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1	Ghana Airport Company Limited's Decoupling Experience:
2	Achievements, Challenges and Policy Lessons
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### 7 Abstract

The objective of this study was to examine conditions or factors that necessitated the decision 8 to decouple and/or create the Ghana Airport Company Limited. It examined the aims, 9 achievements, effects, challenges and implications of decoupling for airport services 10 management.Semi-structured interviews and focus group discussion was used to obtain 11 information from purposively selected key informants. Interviewees were grouped into senior, 12 middle and lower management levels actively involved in the decoupling exercise; these were 13 purposively selected and interviewed. The study findings showed that the decoupling reform 14 was introduced as a response to the internal problems confronting the air transport sector at 15 the time. The reform is in accordance with ICAO standards aimed to create a commercial 16 wing for air transport management and recoup revenue from air travel services. Under ICAO 17 standards and concomitant reform, GCAA retained its oversight responsibility as the 18 regulatory body and provider of air navigation services whereas GACL takes charge of air 19 transport service delivery. Key changes introduced included the creation and amal-gamation 20 of departments with new functions. 21

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23 *Index terms*— aims, achievements, effects, challenges and implications.

## 24 1 Introduction

ublic service organizations the world over are now either being forced or expected to change or reform their 25 method of management and delivery of services. This is both an internal and international requirement clearly 26 27 linked to the range of new public management reforms which have swept across the world during the past two decades ?? Politt and Bouckaert, 2000). In the case of Ghana and the Air transport service sector in particular, 28 the current restructuring exercise epitomizes a rapid response to the problems that have confronted the sector 29 in the post-structural adjustment reform period. Particularly, bad management practices, mismanagement of 30 finances, poor service management and difficulties of attracting and maintaining competent staff among others 31 have led to the urgent need for innovative reform claims by both government and the airport sector management. 32 The move to restructure the air transport service sector through strategic innovative programmes especially 33 34 through the instrument of decoupling became indispensable. 35 In organizational theory and particularly, new institutional theory, the term "decoupling" refers to the creation 36 and maintenance of gaps between formal policies and actual organizational management and implementation

and maintenance of gaps between formal ponets and accual organization in management and implementation processes. Decoupling or 'delinking', of an organization is about the separation of functions based on expertise, knowledge or strategic vision of the organization to ensure that competitiveness is promoted. The theory of decoupling illicit ideas of independence, maturity, fully fledged sectors within an organization that can run on their own. Within the context of the new public management, decoupling as a reform instrument questions the roe of the sate in running commercial enterprises and called for the appropriate demarcation between states and markets and policymaking and policy execution within an organization. It has been argued that, decoupling does

occur automatically as the structure of economies change and efficiency improvement arise and this is often by
 innovation and technological process.

Many organizations have been exposed to decoupling and creation of executive agencies including schools, 45 46 corporations, government agencies, and nongovernment organizations. Scholars have proposed a number of explanations why organizations engage in decoupling. Some have argued that decoupling enable organizations 47 to gain legitimacy with their external constituents while simultaneously internal flexibility to address practical 48 management problems. Aside that, it has been noted that decoupling may occur because it serves the interests 49 of powerful organizational leaders, or because it allows organizational decision-makers to avoid implementing 50 policies that conflict with their ideological beliefs. Decoupling has been looked at in terms of cost reduction in 51 activities to increasing organizational competiveness as a whole. 52

There are three types of decoupling, they are limited decoupling, partial decoupling and full decoupling, ad full decoupling, and the type that an agency adopts is dependent upon the particular situation and reasons for resorting to decoupling. In fact, it is suggested that the three types are more or less stages or continuum in the decoupling cycle; and an organization can therefore moves along the line depending on the extent of gap it intends to create between shows the extent to which the separation is done, and each type is aimed at reducing cost and improving productivity.

59 In the Ghanaian case, decoupling of the air transport sector became the most practicable option largely 60 because of poor service management, poor performance and corruption for decades. Prior to reforming the air 61 transport sector, the Civil Aviation Authorities regulated, managed and also provided air navigation services at the same time. But this overarching role changed as a result of the reform through decoupling or delinking 62 leading to the creation of a gap between the then Ghana Civil Aviation Authority (GCAA) into the GCAA and 63 the Ghana Airports Company Ltd (GACL). As a result of decoupling, the GCAA assumes the role of a regulator 64 and provider of air navigation services while the GACL is responsible for the development, management and 65 maintenance of the airport infrastructure and systems. Indications are further decoupling is possible where the 66 current GCAA would have the air navigation brought about some modest gains notably, improvement in airport 67 infrastructure and general management of airport services among others. 68 Even though Ghana's State Owned Enterprises (SOEs) reforms especially privatization, commerciallization and 69 corporatization has been studied much less is known about decoupling as a reform and its effects and implications 70

for public enterprises. In other words, despite the fact that decoupling is being used to restructure the operations 71 72 of many a public organization in Ghana, relatively little is known about what leads up to decouple and what 73 happens in an organization after that decision. This is a significant omission because a deeper understanding of an organizational restructuring phenomenon requires examining not only the causes, but also the underlying 74 process by which it unfolds. As Pettigrew noted, process studies are essential for gaining an appreciation of 75 organizational dynamics, and therefore, "theoretically sound and practically useful research? should explore the 76 contexts, content, and process of change together with their interconne-ctedness through time ?? (1990: 268). 77 Accordingly, this research sets out to investigate two broad research questions. First, how did the process that 78 led up to decoupling unfolded inside the organization? Second, what has happened within the organization (i.e. 79 Ghana Civil Aviation Authorities (CAAs) which doubled as a service and a regulatory body and Ghana Airport 80 Company) overtime after decoupling occurred? Specifically, the study will attempt to investigate the following 81 questions: What factors are responsible for the decoupling exercise? What were the main goals of decoupling 82 reform? What is the effect of decoupling on the delivery of airport services? What factors are impeding the 83 process air transport decoupling? What lessons can be learnt from the air transport decoupling experience? a) 84

85 Research Objectives

The main objective of this study was to investigate the decoupling process and experience of Ghana Airport Company Limited. Specifically, other objectives were to: ? Find out the motivation for the decoupling exercise Challenges of the decoupling ? Effect of the process on airport services delivery II.

### <sup>89</sup> 2 Literature Review

Decoupling is a concept that has been variously defined and its meaning has varied applications depending 90 on the context and discipline of the user (Gomes, 1997, ??eyer and Rowan, 1998, Oliver, 1991, Westphal and 91 Zajac, 1994and 2001). From organizational studies standpoint, the term decoupling refers to the detachment, 92 separation or breaking-up of a 'mother-entity' or organization to create a separate unit(s) based on specific 93 function (Oliver, 1991). Organizational decoupling also entails the creation and maintenance of gap between 94 formal policies and organizational practices (Meyer & Rowan, 1977). In institutional theory, decoupling refers to 95 creating and maintaining gaps between symbolically adopted formal policies and actual organizational practices 96 97 (Meyer & Rowan, 1977). Decoupling occurs in a variety of organizations and both public and private organizations 98 frequently decouple. Corporate businesses adopt executive incentive programmes that they often do not use or 99 use only limitedly in practice. Governments and public agencies create policies but often fail to enforce them (Schofer & Hironaka, 2005). Universities embrace formal standards symbolically but decouple them from the 100 actual routines of teaching. Even religious organizations and other radical social movements adopt socially 101 acceptable procedures and use them to disguise their actual, controversial activities. 102

