INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

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4. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

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5.   **KEYWORDS**: Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.

6.   **MANUSCRIPT**: Manuscript must be in **_BRITISH ENGLISH_** prepared on a standard A4 size **_PORTRAIT SETTING PAPER_**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.

7.   **HEADINGS**: All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.

8.   **SUB-HEADINGS**: All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.

9.   **MAIN TEXT**: The main text should follow the following sequence:

     INTRODUCTION

     REVIEW OF LITERATURE

     NEED/IMPORTANCE OF THE STUDY

     STATEMENT OF THE PROBLEM

     OBJECTIVES

     HYPOTHESES

     RESEARCH METHODOLOGY

     RESULTS & DISCUSSION

     FINDINGS

     RECOMMENDATIONS/SUGGESTIONS

     CONCLUSIONS

     SCOPE FOR FURTHER RESEARCH

     ACKNOWLEDGMENTS

     REFERENCES

     APPENDIX/ANNEXURE

     It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **5000 WORDS**.

10.   **FIGURES &TABLES**: These should be simple, centered, separately numbered & self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.

11.   **EQUATIONS**: These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.

12.   **REFERENCES**: The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:

- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
- Use (**ed.**) for one editor, and (**ed.s**) for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parentheses.
- The location of endnotes within the text should be indicated by superscript numbers.

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BOOKS
- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS
- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES
- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS
- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES
- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES
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WEBSITE
- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

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PERFORMANCE MANAGEMENT AS EFFECTIVE TOOL FOR SUSTAINABLE COMPETITIVENESS IN THE AIRPORT AUTHORITY OF INDIA

DR. KAMESHWAR PANDIT
ASST. PROFESSOR
DEPARTMENT OF PERSONNEL MANAGEMENT & INDUSTRIAL RELATIONS
PATNA UNIVERSITY
PATNA

PREETI RAINA
MBA
PATNA UNIVERSITY
PATNA

ABSTRACT

International Markets provide a wide range of opportunities compared to the domestic marketing but global business is inherently more risky than domestic business. International Business firms have the fundamental goals of expanding market share, sales, revenue and increase in profits. Expanding markets in oversees countries is one of the strategies to achieve these fundamental goal. "Knowledge is the only meaningful resource today" New breed of knowledge workers between 18-24 years of age are smart, practical, fiercely ambitious and restless. They have inquiring minds and zealous sprit. They have obsession to acquire higher and more saleable skills. This is, their only guarantee to a better job and the recipe to speedy success in a fast changing world. Managing employee performance based on the organizational needs, strategic requirements, and customer's preference is crucial aspect of human resource management at national and international levels. The paper deals with the complexities of organizations operating in nationals or international levels in the changing environment and how the human resources be effective in managing competitiveness to sustainable growth of the organizations. Performance management is about creating an environment where people know what is expected of them, have access to the tools they need for their work, and are supported in their quest to do their best. It is about creating people who feel good about themselves and their accomplishments and in turn will reward the organization with loyalty and high retention. Hence, a case study of performance appraisal system in Airport Authority of India has been taken for consideration as a case study.

KEYWORDS
AAI, Environmental Variation, Innovator, Rater Bias, Sustainable Growth.

INTRODUCTION

Managing employee performance based on the organizational needs , strategic requirements, and customers preference is crucial aspect of human resource management at national and international levels. Multinational Corporations incur high cost on human resources due to employment of different kind of foreigners. Therefore, they expect the foreigners to perform distinctly and create, contribute and add significant value to the organizational activities. Foreign employees are also mindful to their cost to the MNC and concerned to contribute phenomenally to the organizational goals and strategies. MNCs Expectations from foreign employees are diversified and varied widely compared to that from domestic or national employees. Similarly foreign employees do aim to making multi-faceted and varied contribution to different stake holders of MNCs. Measurement of employee's performance in MNCs is comparatively more complicated than that in a domestic company. MNCs encounter critical challenges in the process of performance appraisal and management of foreign employees.

The paper deals with the complexities of organizations operating in nationals or international levels in the changing environment and how the human resources are effective in managing competitiveness to sustainable growth of the organizations. Performance management is about creating an environment where people know what is expected of them, have access to the tools they need for their work, and are supported in their quest to do their best. It is about creating people who feel good about themselves and their accomplishments and in turn will reward the organization with loyalty and high retention. The basic purpose of this paper is to

1. Creating a workplace where top performances want to stay.
2. Transforming people who are not "stars" into top performers. and
3. Aligning behavior and actions toward the goals of the business enterprise.

