaction	3	-	0.75
10	Affective commitment	4	-	0.83
11	Intention to stay	4	-	0.74
12	Perceived organizational support	5	1	0.77
13	Psychological well-being	6	-	0.8
14	Task performance	5	1	0.74
15	Quality of work	5	-	0.84
16	Work engagement	5	1	0.78
17	Customer service and interaction	5	-	0.81

Table 1 signifies the results of internal consistency checked to assess the reliability of the research instrument.

Table 2: Factor loading of training and development

Sl. No.	Statement	Label	Loading
1	I am encouraged to develop new skills	TND1	0.78
2	My manager takes employee development seriously	TND2	0.85
3	I have many opportunities for training and development	TND3	0.84
AVE=0.679			

The above table shows the factor loadings of training and development. All the items are significantly above 0.4 showing uni-dimensionality of the factor. The AVE value is also above the standard 0.5 depicting convergent validity.

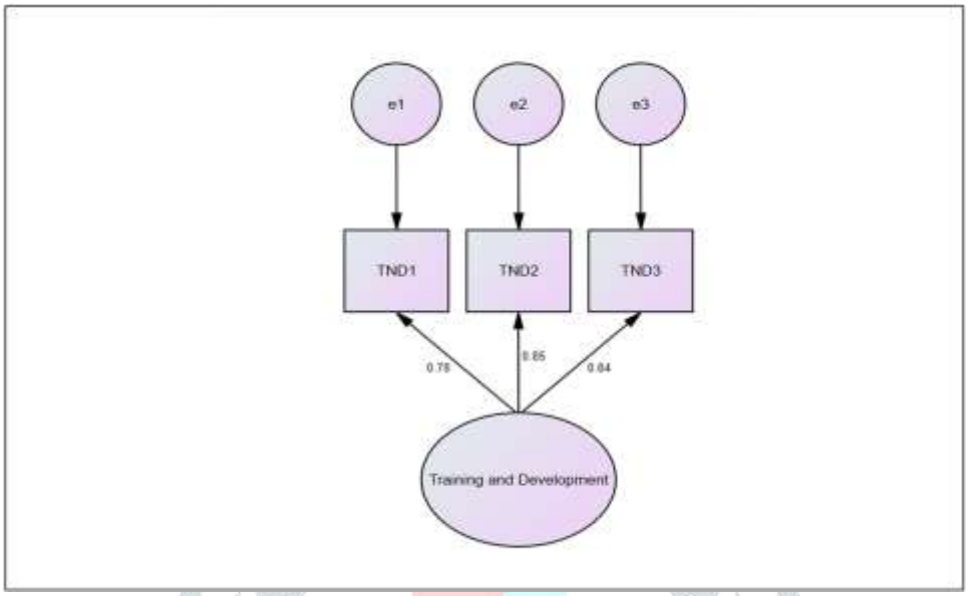

Fig 2 Measurement model of training and development

Table 3: Model fit of measurement model indicating training and development

Fit indices	CMIN/DF	P	GFI	AGFI	NFI	CFI	SRMR	RMSEA	TLI
Model value	1.14	0.06	0.93	0.9	0.95	0.96	0.06	0.04	0.96
Cut-off value	≤3	>0.05	>0.9	>0.9	>0.9	>0.95	<0.10	<0.06	>0.95

The above table fulfils the criteria for model fitness of the measurement model measuring training and development. All the fitness indices have been met as per the standard criteria proving construct validity of the model.

Table 4: Factor loading of Performance appraisal

Sl. No.	Statement	Label	Loading
1	I believe that I am rewarded corresponding to my performance	PFA1	0.78
2	The performance appraisal of the company is equitable in nature	PFA2	0.79
3	The performance appraisal of the company focuses on long term employee development	PFA3	0.69
4	The PA helps in goal setting and monitoring my performance consistently	PFA4	0.68
5	I think the PA of the company is fair and offers constructive feedback	PFA5	0.76
AVE= 0.55			

The above table shows the factor loadings of the performance appraisal. All the items are significantly higher than 0.4 showing uni-dimensionality of the measurement model. The AVE value higher than 0.4 shows convergent validity also.