Various reasons have been given in the literature to explain why organizations engage in decoupling. A common theme in this empirical research literature is that decoupling is a response to institutional pressure

-that is, pressures to comply with regulations and norms about how organizations should be structured and 105 operated (Tilcsik, 2010). Neo-institutionalists argue that when facing pressure from institutional ecology, 106 organizations adopt certain formal structures or programme to gain legitimacy, to protect the organization from 107 being questioned (see Edelman, 1990 ??delman, , 1992)), to strengthen its support, and to secure its survival 108 ??Meyer and Rowan, 1997). Meyer and Rowan (p. 349) argued that incorporating externally legitimated formal 109 structures increase the commitment of internal participants and external constituents. Thus, organizations that 110 do not meet institutionalized expectations for how they look; operate and act in response to challenges are 111 considered as illegitimate and such deviation can bring upon itself unnecessary costs. 112

Essentially, organizations purposely decouple its formal structure from day-to-day work in order to avoid 113 regular inspection and evaluation, or neglecting implementation. Decoupling manifest in many ways; it involves 114 separating one part of organization from other parts or units of the organization, separating a symbolic formal 115 structure from operational practices, and the adoption of a progamme that may or may not be implemented. 116 Decoupling enables organizations to maintain legitimating, formal structures while adjusting their actions in 117 response to practical considerations ?? Meyer and Rowan, 1997). Oliver (1991) went further and developed 118 a framework outlining the conditions under which different responses might be selected or considered by 119 organizations in coping with complex, conflicting and difficult environments. To these strategic responses 120 121 include acquiescence, compromise, avoidance, defiance and manipulation (Oliver, 1991) organizations may also 122 use decoupling to respond to institutional requirements in order to disguise the fact that it has no intention to 123 implement a plan or policy. Most importantly, organizations use decoupling to save them from the fate of sanction 124 and to appear as complaint, for them to get legitimacy. Furthermore, other scholars added that decoupling may help organizational representative plausible excuses and justification in case the violation of an institutional 125 mandate is revealed (Elsbach and Sutton, 1992). Westphal and Zajac (1994and 2001) have conducted series of 126 research on the determinants of organizational decoupling. Key among the findings of their long-term study of 127 CEO incentive plans of corporation was that, many of such plans were never adopted or implanted within a 128 two-year period (Westphal and Zajac, 1994). It is in this connection that they further concluded that decoupling 129 occurs because it is functionally expedient for an organization but it serves the interest of organizations leaders. 130 Institutional and neo-institutional theorist consider organizational as beneficial or at least benign to organizations 131 because they assume that the appearance rather than the fact of conformity is sufficient for the attainment 132 of legitimacy ??Yang, and Zheng, 2011). This suggests that, decoupling is an effective coping strategy for 133 modern organizations to deal with increasingly elaborated environment. As organization innovation strategy, 134 institutional theorist accord a pride place to idea of 'separation' in organization decoupling of organizational 135 functions based on expertise, knowledge, and/or strategic vision. Also, decoupling seeks to create units which 136 operate based on market-oriented principles of competitiveness, efficiency, effectiveness and economy. That 137 aside, decoupling incorporate structural an functional transformation within organizations, which ranges from 138 separation of already existing organizational units and creation of new units tasked to achieve specific strategic 139 and instrumental objectives. Structural and functional transformation is central to the theoretical and empirical 140 arguments underpinning the various perspective of decoupling. 141

In Ghana, decoupling is not new, but it visible and popular in the mid-1980s following the proliferation of public management reforms aimed at organizational reengineering in the public sector. Significantly among these reforms were privatization and the attendant decoupling of the structures and functions of State Owned Enterprises (SOEs) including the Ghana Civil Aviation Authorities (CAAs) which at the time doubled as a service and regulatory body. The CAA before the decoupling reform was responsible for managing airports providing air navigation services and performing regulatory functions. The airport service sector organization was confronted with many problems which necessitated leading to governments' decision to revamp it through commercialization.

## 149 **3 III.**

### 150 4 Methodology

The qualitative approach was adopted in this study and focused on the descriptive accounts of situations using texts and contextual observations. This study adopted the case study approach and facilitated data collection using multiple sources.

The key informant interviews were conducted with purposively selected individuals who played major roles in 154 the decoupling exercise. The interviewees were drawn from GCAA, GACL, Airlines operating in the industry 155 156 and support services providers. The interviews involved three categories of workforces from the senior, middle 157 and lower level management. Because of their role and involvement in the decoupling exercise, senior managers were selected using the snowball sampling process. It was quite difficult identifying key individuals within the 158 directorate and senior management ranks to participate in the interview because researchers did not know which 159 senior management was involved in the process. Thus, researchers interviewed senior managers who had been 160 referred to by management. Middle and lower management staffs comprising heads of departments in both 161 organizations were selected to be interviewed. 162

### <sup>163</sup> **5 IV.**

### <sup>164</sup> 6 Data Collection Procedure

Preliminary contacts were made at the data sources before the start of data collection. Introductory letters 165 were submitted to formally seek permission to undertake the study. Though these formalities were followed data 166 acquisition did not come that easy. It was extremely difficult seeking clearance before booking appointments 167 to interview respondents. Like public institutions in Ghana, information including the most obvious ones, is 168 largely classified. Besides, the air transport industries in the world and Ghana in particular also have their 169 peculiar issues. The 'September Eleven' bombings in the United States have further made the industry a high 170 security zone requiring lots of clearance. In some instances the entire research proposal was requested for study 171 by the authorities and further questions were posed to the researchers. The persistence of the researchers perhaps 172 cleared doubts of the perceived intentions of the study by the authorities thus paving way for the interviews to be 173 conducted. Even after clearance has been given some officials still requested officially written permission before 174 accepting to be interviewed. 175

Two senior managers, the human resource director at GACL and Director of Corporate Planning at GCAA were recommended by management to be interviewed. Key respondents were involved in the decoupling exercise and could provide adequate information needed for the study. To management, not all senior officials could provide relevant information and so it would be a waste of time interviewing all senior officials.

On the other hand, four middle line managers from GACL were interviewed. They included the Human Resource Director, Electrical Manager, Air Safety Manager and the Aviation Security Training Manager. These respondents were used for the study upon recommendations by management of the GACL or through snowballing. They were deemed to be officials who could provide detailed information concerning the decoupling exercise.

Six frontline respondents from GACL participated in the focus group discussion. These frontline personnel were not necessarily low level personnel although by the nature of their work they come into direct contact with clients and the public. These included two administrative assistants, terminal officer, staff officer, shift leader and training instructor.

With respect to the airline operators, initial contacts with selected airlines pointed to the Board of Airline Representatives (BAR) which is the association of airlines operating in Ghana. Its chairperson who is the country manager for one of the airlines was mandated to speak on behalf of the airlines. She was known to be on top of the issues concerning the airline operators in Ghana and represented their collective views. This selection was based on the fact that as one of the major stakeholders in the air transport services, they were better oriented to shed insights into the effect of the decoupling on their airline operations and services.

Selection of respondents in all cases was difficult given the nature of services and security issues in the air transport sector. Some key respondents who had been referred to were reluctant to participate in the study because according to them, government had not issued a 'white paper' concerning the decoupling. Thus, they would not like to make comments that would later implicate them. The bureaucratic procedures required seeking clearance in order to conduct the interviews and the focus group discussions was cumbersome. In many instances, researchers had to make more than four follow-ups in order to speak to a respondent.