To full fill above objectives, we have to raise some relevant questions relating to performance management to test the hypothesis.

- What performance was set out to be achieved during the period?
- How it has been achieved?
- What has been the shortfall and constraints?
- What are we going to done now?
- How will we know that we have done it?
- What kind of feedback can be expected?
- What assistance can be expected to improve performance?
- What rewards and opportunities are likely to follow from the performance appraisal?

In this paper, all the questions raised above has tried to find out the suitable answer for sustainability of the organizations especially in the Airport Authority of India Ltd. Performance management in AAI be effective tool of organizations competiveness for sustainability is a reality or myth. The entire paper is divided in to four major parts including introduction.

PERFORMANCE MANAGEMENT IN CHANGING ENVIRONMENT

International Markets provide a wide range of opportunities compared to the domestic marketing but global business is inherently more risky than domestic business. International Business firms have the fundamental goals of expanding market share, sales, revenue and increase in profits. **1** Expanding markets in oversees countries is one of the strategies to achieve these fundamental goal. "Knowledge is the only meaningful resource today" **2** assert Management Guru **Peter Drucker** New breed of knowledge workers between 18-24 years of age are smart, practical, fiercely ambitious and restless. They have inquiring minds and zealous sprit. They have obsession to acquire higher and more saleable skills. This is, their only guarantee to a better job and the recipe to speedy success in a fast changing world. It is quite a task to keep Generation 'Y' hooked to one job and one employer for long because they do not identify with old- fashioned jargon like loyalty. Their primary commitment is "We, Me and My career Success… the faster I get there, the better" **3** so how to retain them is a big challenge. The performance appraisal occurs usually annually on formalized basis and involves apprise and appraiser to find out the questions raised above. When the

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employees have this type of information, they know what the organization expects from them, what assistance is available, and what can they expect when the required level of performance is achieved. This will increase employees acceptance of the appraisal process and result in the trust that employee has in the organization. An environment that affords an opportunity for further growth while minimizing stressful situations will certainly enhance appraisal acceptance. Establishing this type of environment goes for beyond the performance appraisal process. Every aspect of managing people and their work relates to the improvement of their quality of work life. Performance appraisal is an integral part of trusting, healthy, and happy work environment that goes a long way in promoting the same. Organizations are run and steered by people. It is through people that goals are set and objectives realized. The performance of an organization is thus dependent upon the sum total of performance of its members. According to **Peter Drucker, "an organization is like a tune; it is not constituted by individual sounds but by their synthesis". 4** The success of an organization will therefore depend on ability to measure accurately the performance of its members and use it objectively to optimize them as a vital resource.

The performance of an employee is his resultant behavior on task which can be observed and evaluated. It refers to the contribution made by an individual in the accomplishment of organizational objectives. Performance can be measured by some combination of **quantity, quality, time and cost**. People do not learn unless they are given feedback on the result of their actions. For learning to take place, feedback must be provided regularly and it should register both success and failures, and should follow soon after the relevant action(s).

Performance management aims at creating alignment of individual goals with those of the company and enables an individual to effectively manage performance for himself and his team. Performance management embraces both planning and executing. Its major focus is on development of the employee and his competencies for improving his performance and relationships. Performance management is **"translating plans into result-execution. 5** It is the process of managing employee's strategy. Performance management provides managers with power to act proactively. We need better performance management because we need better organization. The increasing need for performance management is due to complexity of matrixing employees with two or more bosses, organization flatten from being hierarchical to more process based, customer- focused and value- added services.

Each of these goals is important. Retention is especially important if we are in an industry that cannot afford to pay top salary for a top-notch workforce. Transforming non-performers in to stars becomes more critical as the workforce shrinks. And aligning behavior and actions with the business's goals is the bottom line for staying in business. We need to define and then create the behaviours that will ensure that the company runs at maximum efficiency and productivity.

PERFORMANCE MANAGEMENT IN AIRPORT AUTHORITY OF INDIA LTD.