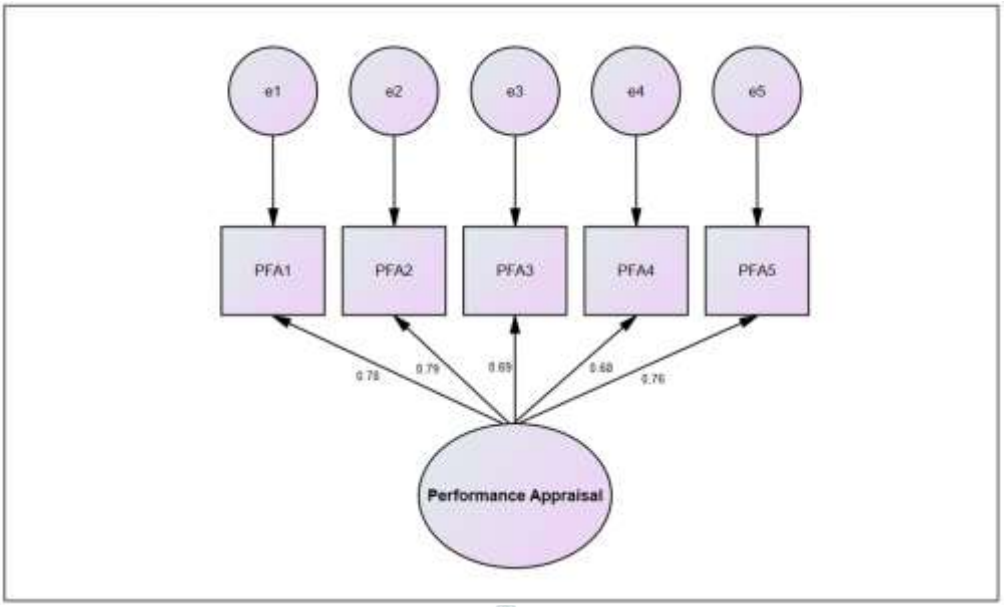

Fig 3: Measurement model for performance appraisal

Table 4: Model fit of measurement model indicating performance appraisal

Fit indices	CMIN/DF	P	GFI	AGFI	NFI	CFI	SRMR	RMSEA	TLI
Model value	1.89	0.06	0.94	0.92	0.96	0.97	0.06	0.05	0.96
Cut-off value	≤3	>0.05	>0.9	>0.9	>0.9	>0.95	<0.10	<0.06	>0.95

The above table shows the model fit indices of the measurement model for performance appraisal. The result confirms the presence of model fit since all the indices are as per the threshold limit.

Table 5: Factor loading of compensation and benefits

Sl. No.	Statement	Label	Loading
1	I am satisfied with my current pay in the company	CMB1	0.74
2	I think that the pay level and pay raise of the company is adequate in nature	CMB2	0.77
3	The company has adequate indirect pay administration such as health insurance	CMB3	0.69
4	There is pay equity in the organization	CMB4	0.7
5	Organizational justice is pronounced in companies pay and other benefits	CMB5	0.66
AVE= 0.51			

Above table shows the factor loadings of compensation and benefits. It was observed that all the factor loadings are significantly higher than 0.4 showing high levels of unidimensionality. The AVE value is also higher than 0.5 signalling convergent validity.