Three different questions were designed for key respondents. Participants responses were recorded and 200 transcribed. In other instances, the GACL director and personnel manager declined to have their responses 201 recorded for security reasons. Therefore, responses were handwritten. The duration for the interviews also 202 varied. For instance, interviews with the electrical and personnel manager lasted about twenty minutes whereas 203 the director of GATA spanned for an hour and thirty minutes. Responses were transcribed and thematic analysis 204 was to reveal the areas. Data collection lasted a period of sixteen weeks. Table 1 shows the demographic 205 characteristics of respondents. Source : Field Data, 2011 206 V. 207

## <sup>208</sup> 7 Key Findings and Policy Issues

This section presents results of the study in a three subdivisions: that is findings based on opinions from key informants of the GCAA and GACL, employees and Airline operators. a) Findings from GCAA and GACL i. Antecedents to the Decoupling

The Ghana Civil Aviation Authority (GCAA) was established by PNDC Law 151 of ??ay 16, 1986 as the regulatory agency of Government on air transportation in Ghana. Its development dates back to 1918 when the idea of aerial transportation for the then Gold Coast was conceived.

Starting as a unit within the Public Works Department status in 1953 under the Ministry of Transport and Communications and remained a department until ??ay 16, 1986 when it assumed the status of a corporate body under the Ministry.

In November 2004, a new Civil Aviation law, the Civil Aviation Act, 2004 (Act 678) was enacted. Pursuant to the Act, which stipulated that regulatory and air traffic services be separated from the commercial airport operations, an in-house Decoupling Implementation Committee (DIC) was set up to plan and implement the restructuring of the current GCAA into: A new GCAA consisting of Safety Regulations and Air Navigation Services and Ghana Airports Company Limited (GACL), which is to plan, develop, manage and maintain all 223 ports and aerodrome in the country 2. The Corporate Affairs Director explains the antecedents to the decoupling 224 as follows:

In line with the Civil Aviation Act, GACL came into being on 1st January, 2007. Five-year business plans were prepared for GCAA and GACL as part of the proposals for decoupling. Further, it formed the basis for the preparation of a profit plan for GCAA for the year 2007.

## <sup>228</sup> 8 ii. Objectives/Purpose of Decoupling

The main objective of the decoupling was to enable GCAA focus on its core regulatory role. Under the law the GCAA was mandated to provide air navigation services. Other objectives include the creation of a separate Commercial wing to handle air services delivery and Air Navigation Service provider. The Personnel Manager reports that the decoupling was 'to meet international standards and worldwide phenomenon.'

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Volume XIII Issue VIII Version I Y 2013 ear () A "It was on the drawing board. And it was like oh we will get there. The anxiety was always a small market; would you be able to stand on your own? But the government came out with a white paper. And it was like do it or... The executive's head was on the line. So they had to quickly hurry up. Hurriedly they put together a cross-functional team for us to do that but it was later fine tuned by an external consultant from the World Bank. After the physical aspect has been done, the external consultant came in to see what the issues are. Are they being done? They refine the report. The challenge was asset sharing which was worked at slowly. It is still ongoing".

"The main objectives of the decoupling were to improve efficiency and to be in line with industry best practices 241 which suppose that the regulator must be separated from service providers so that it can effectively have an 242 oversight view of the others. We have been able to partially hive out one service provider but the challenge is 243 244 the other service provider which is the air navigation service provider which we are working on. But we want to 245 do it in a way that, we want to take a customized approach in such a way that it does not impact negatively on the decoupling in terms of the viability of the entities if they stand alone. Because per the ICAO convention the 246 aviation industry is not supposed to pay taxes. They are supposed to plough back money into the industry. That 247 is the general norm particularly as a regulator. Because the regulator was with the service providers that was the 248 default position of the former GCAA. The government said no. There is the need for us to have a commercial 249 wing, pay taxes and all that? GCAA is not permitted to pay taxes per the ICAO convention. We operate on 250 251 the cost recovery model. Whatever you have, plough it back to improve the industry. So there was implicitly also government's requirement to pay taxes informing the decoupling because the former GCAA was not paying 252 253 taxes because of the ICAO convention. So to be able to take taxes the commercial wing had to be hived out".

iii. Nature and Functions of Operations after Decoupling GCAA assumed new structural and administrative
functions after the decoupling exercise. The role of the GCAA as stipulated in Section 3 of the enabling statute
is to provide safe and secure air transport services through the following functions inter alia 3 :

257 ? The provision of air navigation services within the Accra Flight Information Region. ? The regulation,
 258 promotion, development and enforcement of safe air transport operations and services.

259 ? The licensing of air transport and all personnel engaged in air transport services.

260 ? The licensing of the provision of accommodation in aircraft and licensing and certification of aerodromes and 261 navigational sites. ? The co-ordination of search and rescue services within the Accra FIR and taking security 262 measures to safeguard air transport, life and property.

Following the reform, all commercial activities of GCAA were hived out to GACL. For example, the new economic regulation department created at GCAA is in charge of supervising activities of ground handlers.

The commercial orientation of GACL made it functions more specific and profit focus. However, some departments were still maintained. Newly created departments were now accompanied with new functions and comprised of Commercial Services and Safety departments. Functions were in the area of development, management and maintenance of airports and airstrips in Ghana; infrastructural developments in line with ICAO standards; human resource functions. In essence hiving out the commercial services wing resulted in redefining and addition of new functions and creation of new departments in the two entities.

271 The HR Director at GACL explained:

The Director of Corporate Affairs corroborates the views of the GACL HR director; However the personnel manager sees it differently as he puts it: The Director, Corporate Affairs reiterates that: 3 GCAA 25 th Anniversary magazine and Report from Director-General to departments and staff. 4 See Appendix for new GCAA Organizational structure. 5 GCAA Profit Plan Document, 2007.

<sup>276</sup> "GACL is an income generating entity. It has now assumed a new department, Commercial Ser-vices with a <sup>277</sup> commercial focus??? Estates, and properties was formerly under HR but now under Airport services; RFFS was <sup>278</sup> formerly under safety but now under Airport operations; pro-curement was previously under finance but with <sup>279</sup> decoupling, it is now under technical services because of the nature of procurement and finance now has corporate <sup>280</sup> planning and support services". "Different functions in the sense that the commercial functions are no more with <sup>281</sup> GCAA. We now have different functions, different definitions of the roles of even the original functions which <sup>282</sup> actually have now been merged. Now you will even see that the added aspect of surveillance of the baby (GACL)

an entity that was with you. We now have to be hard on him unlike when he was under you. You were going to 283 be soft on him. Now the international community will come and assess you alone as a regulator. When they go 284 to the service provider (the airport company) and things are not right, they will accuse you as a regulator for not 285 putting in plans. So definitely you have to up your game. Unlike when they were under GCAA, there was that 286 kind of liturgy. Approach to some of these things has heightened a lot of awareness for process efficiency and all 287 that. The economic regulatory department (the new one created) is going to look further to see that the ground 288 handlers. The services they provide. We give them the metrics so they can meet the standards. In all we want 289 to ensure an excellent airport experience". "No functions have been changed. Organi-zational structure hasn't 290 changed but depart-ments have been re-configured with the assi-stance of hired consultant. A conglomerate of 291 small sections has been created". 292