1. AIRPORT AUTHORITY OF INDIA LTD; A RESUME

Airports Authority of India (AAI) was constituted by an Act of parliament on 1st April, 1995 by merging the International Airport Authority of India and the National Airport Authority. The objective of the merger was for better administrative and cohesive management of airports and civil enclaves whereat air transport services are operated or are intended to be operated and of all aeronautical communication stations and for matters connected therewith or incidental thereto. Development of airports in the North- East and other inaccessible regions has always been a priority over commercial considerations. AAI provides Air Navigation Services over 2.8 million square nautical miles of air space reaching far beyond the continental airspace. Expansion of the activities of AAI covering services at 11 International Airports, 86 Domestic Airports and also facilitating passengers' services at 28 civil enclaves speaks volumes about the commitment to develop civil aviation in the country towards achieving the Corporate Mission. Despite many tragic occurrences like 9/11 , Afgan War, Iraq War and SARS that struck the civil aviation sector the world over during the last decades and left it bleeding. AAI has come up persistently with good result, showing all round growth including increased revenue and higher level of profitability while building up the infrastructure. Presently, AAI at various airports handled about more that 5 lakhs aircraft movements (four lakhs domestic and one lakh international), more than 40 million passengers (26 million domestic and 14 million international) and more than 9 lakh tones Cargo (3 lakhs domestic and 6 lakhs international. **6**

2. PERFORMANCE APPRAISAL IN AIRPORT AUTHORITY OF INDIA

Liberalization, globalization and the disappearance of the Licensing Raj have changed the corporate scenario. **7** There is a remarkable change in the way the companies are looking at employee's performance. Being loyal, punctual, and not taking leave are no longer the attributes of a good employee. Value addition has become the role criteria for performance appraisal. The compensation structure has also undergone a major transformation in the recent years. The shift to performance- based pay or variable pay has become widely prevalent in the Indian companies. Every salary hike has been literally linked to performance. This means every executive has to earn his salary hikes. Variable pay now accounts for about 20 to 40 percent of the total Cost to Company (CTC) incurred on an executive's compensation package- both for old and new economy companies.

The key challenges to many Indian companies is how to survive in the new economy. The companies started re-orienting themselves to become efficient players by embracing and leveraging the tools of knowledge –driven economy. Customers focus become sharper than the before. Channel strategies are being revised to achieve top line growth. Each process whether it is performance management system or any of the HR core process or any other business processes like supply chain management is being looked with microscope. In this competitive scenario, performance management systems (PMS) act as an important tool to leverage performance of the organization.

Airports Authority of India strongly believes that the success of PMS shall depend on how the whole HRM processor is in place of organization. We have nurtured a culture, whether every employee targets right first time and every time as way of life. The recruitment process   itself acts as an important support for the success of PMS in AAI. In many organizations, appraisals evoke a lot of negative reactions. The AAI have made a sincere effort to make appraisal process proactive and beneficial by considering the common pitfalls of traditional appraisals. In this process, AAI has avoided the stand alone annual review, to generic appraisal, and one sided appraisals in favour of developing a performance management process, designing specific and relevant appraisals by promoting a two-way dialogue.

The basic objectives of Performance Appraisal in AAI are as under:

- To create role clarity performance expectations and measure at individual, group and organizational levels.
- To provide job guidance, feedback and counseling to build upon strength and areas of improvement so as to bridge the gap between performance and expectations.
- To build a positive work relationship between the appraiser and the appraise through a two-way dialoguing communication process.
- To identify the training and development needs of employees.
- To unleash the creative capabilities of our employees.
- To make the reward mechanism more objective, transparent and commensurate with the level of performance.
- To encourage superior performance measuring stretch goals.
- To promote a performance culture as AAI **Culture of excellence.**

Generally, Performance appraisal comprises the following six steps; the performance appraisal systems existing in companies in India have brought forth many problems at all levels in the organizational structure.

- Establish performance standards or Select performance factors (based on job Description) to be evaluated and set the standard to be achieved.
- Set the performance review period.
- Measure actual performance.
- Compare performance with set standards and rate it with a suitable scale.
- Communicate the rating to appraise.
- Use the performance appraisal for the desired purpose.

To make the process more effective, performance appraisal need to be follow that,

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- Employees should be actively involved in the evaluation and development process.
- Bosses need to enter performance appraisals with a constructive and helpful attitude.
- Realistic goals must be mutually set.
- Bosses must be aware, and have knowledge of the employee's job and performance.