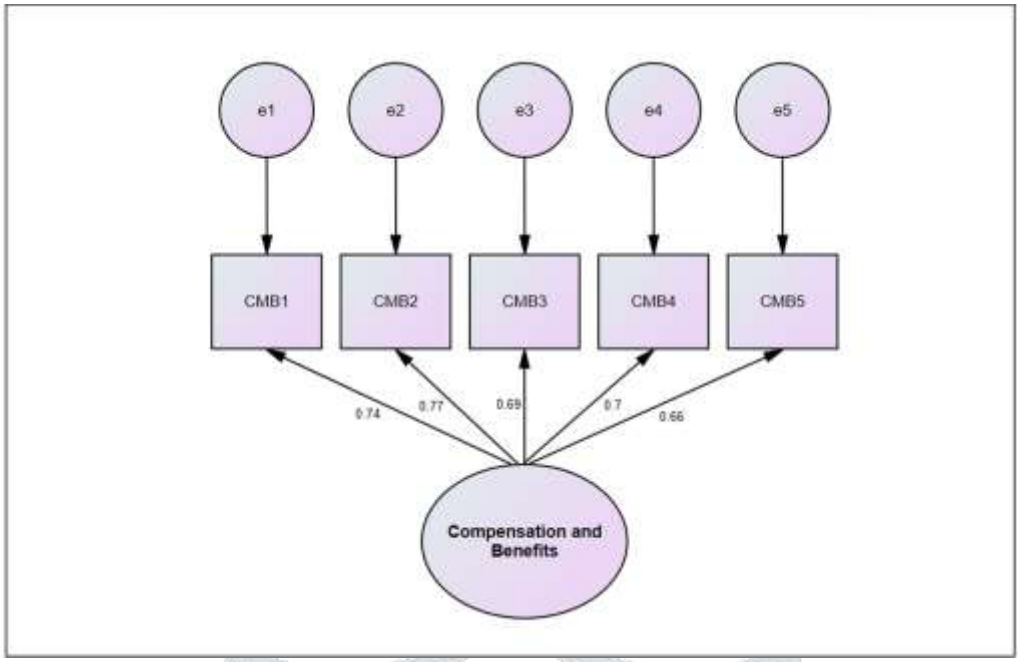

Fig.4. Measurement model for compensation and benefits

Table 6: Model fit of measurement model indicating compensation and benefits

Fit indices	CMIN/DF	P	GFI	AGFI	NFI	CFI	SRMR	RMSEA	TLI
Model value	2.14	0.06	0.95	0.92	0.91	0.96	0.07	0.05	0.96
Cut-off value	≤3	>0.05	>0.9	>0.9	>0.9	>0.95	<0.10	<0.06	>0.95

The above table shows the model fit of the measurement model indicating compensation and benefits. It is proved that measurement model has the required model fit since all the measures are as per the threshold level.

Table 7: Factor loading of employee engagement

Sl. No.	Statement	Label	Loading
1	I speak highly of this organization to my friends	EEG1	0.68
2	This organization really inspires the very best in me in the way of performance.	EEG2	0.72
3	I find that my values and the organizations are very similar.	EEG3	0.69
4	I always do more than is actually required.	EEG4	0.74
AVE= 0.5			

The above table shows the measurement model for employee engagement. The result shows higher level of unidimensionality since all the factor loadings are above 0.4. The researcher also confirms the presence of convergent validity since the AVE value is higher than 0.5.