"Definitely there was a change in organizational structure. The underpinning assumption/factor was to 293 restructure in line with international best practices? So when this first decoupling was done GACL witnessed 294 slight structural changes after the decoupling to meet international requirements. New human resource functions 295 i.e. estates and properties which were formerly under HR are now under Airport services; RFFS was formerly 296 under safety but now under Airport operations; Procurement was previously under finance but with decoupling, 297 it is now under technical services because of the nature of procurement; a new section, safety department 298 299 was created but formerly there was no section. Generally, GACL has chalked major achievements in its 300 administrative, finances, infrastructure, and human resource areas. With regards to human resource development issues, the HR Director stated that staff could now receive direct certification, "training of pilots and staff has 301 been tailor-made to bring instructors down and allow direct certification". He continues that net incomes of 302 GH27, 000 and GH18million have been generated within 2007 and 2010. Other achievements reported related to 303 enhanced efficiency in air transport services, emergence of other business subsidiaries and improved cooperative 304 relationship with airlines. He commented that "some airlines pre-financed the provision of boarding gates". 305 Specific infrastructural developments according to the safety manager include; definitely the two that was together 306 though not a perfect model there was a change of organizational structure. We need to bring in new regulatory 307 department which was a new economic regulatory department. There was that kind merging of some department 308 and that was a challenge. The after effect of it and the wisdom of the Board of Directors earlier on resulted in 309 another restructuring. So there was a change in organizational structure. The challenge was that they wanted 310 the organizational structure to be slimmer. So they fused the corporate planning/ Strategic planning section 311 with the finance section. There was a whole debate at the Board over that. Another debate was no you need 312 313 the strategic planning department to stand alone and another said oh they can still be together. Originally it was left that way but has now been taken back again and you'll see there are still weaknesses in it. They've 314 separated the two departments. Now projects was a standalone department, we've made it technical with various 315 sections such as general services, estate, ICT so the person who is heading this will now be looking at technical 316 operations. The engineering aspect of it will be skewed towards air traffic safety. Let's leave general engineering 317 works, projects and all that, let's put it together under a different section, and put ICT under it. We even 318 experimented with putting corporate commu-nication under corporate planning but it's now being taken all over 319 again and put under legal and its now legal, international relations and communication. We have a separate 320 corporate strategic planning department standing alone now reporting to the Director General with the essence 321 that he is now the chief strategist with audit under it with the director of legal and international relations 322 323 reporting to the DG and the technical aspect will just look at the service provider, the regulations then the Finance and Administration aspect looking at the support services : human "The organizational structure is 324 slightly modified now after decoupling. Airport operations under GCAA were hived off to GACL. GACL now 325 has a Commercial services department which was formerly not so. Structural changes were effected in line with 326 international airport standards and to suit operations of GACL. All other departments still remain the same" 327 An Aviation Safety Manager opined that; 'Before decoupling the departmental structures were slim so everything 328 was centralized. AVSEC had to cut its coat according to its size. Supervision was not effective. Since decoupling 329 the entire department has been restructured leading to a positive impact on our activities. For example before 330 decoupling there was director and manager but now the department has been restructured. Under the director 331 there are four sections and each section has its own manager. AVSEC has a manager for training and quality 332 control to ensure training and checking of quality. Since AVSEC is conducting its own training it is believed to 333 be the best to check on quality. Operations manager also takes charge of operations on the field with supervisors 334 running shifts. This has increased supervision. Inte-lligence manager is responsible for checking security breaches, 335 pilfering etc. and security at regional airports. This structure has brought about positive impact on operations. 336 Today there is somebody to ensure effective training.' Before decoupling the structure of staff and promotions 337 were absent. After decoupling clear lines of structure and promotions have been resolved". 338

<sup>339</sup> "improved passenger trolley availability from 432 trolleys to 3,000 trolleys; increased passenger throughput <sup>340</sup> from approximately 500,000 in the 1990's with 13 Generally, senior and middle management reported that <sup>341</sup> the decoupling is a partial process targeted at creating a new commercial wing. With time the Air Navigation <sup>342</sup> Service Provider would also be separated from the regulator after all the necessary regulations have been satisfied. <sup>343</sup> Although partial, the HR director stated that the "separation process was fraught with resistance". The Corporate <sup>344</sup> Affairs Director explains; "Per the international standards we haven't fully decoupled. It's a tripod. The module <sup>345</sup> being operated now is the regulator and air navigation service joined together and the operator standing alone.

Now we have to do another decoupling again so now you know what decoupling means particularly human 346 resource issues. Technically, that's the way but the fact is that the viability of the company must be looked at 347 critically before you take that step. It is because of the viability of the institution that will stand alone that 348 informed management to do this first. Take a gradualist approach. With this two you can survive on your own. 349 Now let's work at the other one also. So we are working at it. Even this strategic review we are looking at putting 350 together a cross functional team to continue to look at different models and see what are the risk mitigating 351 strategies that can be taken in the event that this decoupling is going on. Because certain proposal have been 352 sent to government .They are looking at it. We are also looking at the impact of money and all that sort of 353 thing". 354

### <sup>355</sup> 10 vii. Challenges after Decoupling

Human resource issues and asset sharing are the main challenges facing GCAA and GACL. Increased external 356 influence and co-management of flight information region characterize other problems at GCAA whilst GACL 357 continues to face organizational behavior issues. Middle managers however reported that the main challenges 358 brought about as result of the decoupling was funding air transport services, human resource issues, additional 359 responsibilities or assignments and logistics. Head of safety department averred that "It's more challenging with 360 airport activities as I have mentioned we deal with the stakeholders. Challenges are from a broad spectrum. 361 There have been financial challenges, logistic challenges. There have been even challenges that have to deal with 362 human resource, personnel, are they adequate in number, levels of competence and expertise. It is broad. The 363 challenges are broad. All these issues narrow down to my department. I have an aging staff and before I even 364 came it was school of aviation. We have an aging staff, the type of technology. We have some challenges. You 365 have a lot more to do. Now you are responsible for almost everything our scope has broadened. Now we don't 366 only focus on electrical things we go through procurement, we do a lot of project management. In my area the 367 challenges too are quite broad. Let's take a typical example. We have a project that is going on, a refurbishment 368 of the whole tarmac. New designs and all you have to ??????because the whole airport is expanding. You have 369 main-tenance facilities on the runway". 370

The personnel manager also explains; "Co-management of Flight Information Region (FIR) was a challenge 371 because it will lead to a reduction in revenue base for Ghana. The Airspace is controlled by Ghana with more 372 funds accruing to Ghana. But over flight takes 52% of revenue and Ghana will share revenue between Togo and 373 Benin?Cordiality between depart-ments is not there any longer. Staff were worried because they had been short 374 changed The HR GACL director stated; "Perceptions (agitations) of job insecurity was tough as the change/move 375 was from authority oriented focus to limited liability entity. Board agreed for no redundancy but voluntary retire-376 ments was tabled. About 13 employees opted for voluntary retirements". Employee expectation of higher salaries, 377 378 difficulty in direct certification, enthusiasm amongst GACL staff and organi-zational behavior change (submitting 379 to com-pany's new code)".