3. GUIDELINES FOR PERFORMANCE APPRAISAL IN AAI

With a view to assess the performance of employees of AAI, Performance Appraisal Report forms have been evolved and they are obtained every year. The Performance Appraisal System not only helps in career growth of employees but also in taking care of their training needs, skill development and over all development of personality.

For various levels of officer's five types of Performance Appraisal Report have been evolved are as under:

1. Form (PA)-4   : Executive Director/ Equivalent (below the Board Members)
2. Form (PA)-3   : Officers of the level of Sr. Manager to General Manager
3. Form (PA)-2   : Officers of the level of Sr. Superintendent to Manager
4. Form (PA) -1   : Employees of the level of Jr. Assistant to Sr. Assistant.
5. Form (PA) -1   : Group 'D'.

The details of Performance Appraisal Report marked as above in the form of Form (PA)-1, (PA)-2, (PA)-3 and (PA) -4.

GUIDELINES

The following guide lines have been evolved to assess the performance of employees of AAI by the Department of Personnel of AAI.**8**

1. Blank PAR form is to be issued to appraise against his/ her signature by the concerned issuing authority.
2. The time limit prescribed for completion of PARs at each progressive level should be strictly adhered to. Any delay beyond the prescribed time limit should be viewed very seriously and written warnings should be issued to the concerned reflecting the same in their PARs**.**
3. No office/ staff who is on transfer to another region/ station is allowed to relinquish office unless the officer has completed the PARs of his/her subordinates or submitted his/her PAR to his reporting officer, as the case may be, for the relevant period. While relieving, an undertaking to this effect needs to be obtained. This is equally applicable where an officer is due for superannuation/ going to resign.
4. It is necessary to ensure that at least one of the officers of the Discipline of which the officer reported upon belongs to. Should act as either Reviewing or as Countersigning Officer. In case there is no officer of that discipline available in an Officer/ Region, after the action of Reviewing Officer, the PAR should be sent either to Executive Director of the Discipline at CHQ or the Member concerned for countersignature.
5. Adverse remarks in the PRA: There may be some instance where it has become necessary to comment adversely on the officer report upon. While the Reporting Officer should ensure that the officer has been given necessary advice, guidance and assistance to correct his faults and deficiencies and that adverse entries should refer only to defects which have persisted despite the Reviewing Officer's efforts.

Relevant copies of written warning/ reprimand / displeasure issued to the officer by way of counseling (where in the opinion of the Reporting Officer, the officer reported upon has not improved despite counseling) should invariably be attached to the PAR. PARs which are graded **"FAIR"** or **"INADEQUATE"** and not supported by documents should be returned to the originator for clarification and necessary action.

6. Grading **"OUTSTANDING"**: One should not be graded **"OUTSTANDING"** unless exceptional qualities and performance has been noticed in him/her. Grounds for giving such a grading should be clearly brought out in the PAR.
7. **Remarks by Reviewing Officer**: The Reviewing Officer while completing his portion on the PAR form **should be specific in his remarks,** as to whether he fully agrees with the Reporting Officer and **where he does not agree** with some or all the remarks of the Reporting Officer, **he should substantiate his remarks with reasons** and record his own assessment of the officer reported upon.

To achieve an objective assessment on each individual to be reported upon, it is essential that due care is taken at each level of reporting viz. persons to be assessed , Reporting Officer, Reviewing Officer and the Counter- Signing- Authority while completing the PAR.

