

EXECUTIVE SUMMARY

State Owned Business Enterprises (SOBEs) have become very controversial and front burner discussion topics in the development agenda of any developing country. The key reason is that in majority instances those entities generate losses. In such a context, how an entity, Airport and Aviation Services (Sri Lanka) Ltd (AASL), incorporated in 1982 under the Companies Act and empowered by the Civil Aviation Act is year by year continuously increasing its' revenue and profitability hitting almost Rs.10Bn profits for the year 2017. Therefore, it is worthwhile to unearth as what made AASL into such outspoken standing out case in Sri Lanka while having diverse administrative, statutory, structural governmental backgrounds in which typical state company operates.

According to the leading authors' articulations, research findings and theoretical underpinnings, continuous performance of an organisation is defined in multiple perspectives and it is literary connected with diverse fronts such as monetary, productivity, human resources, corporate objectives, leadership execution and sustainability. However, for this study purpose continuous performance is defined in terms of financial point of view. Further continuous performance is clearly identified as an outcome of predominantly execution of leadership styles, service quality implementations and adopting strategic human resources management (SHRM) practices.

Based on the outcome, continuous performance, while having many driving factors, three key factors were highlighted and literary established adequately. That has been subsequently, built as the case framework. In order to support that ground reality, it has been conducted 40 in-depth interviews including two cabinet ministers, six focus group discussions, five short overseas passenger discussions and five direct observations of key events. In addition, ample references were made into available secondary data sources. Both primary and secondary data gathered would thoroughly lay the foundation to unearth this reality in a cohesive and structured manner.

AASL, being a state company incorporated to serve narrow market segment in early 1980s, subsequently, spanning from 2009 to 2018 depicted exponential growth with continuous improvements in both financial and operational outcomes. Even in the middle

of various politically chaotic atmospheres, having a series of 85 desirable key events throughout the timeline, there is an effective leadership execution by three unique chairmen who were driven by passion, integrity and compliance. Despite the leadership style; task, staff or rules centric, all three chairmen sustained continuous performance of AASL one way or another. Moreover, orientation into passenger centric service delivery and staff inspired by challengers and innovations in a SHRM setting powered the continuous performance drive. As a result, even operating in a highly regulated, ministerial institutional setup, AASL is thriving with Rs.10Bn profits. It has been clearly proven the distinctive roles; one being a task master, other being a people manager and the last being a bureaucrat with blue oceanic strategic mind-set, played by the three leaders have made AASL a winning corporate with super profits.

Subsequently, it has been unearthed clear visibility of leadership execution styles, service quality implementation and SHRM forming continuously performing entity. All key theoretic underpinnings are in agreement with the primary and secondary data findings. Accordingly, it is intellectually stimulating to see major two emerging case insights. The first tries to derive outcome and key drivers out of “*The Service Triangle*” meaningfully linking management, servicing staff and customers’ pillars with leadership execution styles, SHRM and service quality drivers. The second forms a “*Triple Ps*” of leadership, ranking AASL leaders on their approach towards profitability, people and policies. Emerging leadership style of bureaucratic – transactional is also introduced.

The case study has demonstrated how continuous performance of AASL achieved since 2009. Execution of triple leadership styles throughout the period has predominantly contributed to achieve the same. It was found unique relationship amidst the triple key drivers; execution of leadership styles, service quality implementation, adopting SHRM and the outcome, continuous performance is a positive one mediated by the rules. Concern over service quality and SHRM driven strategic set-up are emerging as two decisive factors of the financial growth. The conclusions of the current case work validate the above key drivers as impending sources of competitive advantage for state companies. All other loss making state entities must re-visit the ways and means of transforming into profitable businesses. Such transformation will bring immense valuable positive social externalities to a developing economy like Sri Lanka.