### <sup>380</sup> 11 viii. Effects of Decoupling

The decoupling has had a positive effect on GACL operations. Senior management asserted that there has been 381 "appreciable improvement now as compared to pre-decoupling". Middle managers explained that separation has 382 enhanced air transport services and an increased growth in public private partnership. The nature of operations 383 within departments has become more proactive. The Safety Manager explained that "The impact has been 384 positive; traditionally, the air transport sector-airlines, airports, and air navigation services-has been managed 385 by the State. The separation has made room for Private sector participation in the airports subsector. Private 386 sector participation in airports, through ownership, management, or new investment programs, can take many 387 forms, including outright sale of shares or assets, concessions, and long-term leases. Historically, the private 388 sector has managed most of the landside concessions, but governments are now increasingly seeking to involve 389 the private sector in the provision of airside services as well. The goal is to improve efficiency, increase fiscal 390 revenue by selling profitable concessions, and improve infrastructure through privately financed investments". 391 There has been a change. Before decoupling the maximum training days was one month. . Induction training 392 lasts 50 working days and this is in line with ICAO recommended practices for security training. After decoupling 393 AVSEC has also acquired two equipments. AVSEC now has its own class rooms, things have been computerized 394 i.e. the training and has made things easier". 395

### **396 12 Respondents**

reported that a cordial relationship between GCAA and GACL has improved as compared to the initial rivalry atmosphere immediately before and during the decoupling. The rift was attributed to competitiveness, distribution of assets and performance.

## 400 13 ix. Strategic Issues after Decoupling

401 Strategies implemented at GACL pertain to infrastructural developments to attract more airlines. Strategic 402 plans for infrastructural developments were aimed at improving air service delivery and financial base of the 403 company. Similarly, middle managers reported that strategic plans involved improving infrastructure, air service

#### 15 III. COMPENSATION PACKAGE

delivery and human resource requirements. Planned infrastructural developments reported was related but not 404 limited to terminal expansion, provision of Maintenance Repair and Overhaul (MRO) Services, Fixed Base 405 Operations (FBO) and other specialized terminal operations. With regards to air service delivery, the safety 406 407 manager explained, "The GACL has in place an aggressive strategic plan to expand both the level of domestic air service and pursue new regional and international service. The airport strategic planning process is a dynamic 408 and continuous one and involves broader participation of parties affected either directly or indirectly by planned 409 outcomes and gathering a broad spectrum of data from a large and diverse range of sources. In the GACL case, 410 the strategic planning process typically incur-porates elements of a "bottom-up" approach, in which stakeholder 411 needs and wishes are considered and consensus among different interest groups is considered in the strategy 412 development". 413

The electrical manager opined that "When it comes to projects, we are trying to adopt and complete a number 414 of projects to improve the infrastructure that will minimize the maintenance requirements and that will put us 415 in the state of art grade when it comes to airport operations. HR we are using personnel and technology to 416 cope with the challenges". The Human Resource Director explains "Most of the strategies implemented are 417 targeted at attracting more airlines through the provision of infrastructure. For instance GACL has improved 418 the ambience and decongest domestic arrival. RFFS building/terminal has being constructed to ensure safe and 419 420 secure operations during emergency situations, optimal documentations to ensure prompt billings-GACL is more 421 com-mercial focused so systems and documentation is more scrutinized.

## 422 14 b) Findings from Employees i. Knowledge about Decoupling

GACL employees have some level of understanding about the decoupling experience. Respondents admitted that 423 they were not adequately educated about the reform and therefore did not have factual information about the 424 process. However, their knowledge about the concept was derived from multiple sources through staff durbars, 425 426 peers, reports, documentary evidence and changes taking place in the company. In their view, GCAA is a regulatory body akin to the role of a police officer, monitoring and overseeing the activities of GACL. The goal 427 of the decoupling in their view was in response to international standards, ensure proper management of staff, 428 ensure efficient delivery of air transport services, and allow GCAA focus on its core mandate as regulators in air 429 transport. An anonymous male respondent explained; "GCAA regulates the airport whiles the Airport Company 430 operates the airport. The airport company does the aviation of all airports in Ghana whiles the GCAA gives 431 the regulations, they regulate and see to the air travel services and safety regulations, regulations binding the air 432 worthiness of aircraft movement especially the cargo planes. When they go for maintenance checks, the safety 433 department goes to oversee the maintenance of aircraft that operate into Ghana and they are registered on the 434 Ghana civil aviation registration. They have civil aviation registration, they have pilot log books. The GCAA 435 oversee the regulation and we operate the airport". 436

A female respondent added: "Well for the way I understand we don't have much facts but with the little that I 437 understand with most international airports, we have a governing body. We have ACI and we have ICAO. ICAO 438 is the governing body for all airports in the entire world and the ACI (Airport Council international) those are 439 for continents. They all have ACI's and it is a requirement by ICAO that in every international airport the civil 440 aviation duties must be different from those that run the airport. So most airports have civil aviation and we 441 have airport authority. But because we are a little smaller, we were together as one so Ghana airports initially 442 was a department in civil aviation which was known as Airport Management Department but because we have 443 attained international status, we have to separate ourselves and then be an airport authority on our own and 444 then civil aviation will also concentrate on their core duties. So I will say decoupling is a term that was given 445 to describe our (GACL) separation from civil aviation". ii. Effects of Decoupling Generally, employees reported 446 that the effect of the decoupling was in the soft human resource functions specifically compensation, human 447 resource development and succession planning, and redundancy. Other effects of the separation were increased 448 government influence in the GACL operations as compared to GCAA, lack of staff knowledge and problems of 449 asset sharing. 450

### <sup>451</sup> 15 iii. Compensation Package

Employees entitled to receive bonuses based on organizational performance were cut short. The main reason for 452 non-payment of bonuses were attributed to inadequate documentation to the State Enterprises Commission, lack 453 of staff performance appraisal, and external government and management decision not to pay staff bonuses. Based 454 455 on the separation exercise and management directives, staffs were given the option to quit with compensation 456 incentive or remain in employment. A female respondent explained; "By virtue of where I am, I know that 457 documents have been sent to State Enterprises Commission. They have declared GACL in a condition to pay 458 bonuses. They have assessed that and they know that we have performed even beyond the targets that they had 459 given to us. So we have performed. There are documents indicating that, so for whatever reason that they still insist that they don't have money and so cannot pay bonuses and feel that we are only entitled to one month 460 basic salary compensation, that one too is up to them. I don't know for whatever reason they decide. We've 461 gone past our targets, three consecutive years. It was in the initial year that we separated that we were not able 462 to meet our targets and that is understandable. But afterwards we've met our targets and beyond. But when it 463

464 comes to payments of salaries and other things you realize that they will struggle with us to give us every reason 465 not to pay and that's why staff will get offended because even those who haven't seen the documents, they know 466 we are doing well. We are doing well. Flights have increased. The car park alone you cannot imagine the money 467 that we make. If I quote the money that we make in a month you will be amazed. The car park proceeds alone 468 can pay the entire staff for a month".

# <sup>469</sup> 16 Another respondent (training instructor) explained

"State Enterprises Commission will request for documents to assess our performance. As to whether they 470 deliberately don't send it or whether we don't meet. I think initially they said we did not have some documentation 471 and that thing was cleared. Then eventually the documents were sent. Now I hear last year or two, the documents 472 they sent, cash flow was not presented. Because it is the cash flow that they will use to determine whether you 473 are performing or not. And as we speak as to whether they will be able to furnish State Enterprise Commission 474 with that information we don't know. Because they are not able to meet the total requirement for them to be 475 able to meet the total requirement for them to be able to assess our performance they don't declare whether we 476 have made profit or not. But averagely when you study the whole thing we know that we have performed. And 477 when it happens like that because its government owned company and profit is not declared, management has 478 no right to give any bonuses and that breaks our heart". 479

## 480 17 iv. Human Resource Development Issues

481 The separation led to creation of avenues and opportunities for staff to pursue training courses.

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Volume XIII Issue VIII Version I Y 2013 ear () A However, in their view these training courses were limited to some departments and favoured some particular groups of people (managers). Personal capacity building in their view was an individual matter. A staff officer explained; "Also because of the separation and structural changes opportunities were also given to a lot of people to travel on courses because there were other challenges that were confronted and people were to be exposed to international norms in order to function as was the requirement".