8. While the assessee's bio-data will be filled in Part-I of the PAR form by the issuing officer, the officer being reported upon will be giving his self assessment in Part-II-9 (a), (b),&(c) – thereof. In section (a) of Part-II, the assessee will be required to indicate the tasks performed by him in areas of concentration and objectives (special contribution other than routine tasks). Likewise, in section (b) of Part-II, examples of specific strengths or action demonstrated by the assessee to achieve his/her output for enhancement of general performance will be cited along with the examples. Section (c) will indicate weaknesses / shortcoming which detracted from meeting the required objectives and/or general performance. Training needs which may possibly help the assessee to achieve the desired objectives should be mentioned as well. Again, the Reporting Officer's comments will be required in Para 10 on each of the points raised in Para 9.
9. Against Para 11, the Reporting Officer will be required to indicate the **extent of counseling rendered to the assessee** with a view to help him to overcome his deficiency. This must be supported by written warning/ reprimand issued by the Reporting Officer which will invariably be annexed to the PAR form at the time of its completion.
10. PART-III- **ASSESSMENT** will be filled in by the Reporting Officer by putting a mark (X) with rubber stamp in the appropriate rating column indicated under each of the performance attributes. The Reporting Officer shall also be completing Part-IV- **DEVELOPMENT & TRAINING.** Here, the training needs and the type of training required for the assessee must be specified. **Para-12 must be got filled from the assessee**.
11. Overall rating will be given in the box meant for the purpose at the end of the Part-IV which should have bearing with the strengths and weaknesses on the basis of "x" marks on A, B, C, D & E against each performance attributes.
12. Remarks by Reviewing Officer and Counter- Signing Authority will be recorded in Part-V in the space provided therein.
13. The grading **"FAIR"** or **" INADEQUATE"** need to be communicated to the Assessee only in such cases where overall grading "D" or "E" given by the Reporting Officer or Reviewing Officer has been ratified by the CSA. Where CSA disagrees with grading and gives a better than "FAIR" there is no need to communicate. Likewise, where one or two individual attributes have been graded "FAIR" or "INADEQUATE" and the overall performance has been graded better than "FAIR", there is no need to communicate the grading given against the attributes.
14. The adverse entries in a PAR, where three levels of reporting have been completed within Regional Executive Director level, will be communicated to the Asssessee by the concerned Regional headquarters itself. After necessary entries to this effect are entered in the relevant column, the PAR alongwith the copy of intimation and copies of documents in support of adverse entries shall be forwarded CHQ for retention where ever applicable.

Representation for expunction of adverse remarks, if any, received from the Assessee shall be sent to the competent authority (next higher officer to CSA) for his consideration after obtaining the comments of the Reporting/ Reviewing officer. As the case may be if such an authority is not available at Regional Headquarters, such cases may be forwarded to the Headquarters.

4. PERFORMANCE APPRAISAL PROCESS

Performance Appraisal system is being done by the Airport Authority of the different Airport i.e. Airport Director (APD) on the same guidelines as mentioned above the guidelines for the AAI. The performance management system in AAI is being completed in four steps:

1. Performance Planning;
2. Coaching;
3. Performance Review Meetings; and
4. Reward of Recognition.

The appraisal form serves as formal written documents to assure a mutual understanding of what is expected and how well those expectations are being met.

(1) Performance Planning

The performance plan involves;

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(i)   Identifying key result areas.

(ii)   Understanding critical success factors. and

(iii)   Drawing the development plan.

SETTING KEY RESULT AREAS

We have learnt that the success of PMS depends on how clearly we set targets to our employees, and create measures to review the progress. To ensure linkage across the organization, we follow the policy deployment route to cascade the targets from organization level to individual level. We were careful not to set too many objectives for the year. The goals were desired to help the employee to identify few critical factors which he/ she takes as a target during the year which is directly linked to business plan of the company and it can be measured.

KRAs involve the followings;

- Areas of responsibility in which an employee is expected to produce results.
- Give direction to a person's job and help to focus on important job areas.
- Provide a basis for appraisal, counseling and feedback.
- Increase mutual job understanding with superiors.
- These KRAs may change as priorities and responsibilities change. They are dynamic in nature.
- Focus on new initiatives.
- Implementing various organizational objectives.

CRITICAL SUCCESS FACTOR (CSF)

These are measures that focus on how the job is to be accomplished and include skills, knowledge and /or behaviour that improve job effectiveness / performance. We currently have identified 12 critical success factors based on competencies required.

DEVELOPMENT PLAN

It equips the employee with skill sets to achieve KRAs, aims to fill gap if any enables the development of employees. Developmental plan is drawn based on the following:

- The KRAs of employee for the year under review.
- The planned KRAs for year to come.
- Barriers to successful performance that have been identified.
- Gaps if any, identified in Critical Success Factors.
- Any other developmental need expressed by the employee during the performance review discussions.

The developmental plan has two parts.

IDENTIFYING TRAINING NEEDS

This can include in- house training as well as external courses. The role of the appraiser is not to choose training course for the employee. Instead, the appraiser should encourage and support the employee to understand the new skills, competencies and experiences he/ she may need for superior performance.