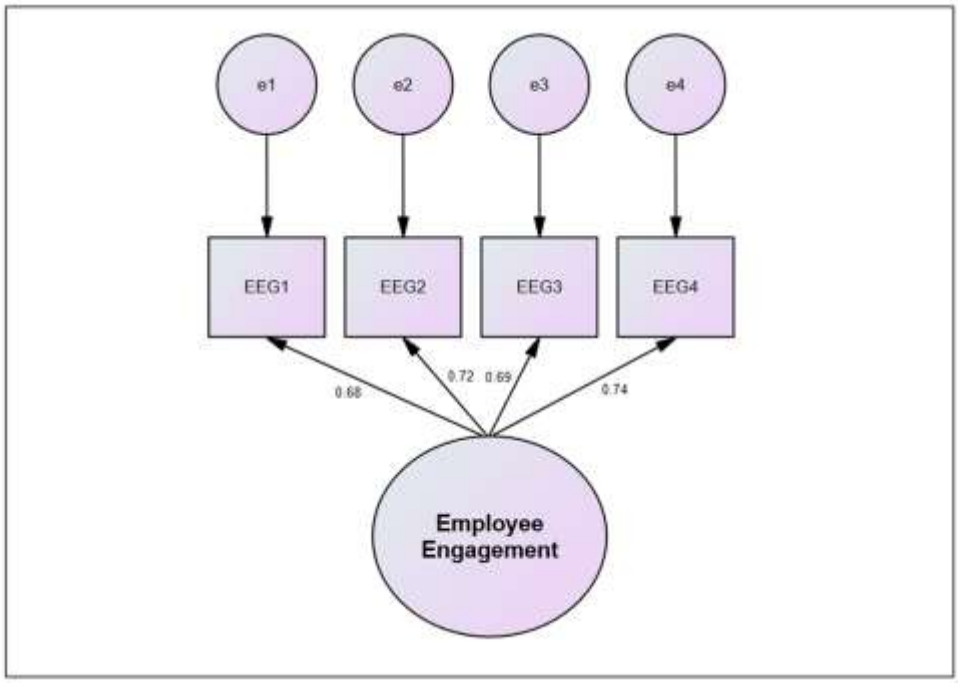

Fig.5. Measurement model for employee engagement

Table 8: Model fit of measurement model indicating employee engagement

Fit indices	CMIN/DF	P	GFI	AGFI	NFI	CFI	SRMR	RMSEA	TLI
Model value	2.67	0.07	0.97	0.92	0.93	0.97	0.07	0.04	0.97
Cut-off value	≤3	>0.05	>0.9	>0.9	>0.9	>0.95	<0.10	<0.06	>0.95

The above table confirms the presence of model fitness for the measurement model indicating employee engagement. All the model fit indices are properly met signalling construct validity of the model.

Table 9: Factor loading of career development

Sl. No.	Statement	Label	Loading
1	This company helped to improve my skills at work.	CDP1	0.88
2	The company constantly provide opportunities to improve the work in my organization	CDP2	0.85
3	The company helped to become more competent, having the possibility to take part at several specialized development activities	CDP3	0.79
4	The company promotes boundaryless career development	CDP4	0.74
AVE= 0.667			

The above table depicts the factor loadings of career development. All the factor loadings are higher than 0.4 showing unidimensionality. The study confirms the presence of convergent validity since the AVE value is higher than 0.5.

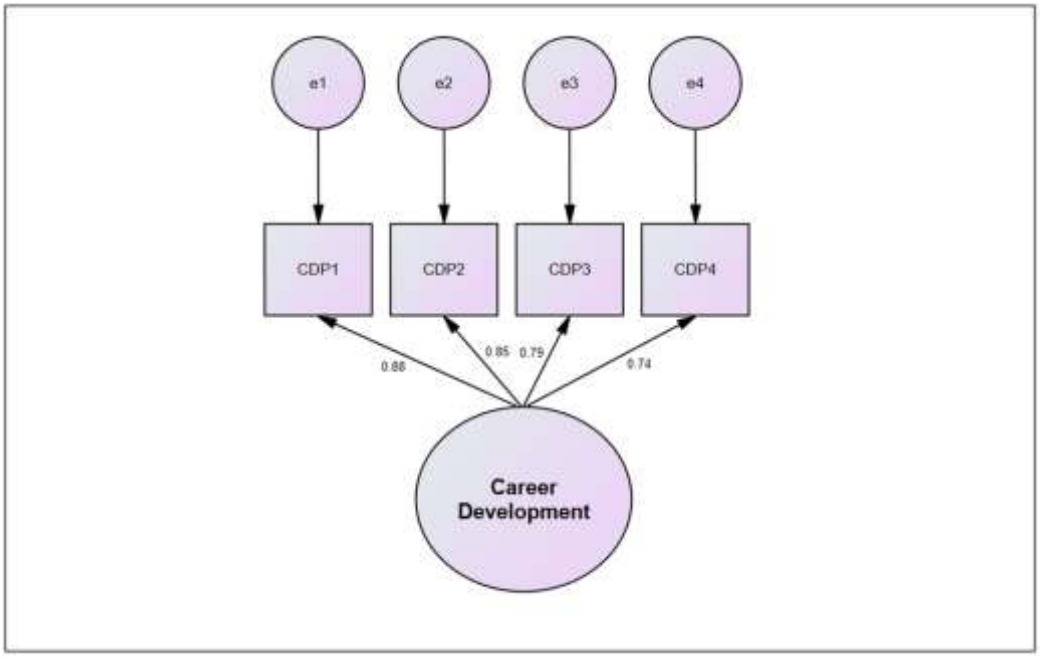

Fig.6. Measurement model for career development

Table 10: Model fit of measurement model indicating career development

Fit indices	CMIN/DF	P	GFI	AGFI	NFI	CFI	SRMR	RMSEA	TLI
Model value	1.98	0.06	0.95	0.92	0.93	0.97	0.07	0.04	0.97
Cut-off value	≤3	>0.05	>0.9	>0.9	>0.9	>0.95	<0.10	<0.06	>0.95

From the above table, it was revealed that the model fit indices depicting the measurement model of career development confirms to the norms of model fitness. The result confirms the presence of construct validity of the proposed model.