Similarly, a terminal officer commented that; "Advantages were that opportunities were opened for the young 488 ones to get positions. Because when the GCAA went away, managerial positions were created in GACL for 489 the young ones to apply". v. Improved Air Transport Delivery On the whole, employees affirmed that GACL 490 had performed significantly within the past five years. These areas were basically related to huge revenue 491 generation, infrastructural developments, administrative efficiency, and proper management of staff, pressure to 492 correct deficiencies and meet deadlines. In terms of efficiency, the decoupling allowed for structural changes 493 within the department that ensured smooth budgetary allocation and technical operations. A female respondent 494 commented, "We know the sources of money and it comes from landing and parking. And we know that flights 495 have gone up both local and international airlines. So if we don't know anything about flights, what we know is 496 that the more aircrafts we receive, the more money we receive". 497

## <sup>498</sup> 19 vi. Lack of Education on Decoupling

The decoupling heightened employee fears and agitations because they did not have ample knowledge of the 499 process. All staffs expected management to educate them through staff durbars on the whole decoupling 500 experience. But management didn't do so unless there was agitation. In their view, staffs did not understand 501 the meaning of the decoupling experience, the benefits, consequences or effects of the exercise. In order to solicit 502 information about the exercise, they resorted to hearsay from peers, documents, new management directives and 503 observations on new infrastructural change. A staff officer explained that; "There was a presentation conducted 504 by management to staff but it was in a harsh way. We heard the thing 'decoupling, decoupling'. People were 505 frightened. Because people didn't know what was coming especially those who were aged in the system. They 506 thought they were going to be sacked. People were actually terrified. However, when they had gone through 507 their processes some presentation were done to staff but in a very harsh manner. The content was so voluminous 508 that we could not have a fair knowledge to actually ask the important questions to actually check the system. 509 Education was poor, it did not adequately inform us so people did not understand the meaning of decoupling 510 though it had its good and bad sides". 511

## 512 20 vii. External Government Influence

The GCAA separation saw an increased governmental influence and pressure in the operations of the company. Respondents affirmed that with the revenue generated from GCAA activities only 40% was recovered whiles government took 60%. In their view, government had not given the company the seed money it promised after the decoupling. Thus, this accounted for the myriad problems being faced by the company to pay staff bonuses, pay taxes, sponsor training courses for staff and implement projects. A staff officer explained; "On the negative side, I realize (we were told) that after the separation government gave the company money to run the company but we don't see that money because if we want to measure performance you must know where you started

from so that u will be able to measure or know whether you are building on or reducing. Also we are told that 520 revenue generated from our resource, only 40% came to us and 60% goes to government. So you realize that 521 from mana-gement point of view our hands are tied making it difficult for management to implement undertake 522 certain projects that they intend to". A female respondent also asserted "And another thing I got to learn is that 523 524 from the separation government has so much influence on GACL and they can so easily influence us. They have so much say in the company compared to GCAA because their core duties are different. if you mess up with 525 them and they decide not to offer air traffic services the airport will collapse. but ours is not so directly that they 526 can talk so much and take decisions that can affect us so much but not the same with GACL. Now the overall 527 head of the GACL is an appointed position. It's not applied for, it is government who appoints. So if I bring 528 you to this position it means I can tell you what you will do. Because you wouldn't want to lose your position 529 and all that. I also know that on paper at least our management have tried several times to ask government to 530 give back to us what we give to government. That one efforts have been made several times over and over but 531 as to why government has failed to release it back to us no one knows". 532

### <sup>533</sup> 21 viii. Challenges

The main challenges staff reported were poor planning for employee needs, payment of taxes,

### <sup>535</sup> 22 Global Journal of Management and Business Research

Volume XIII Issue VIII Version I Y 2013 ear ( ) management insensitive attitude, lack of staff involvement 536 in implementing decisions and asset sharing. According to employees, the challenges were due to increased 537 government influence on activities of the company. A staff officer commented that "When it comes to 538 responsibilities at the airport, GACL takes the larger portion and so the same way when it comes to sharing 539 of the revenue, we also have to take a larger portion. But you see, currently, because we are a limited liability 540 541 company, we pay taxes and when we import anything we pay clearance duties and other things. But GCAA is exempted from such duties. We imported these fire tenders. They came to the port. We went through so many 542 frustrations to clear governments own vehicles because GACL is 100% owned by the government, yet we had to 543 pay taxes to government again. That means we are paying taxes to ourselves. We are made to go through the 544 normal hassles that individuals have to go through in clearing things at the port. And you see if the processes 545 were done in a better way, some exemptions could have been given to us, as a SOE. But it's not like that. The 546 ratio was 60:40. Government takes 60 and the 40 that is left, GACL takes 60 and GCAA takes 40. So it makes 547 what we get woefully inadequate and we pay taxes on it. Whatever business we do the taxes that are required 548 by normal company operations we pay. We don't enjoy any tax exemptions". 549

Another respondent stated "I also attribute our difficulties to the government because when the company came into being, the seed money which should have been given to the GACL is on paper but actual money did not come. And as a limited liability company we pay tax and you know we pay tax and you didn't give us seed money. So how do we generate money to pay all those taxes and staff?" This has brought about all these problems we are facing. In future if such companies are going to come government should honour its promise". 555 c) Findings from Board of Airline Representatives (BAR)

The Board of Airline Representatives (BAR) is a coalition of airline operators in the air transport sector. 556 The BAR is just like any association with a defined head and members. It consists of Sky team airlines such as 557 Alitalia, KLM, Delta Airline, British Airways and other airlines that operate via trans-African routes. The BAR 558 collaborates and mediates with GCAA and GACL on airline operations in the industry. The position of BAR on 559 decoupling is that airport services has enhanced activities of airline operators in the aviation sector. The BAR 560 561 representative remarked; "There is no question that the decoupling was for the better. It was necessary but its five years and a few operators have a clue as to how things have changed". i. Nature of air transport service 562 before decoupling 563

The BAR believes that the decoupling has reduced difficulties with paperwork, yet the process is still longer. In their view GCAA lacked focus and independence to work before the decoupling. A BAR representative commented that, "It was more bureaucratic and longer. Things had to go through many channels. A lot of things had to wait for government approval because it's got to do with government. They didn't have the exact focus and autonomy to work" ii. Effect of Decoupling on Airline Operations

The decoupling exercise has increased performance and improved airline operations specifically in infrastruc-569 tural developments, HR and administrative efficiency and airport security services. Billing system and processes, 570 571 reporting lines have all improved as well as customer service issues and passenger airport facilitation. However, 572 there is an unclear jurisdiction in matters relating to some aspects of provision of airport services. They reported 573 that "yeah, but GCAA's hand are still tied. They are still a government concern". It was explained that, "The 574 separation has affected our operations in a better way. When we need things done at the airport terminal 575 building. e.g. the billing, baggage belt or the air condition is not working, permission to work at the tarmark, etc, they do their best to promptly rectify them, though there are some things that we find the GACL not having 576 autonomy over and such things we have to get to civil aviation. It took a while to know some of these issues as 577 to whose jurisdiction some of the problems lay. A lot of things too we cannot go to civil aviation direct and we 578 have to go through GACL and they have to go to GCAA. These sometimes take time". 579