PREPARING A PERSONAL ACTION PLAN (PAP)

In this section, the employee chalks out a list of actions he shall undertake for performance enhancement and self- improvement.

(2)   COACHING

Extensive training is given to appraisers to be a good coach and how to do it on an ongoing basis. Appraisers are trained to:

(i)   Analyse the reasons why unsatisfactory performance is occurring.

(ii)   Help the employee to identify opportunities and strengths.

(iii)   Prepare an action plan including activities, time allocation and support required to enhance performance and make an impact.

(iv)   Make appraisers demonstrate genuineness or sincere interest in helping the employee, while at the same time, empowering him/her to solve job related problems and challenges.

(3)   PERFORMANCE REVIEW

In AAI, a lot of importance is given to performance review discussion. One HR representative is being present at all appraisal meetings. In the review of KRAs and Critical Success Factor. The HR's role is to ensure consistency in the approach across the organizations and constantly remind the appraisers about the rating errors like (a) Hello effect, (b) Leniency or harshness errors, (c) Central tendency. and (d) personal biases.

Performance evaluation is the outcome of dialogue process where the appraisee presents his contributions as against the agreed targets. The appraiser and appraisee also reach detailed agreement on each of the critical success factors. Rating scale- A 5 –points rating scale is used and performance standard for each of the Critical Success Factors is defined. If an appraisee meets the standard, he /she is rated as 4 on the scale.

(4)   PERFORMANCE REWARD AND RECOGNITION

The outcome of performance appraisal is linked to.

(i)   Performance- linked pay.

(ii)   Development opportunities.

(iii)   Challenging assignments in various task forces in the company.

(I)   PERFORMANCE –LINKED PAY

One of the direct linkage of the appraisal process is the performance –linked pay. In AAI , to meet the new demands of the business and to motivate the employees for higher performance, the Authority has started linking a part of the salary increase to individual performance measures as variable pay. While deciding the quantum of payment for differential functions, several aspects are taken into account:

- Profitability performance of the company in the previous year.
- Compensation survey outcomes.
- Market value of the position.
- Individual performance as an outcome of PMS process.

The changes in the compensation policy which are directly linked to the appraisal outcome are communicated across the organization and HR department ensures acceptance across all levels for smooth implementation.

(ii)   360 DEGREE LEADERSHIP DEVELOPMENT

While the policy development route to develop KRAs are common across all levels, the AAI has introduced a 360 degree leadership feedback mechanism to develop leadership at the senior management level and have drawn 12 generic competencies as critical success factors for middle management.

The 360 degree feedback for the senior management members has been designed to meet:

(a)   The effectiveness with which each of them performs various leadership and management roles.

(b)   The styles with which he performs some of the significant tasks and the impact he has on his staff as a result of these styles.

(c)   The various competencies the person exhibits in the process of performing various roles and tasks in the organization.

A detailed action plan for improvement has been drawn up by each senior management member and this is closely monitored and supported by the HR team.

Thus, in AAI, performance management is both a process and a system. It is a process of creating a work environment in which people are able to perform to the best of their abilities. The performance management system is a whole work system that begins when a job is defined as needed. It ends when an employee leaves this organization. AAI uses performance management as a substitute for traditional appraisal systems. It is viewed as broader work system context. It is considered that the goal of performance is to achieve the AAI's vision and accomplish the needs of individuals by continuously adding values to his organization and himself/ herself.

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5.   STEPS TAKEN FOR EFFECTIVE PERFORMANCE MANAGEMENT SYSTEM

To procure the Corporate Mission, AAI has adopted good work culture and effective communication system effective performance management system. Some of the special features are as under:

- AAI believes that, as a general rule, legislation is the most effective safeguard of ethical conduct, and these should be additional guidelines to management and employees to ensure high standards.
- It is in consciousness, that success of a corporation is a reflection of the professionalism, conduct and ethical values of the management and employees which comes through with recruiting right people and providing continuous training.
- It also recognizes the legitimate rights of the customers to know how the organization operates.
- AAI requires, its management and employees to avoid such personal activities and financial interests as would conflict, or appear to conflict with their commitment to their jobs.

Besides the above said principles, AAI have identified and projected certain other principles for people processes in the organization.