Table 11: Factor loading of workplace flexibility

Sl. No.	Statement	Label	Loading
1	I enjoy complete control in scheduling my working hours	WFL1	0.81
2	It is easy to take time off my work to attend personal or family needs	WFL2	0.78
3	I have the schedule flexibility I need at work to manage the personal and family responsibilities	WFL3	0.75
4	The company offers flexible work options	WFL4	0.74
AVE= 0.594			

The above table proved the unidimensionality of the measurement model since all the factor loadings are higher than 0.4. The AVE value higher than 0.5 shows presence of convergent validity in the measurement model.

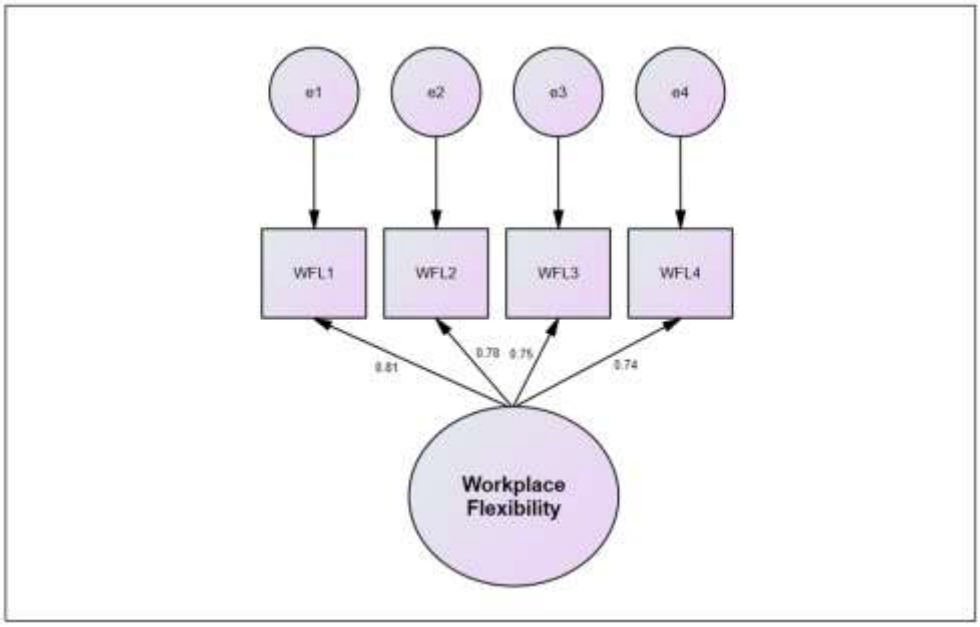

Fig.7. Measurement model of workplace flexibility

Table 12: Model fit of measurement model indicating workplace flexibility

Fit indices	CMIN/DF	P	GFI	AGFI	NFI	CFI	SRMR	RMSEA	TLI
Model value	2.15	0.06	0.95	0.91	0.94	0.96	0.05	0.04	0.97
Cut-off value	≤3	>0.05	>0.9	>0.9	>0.9	>0.95	<0.10	<0.06	>0.95

From the above table the researcher confirms the model fitness of the above measurement model since all the model fit indices has been properly met. Hence the measurement model indicating workplace flexibility is adequately valid.

Conclusion

By examining the dynamic behaviour of employees, the research sheds light on the factors crucial for employee retention, offering practical insights for HR managers aiming to reduce turnover and retain skilled staff. Respondents were selected from three core categories within the airlines: flight operations, in-flight services, and airport operations and customer services. While HR strategies can influence various organizational outcomes, this study is specifically concerned with their impact on employee productivity. The research provides an insight that how HR strategies employed by Air India and IndiGo can influence productivity within the defined scope, offering underlying facts that are directly relevant to the strategic resource management of these two airlines. It was revealed that HR strategies can significantly affect the productivity of the employees in the field of aviation industries.

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