The decoupling exercise has made GACL more effective and efficient with the collection of airport taxes. With 580 the billing system, it was reported that GCAA and GACL embarked on infrastructural developments even when 581 airlines had not yet settled their airport bills. It was explained that, "No, they are pretty good with the billing 582 583 system, in other words they wait. There is an agreed amount of time and it goes through the systems. Let's put it this way: in order to solve our problems, they don't check whether we have paid our bills.hey just solve the 584 problems. It's got really nothing to do with whether you have paid your bills or anything like that. At the end 585 of the day there are bills we pay to civil aviation direct and bills we pay to Ghana airport direct so if anything 586 have changed, there is more paper work. Because there are some things you can only pay to GACL and others 587 you pay to civil aviation like the 588

### 589 23 Discussion

Many organizations at some point have experienced change in work activities in response to legal and authoritative 590 demands and agents. The GCAA decoupling was a product of such legal backings. The processes that resulted in 591 the GCAA decoupling was in line with international standards in the air transport sector and effective mechanisms 592 593 of managing the air transport delivery in Ghana. Per ICAO standards the regulatory body should assume 594 autonomous function with the air transport delivery body also in-charge of handling air operations. Findings reveal that air operations under management of GCAA was beset with financial viability problems, technical 595 596 and effective supervision, control and change management issues. Process actors in the GCAA decoupling 597 involved the World Bank and external consultants. Prior to the decoupling, management and staff experienced heightened feelings of fear, attitude of employees towards the change, issues on organizational commitment, and 598 asset sharing. Employees had little knowledge and understanding about the decoupling process which created 599 heightened apprehension within the organi-overflying. You don't pay that to GACL you pay to civil aviation, 600 the right to land, the; lease and then the Ghana airport is the fees and the other things. They are the ones that 601 collect the airport tax. And so that too is looked at and they do well when we changed the airport tax. They 602 603 are definitely more proactive when it comes to that possibly because they have autonomy. So airlines-airport 604 authorities relationship is good".

Although the BAR representative reported that the airport has seen numerous improvements with the decoupling exercise, they admitted that these problems already existed before the separation. Concerns were also raised with the 60/40 percentage of revenue for GCAA and GACL.

"They do their best but you know that that is the major issue there. The 60/40 and there is currently a bill 608 being drafted to change it to 40/60. So their hands are tight in a lot of things. There is very little they can do. 609 610 Out of the 100 dollars they only get 40 dollars which they should do everything with it. For passenger comfort they do their best and you know they are adjudged the best airport of the year. They need more water at the 611 612 airport, they need to improve on their toilet, there is a whole lot of things we've talked about. The ceiling is 613 leaking the air conditioner was faulty and when it was repaired its now too cold, the baggage belt is not working 614 so it has to be done manually, the airport directional signs can sometimes be confusing, no water etc. The problems have nothing to do with decoupling. They have existed long time before decoupling". 615

616 Regarding airport security issues, it was emphatically noted that: "Airport security is a government affair. You can't get involved in that. They have airport security system in place. They know it well, they do their best. 617 There are a lot of outside parties that are part of the airport security system. They themselves are working on 618 it and sometimes a lot is not in their hands so there is not much you can say about that. I know for sure that 619 there are too many external private organizations because every airline wants to bring their own private security 620 to watch the airline, to watch the baggage. There are different aspects of airport security more than twenty 621 622 different parts of airport security that some of us don't even know about. When it comes to the intelligence, the 623 terrorism, the drugs, the narcotics etc., it's all part of airport security and then using the x ray machines, the metal detectors, as well as the passport control are all part of airport security, the crowd control flow and then 624 guiding the aircraft ensuring that nothing happens at the tarmark. But they do their best. They try and get their 625 training sorted, they are always researching. Whenever we have audits their auditors don't have much problem 626 with us". development in organizational strategic change is increasingly seen as not only a shift in structures and 627 processes but also as a cognitive organizational reorientation involving a redefining of the organization's mission 628 and purpose or a substantial shift in overall priorities and goals (Gioia, Thomas, Clark & Chittipeddi, 1994). 629

The main factors that led to the decoupling were to enable the GCAA focus on its core regulatory role; improve 630 efficiency and management of air service delivery and as a requirement of industry practice. In employees' view, 631 the decoupling was also to ensure proper management of staff. Findings relate well with Tilcsik (2010) that 632 633 decoupling is a response to institutional pressure to comply with regulations and norms about how organizations 634 should be structured and operated. There is no discounting that since GCAA started operations in the mid 635 90's has experienced a lot of inefficiencies in air services delivery, management issues and corruption. Thus the 636 passage of the aviation act was to ameliorate these problems for maximum benefits. Decoupling in this sense was 637 in response to the institutional environment.

Although decoupling has resulted in significant achievements for both the regulator and the commercial wing, there still remain challenges which have to be addressed. Organizational change is usually associated with some level of hesitance especially among the core working human resource base. Findings show that the overriding challenge experienced after decoupling is the soft human resource aspect and asset sharing. Employees at GACL

are still threatened with job security zation. Barr (1998) has cited that an important GCAA struggles to 642 deal with governmental influence and co-management of flight information region. Possible explanation of this 643 finding suggests that response to organizational change is a slow process and may be met with defiance or 644 645 compliance considering participation of workers in the change process. Inadequate knowledge about the reform could trigger multiple responses when it deviates from workers expectations. Managerial cognitions and sense 646 making processes affect the likelihood and content of strategic change ??Barr, 1998 ?? Nutt, 1998). This implies 647 that the success of the GACL and GCAA will depend on management's ability to convey its new mission and 648 priorities to its stakeholders. Since an organization's survival over time often depends on its conforming to 649 normative expectations rather than simply operating with greater efficiency the importance of ensuring both 650 understanding and acceptance of new strategies among key constituents is a central element of the legitimacy 651 imperative for organizations ??DiMaggio & Powell, 1983;Meyer & Rowan, 1977;Oliver, 1991). Further, despite 652 the adoption of policies that created the commercial wing, the limited experience with airport privatization 653 especially in developing countries makes it hard to draw firm lessons. There is no doubt however, that GACL for 654 that matter government is unable to fund all the necessary investment in airport and navigational infrastructure. 655 The private sector will therefore play an increasing role in meeting the sector's needs. The challenge for developing 656 economies like Ghana is to find creative mechanisms to foster private sector participation. 657

658 Impact analysis after the reform shows significant positive improvements in GCAA and GACL across 659 infrastructural and financial aspects, structural and functional change in the nature of operations. Compared to 660 pre-decoupling, both entities have witnessed enhanced delivery of air transport services, increased performance, focused orientation and increased growth in public private partnership. All former commercial activities of 661 GCAA after decoupling have been ceded to GACL. Functionally the decoupling has intensified the mandatory 662 regulatory role of GCAA in line with the Section 3 of the enabling statute. That means, to provide safe and 663 secure air transport services through Since the decoupling, structural change in GACL have pertained to new 664 human resource functions and permeated individual departments. Administrative processes and efficiency has 665 significantly improved with the integration of ICT in every facet of operations. Cost containment strategies 666 have narrowed down to more critical issues whilst quality assurance has been implemented and strengthened to 667 oversee security and services in air traffic regulations. Key performance indicators and quick span of control have 668 categorized issues and expectations of higher compensation whilst the merger of different two-core organizational 669 departments. In a nutshell, change has been trans-cended to all departments allowing for decentralizing of some 670 functions. Generally, the decoupling has allowed private sector participation in the airports subsector. Private 671 sector participation in airports, through owner-ship, management, or new investment programs, can take many 672 forms, including outright sale of shares or assets, concessions, and long-term leases. The goal is to improve 673 efficiency, increase fiscal revenue by selling profitable concessions and improve infrastructure through privately 674 financed investments. 675