(I)   GENERAL PRINCIPLES

- It is   more people and service oriented than system oriented.
- Committed to create values for their customers.
- Decentralized within the limits imposed by basic policy and strategy decisions as well as group wide needs for coordination and management development.
- Committed to the concept of continuous improvement.

(II)   ORGANIZATIONAL PRINCIPLES

- AAI is in favour of flat organization with few levels of management and broad span of control. Extending to project team and task force, networking and horizontal communication are encouraged without diluting the authority of managers in decision making process, to ensure flexible and efficient organizational structure and working methods.
- Differentiates levels of responsibility in the management structure while avoiding too many hierarchical levels and limiting staff work to those tasks necessary for support of line management.
- AAI gives line responsibility an edge over the functions in order to assure operational speed and responsibility.
- Having at every level of the organization a team with a leader and not a team as leader.
- The designation / job title is based on function of the position rather than hierarchy of the company.

(III)   VALUE ADDED LEADERSHIP

Members of the AAI management at all levels are more concerned with continuously adding value to the company than exercising formal authority.

(IV)   QUALITIES AND CHARACTERISTICS OF AAI MANAGERS

Selection of manager for higher positions and responsibility are made on the basis of the following criteria:

- Courage, solid nerves, and compare, capacity to handle stress.
- Ability to learn, open mindedness and perceptiveness.
- Ability to communicate, motivate and develop people.
- Ability to create a climate of innovation.
- Thinking in the proper context.
- Credibility in others, practice what you preach.
- Willingness to accept change and ability to manage change.
- International experience and understanding change.

In addition, manager should possess varied interest, good general education, responsible attitude and behaviour and sound health.

(V)   PEOPLE INVOLVEMENT

- Involvement of people at all levels start with appropriate information and communication about the overall activities of the company and the specific aspects of work.
- Any changes and possible improvements are discussed and explained.
- People invited to contribute their ideas to the process. This motivates the staff, create more job satisfaction, contribute to personal growth and at the same time improve the results of the company.
- AAI gives great importance to training and development of people but it is also conscious of the fact that the selection of the right people is crucial and will substantially improve the effect and the result of the training efforts.

(VI)   BASICS OF THE AAI CULTURE.

- High commitment to quality facilities and services.
- Respect to culture and tradition: AAI pays respect to culture and traditions of all their customers to whom they provide services. It also makes efforts to integrate itself as much as possible into the culture and traditions where it operates, therefore accepting cultural and social diversity. It does not discriminate on ethic, religious or any other basis.
- AAI believes in global thinking and strategies.
- It does not believe in downsizing. They believe and reward long term association and commitment towards the organization. This has been reflected in their retirement. Benefits / social security schemes.

MAIN ELEMENTS OF THE CULTURE

- A more pragmatic than dogmatic approach to action.
- Being realistic and basing decision on facts rather than dreams of illusion.
- Commitment to a strong work ethic, integrity, honesty and quality.
- Relations based on trust, expecting mutual integrity and rejecting intrigues.
- A personalized direct way of dealing with each other, thus trying to reduce bureaucratic procedures to a minimum.
- AAI people do not show off but are conscious of their work and pride in the positive image of the organization. Basically they are modest but not without style and sense of quality.
- People are open to dynamic and future oriented technology, changes in consumers habits, business ideas and opportunities, but they maintain respect for basic human values, attitudes and behaviour. AAI is skeptical of short –term facts and self- appointed gurus.

(VII)   MANAGEMENT COMMITMENT

Members of management at all levels are strongly committed to the company towards its development, its culture and the leadership concept.

Thus, the healthy organizational culture is a common perception in the organizations' members of AAI and JPNI Airports, Patna. There are various forms and style of participative management. Quality Circle concept is also applied to and techniques adopted to discuss various problems related to quality of services.