The impact of the decoupling on human resource function is mixed. The separation has affected organizational 676 strategic human resource activities such as efficiency, career advancement opportunities and improvement in 677 grievance procedures. GACL employee enjoyment of incentives was abrogated and wages has not seen upward 678 adjustment after decoupling. Although the reform brought about vacancies in some managerial positions, 679 succession plans and human resource development planning have been an individual concern. Similar to expressed 680 views of key informants, employees the workings of the regulators now. For instance, new approach and strategies 681 to monitor the gamut of schedules, support services are now timelier because of report that government influence 682 in operations of the commercial wing entity leaves much to be desired. As such, the challenges been faced by 683 GACL and inability to exercise discretionary powers has remained limited and indirectly affects them. One key 684 task of organization is to provide explanations, rationalization and legiti-zation ??Pfeffer, 1981). Its aim is to 685 ensure protection of negative events such as employee agitation; extinguish disaffections and ensure compliance 686 from all stakeholders. Findings however showed that employees did not have full knowledge about the decoupling 687 process and therefore resorted to different ways of uncovering the objectives of the exercise. By far, management's 688 inability to perform this cognitive role may foment employee agitations. They may also serve as predictors to 689 internal blame game and unfriendly rapport between management and union relations when misinterpreted. 690 Decoupling brings about a paradigm shift in the nature of operations and strategic focus and would require 691 different approaches to conveying the institutional requirements to its stakeholders. 692

Decoupling is one of the many administrative reforms implemented by developing countries and public 693 corporations to improve efficiency and effectiveness in service delivery. One key policy lesson that can be drawn 694 from the GACL decoupling experience is the adoption of public and private partnership model, accountability 695 and performance issues and benefits of new public management principles. The aviation industry has witnessed 696 periods of underperformance and poor management issues with the start of air delivery services in Ghana. The 697 Civil Aviation Act and ICAO guidelines have strengthened the move towards commercializing air services. GACL, 698 functioning as a commercial wing appears to adopt the tenets of private sector and has successfully reduced the 699 social deficit in air services delivery. The significant improvements in financial, infrastructural and administrative 700 issues cannot be understated. The World Bank argues that governments should focus on what they do best which 701 is providing public goods and services and a regulatory framework that ensures minimum standards of quality 702 and prevents fraud. State owned enterprises should form collaborative initiatives with the private sector in order 703 to enhance public service delivery and encourage competition in service provision arrangements. 704

Public interest in accountability is premised on the management of public corporations and ensuring good public service performance. More recently, the notion of 'performance accountability' has embraced effectiveness and the achievement of goals. Financial accountability is no longer simply a matter of probity but A also encompasses evaluation of whether goals were achieve and quality of a service was delivered. Findings suggest that the main goal for establishing a commercial wing for air service delivery is a step in the direction. Achievement of the decoupling objectives has prevailed and GCAA has continuously served to monitor the operations of its newly created entity.

## 712 **24** VII.

## 713 25 Conclusion

This exploratory study set out to investigate the processes that led to GACL's decoupling experience, factors 714 715 and goals responsible for the decoupling exercise, the effect and factors impeding the decoupling reform. Data 716 was obtained from multiple sources with interviews and documentary evidence. Key informants involved in the decoupling reform were interviewed. Data from stakeholders comprising employees and airlines were also 717 obtained using focus group discussions. Findings showed that main antecedents to the reform were to properly 718 define the core mandatory regulatory role of GCAA, and improve financial viability of the air transport services 719 in line with ICAO standards. The decoupling resulted in the creation and amalgamation of new departments 720 with new functions. The organizational structure was slightly modified in the process. The impact of the reform 721 was evidenced in significant infrastructural developments, huge profits/revenue, and administrative efficiency, 722 increased number of airline operators and proper management of human resource function. Currently, the 723 decoupling process is partial but there are indications of another decoupling that will see the GCAA as solely 724 responsible for regulatory body for air transport sector after the necessary legislations and procedures have been 725 satisfied. Human resource planning and asset sharing override continue to serve mizations for the activities 726 undertaken in the organias main bottlenecks even before and after the reform. The continuous interference of the 727 government has been a major concern in allowing GACL to exercise its discretionary powers in issues that affect 728 it operations. Governments will always employ a variety of administrative reforms at any one time to achieve 729 some desired purpose. It would be expedient that such problems are correctly identified in order for these agenda 730 to fit between the organization and environment. Even as state owned enterprises are been forced into market 731 competition they still remain in government hands and retain bureaucratic-type structures. Findings imply that 732 announcement of decoupling is not a binary choice. It should involve multiple ways of presenting and justifying 733 organizational actions with some justifications more likely than others to be decoupled from real changes. <sup>1 2 3</sup>



Figure 1:

#### 1

Ghana Airport Company Limited's Decoupling Experience: Achievements, Challenges and Policy Lessons

#### Figure 2: Table 1 :

2013ear Υ Volume XIII Issue VIII Version I () Global Achievements were also evidenced through a number of awards Journal received such as Best Airport in Africa -Routes Africa Marketof Management ing Award, Regional Winner -World Routes Marketing Award, and Business Research Safety and Security Conscious Airport -8 th Security Watch Awards and visit by two sitting United States Presidents. vi. Partial or Full Decoupling

[Note: A<sup>©</sup> 2013 Global Journals Inc. (US)]

Figure 3:

<sup>&</sup>lt;sup>1</sup>Sourced from GCAA 25 th Anniversary Magazine. The Corporate Affairs Director explained; Ghana Airport Company Limited's Decoupling Experience: Achievements, Challenges and Policy Lessons © 2013 Global Journals Inc. (US) <sup>2</sup>© 2013 Global Journals Inc. (US)

<sup>&</sup>lt;sup>3</sup>Ghana Airport Company Limited's Decoupling Experience: Achievements, Challenges and Policy Lessons © 2013 Global Journals Inc. (US)

Y 2013 ear 14	Structurally, GCAA now has two divisions under the Director-General namely Finance and Administration and Technical headed by Deputy Directors-General. The new departments include Finance, Human Resource Department, General Services Department, Economic Regulation and Business Development Department, Air Traffic Safety Engineering Department, Air Traffic Services, Safety Regulation Department, Legal, Inter- national Relations and Corporate Communications, Corporate Planning Department, Audit Department, Audit Department and Ghana Aviation Training Academy (GATA). The newly added economic regu-lation function was to oversee the workings and service delivery of the ground handlers to meet international standards.
Volume XIII Issue VIII Ver- sion I () A Global Jour- nal of Man- age- ment and Busi- ness Re-	the provision of air navigation services within the Accra Flight Information Region; regulate, promote, develop and enforce safe air transport operations and services; license air transport and all personnel engaged in air
search	transport services; license the provision of acco- mmodation in aircraft and licensing and certification of aerodromes and navigational sites and co-ordinate search and rescue services within the Accra FIR. Primarily, GCAA is now more oriented to safety and security measures of air transport, life and property. © 2013 Global Journals Inc. (US)

# Figure 4:

### 25 CONCLUSION

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