6.   PITFALLS OF PERFORMANCE APPRAISAL

Performance appraisal helps management to collect data on human resources and use it for enhancing responsiveness of the organization. Since performance appraisal is done by people who have emotions, there will always be some subjectivity. Though criterion could be stipulated, personal linkages and biases will influence the evaluation. Every assessor has a price- expectation of a particular type of behaviour. An appraisee who meets it, will get higher assessment. Being subjective in nature, there are certain pitfalls which need to be guarded against. It must be appreciated that issue of performance appraisal is very sensitive to the appraisee because it affects his present position (status, and self-esteem) and career growth. Performance appraisal system must not only be fair, equitable

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and transparent, but it must be perceived to be so. This can happen only if the system has in- built transparency. Some of the common pitfalls encountered in performance appraisal are the following:

- Shifting standards
- Different rater's pattern
- Central tendency
- First impression
- Latest Behaviour
- Hello effect
- Horn effect-
- Stereotyping (Rater's Bias)
- Spill-over effect

Performance appraisals of international employees are also very critical and challenging due to variation in culture and environment of the country. The significant lacuna in this mechanism is that of superiors in the parent company, in most cases; do not have the experience of working in a foreign country or in a subsidiary environment. They lack the knowledge of organizational culture of the subsidiary. In addition, they are blind of economic system and political factors that influence the job performance of a foreign employee to the great extent. Thus, the rater of the parent company would not be effective in most cases in appraising an employee in an environment which is mostly strange for him/ her.

AAI is not free from the pitfalls in the process of performance appraisal systems. Some of the common pitfalls as discussed above encountered in performance appraisal. Generally in governmental organizations stereotyping (Rater's Bias) is prevailing also in the AAI. There are other pitfalls such as taking too short appraisal interviews and failing to support opinion with evidence, inadequate briefing of the appraisee and pre-judging performance. In this organization, there is system called CCR (Character Confidential Roll) –a system stated by East India Company is prevailing till now. Since it is confidential, it can be manipulated. The corporate world realized its disadvantages and introduced self- appraisal system.

CONCLUSION AND SUGGESTIONS

Performance management aims at creating alignment of individual goals with those of the company and enables an individual to effectively manage performance for himself and his team. Performance management embraces both planning and executing. Its major focus is on development of the employee and his competencies for improving his performance and relationships. Performance management is **"translating plans into result-execution."**

To make Performance Management System more effective, few things may suggest to be noted below.

- Performance Appraisal system should provide reliable and valid data and information. The techniques/ methods of appraisal should satisfy the conditions of inter –reliability. Appraisal must also satisfy the conditions of validity of measuring what they are supposed to measure.
- The appraisal system should be relevant. It should measure the performance and provide information for which it is designed or planned. The techniques should be designed covering the areas and content of the job based on the purpose of the appraisal. The purpose of appraisal may be for contract renewal, promotion, training and development, deputation or new assignment and career planning and development.
- AAI should use customize appraisal forms. Customized forms incorporating the language and other unique requirements should be designed rather adapting a standard form.
- The appraiser and appraisee must be conscious and consensus. The appraiser secures the acceptance of the appraisee regarding the ground realities of assignment.
- There must be open and continuous communications. Most employees want to know continuously how well they are performing on the job. An effective appraisal system should provide needed feedback on a continuous basis. Appraisal interviews should permit both the appraiser and appraisee to learn about the gap s and adjust the performance ratings and formulate the performance management policies for the future. To this end the raters should clearly explain their performance expectations to the appraiseses quite in advance of the appraisal period. Once, it is known, employees would work to that end.
- The performance appraisal system should sensitive to the ground realties. Performance appraisal form, appraisal procedure and evaluators should be sensitive to the changing and varying ground realities related to cultural factors, language, semantics, foreign political factors, trade unions , government policies and functioning.
- Appraisee should know the rules of the game. They should receive information and adequate feedback about the performance result on continuous basis in order to correct the performance. Employee could not perform better without having access to the performance rating information.
- Performance appraisal forms as well as procedure should be easy to operate the appraiser as well as the appraisee. It should not be complex.
- The rater should have the knowledge of the appraise, appraisee's work, behaviour, culture, organizational culture, environmental factors affecting the appraisee's work and on so forth. In other words, the appraiser should be in direct and close observation of the appraisee and his/ her work.

Thus, AAI should must follow the suggestions to make appraisal system more effective so that it could become close to the ground realities of the organizations where the employees concerned are working. Therefore, it should be customized for the country, company and employees. Performance management should aim at improving skill rather making the employees redundant.

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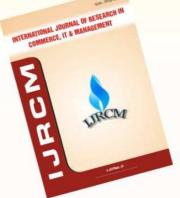www.ijrcm.org.in

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