

# Performance Management System of Airports Authority of India : *Process Improvement through use of Technology*

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## ABSTRACT

Managing human resource in today's environment is a complex and challenging task for managements. Recognising people as a valuable resource has led in increment in the trend of employee maintenance, job security, regular hike in payment and employee retention. Performance Management System (PMS) plays a vital role in an organisation. This paper discusses the PMS of Airports Authority of India (AAI), satisfaction level of employees of AAI towards the new online PMS and the ways by which AAI can further improve their PMS using Artificial Intelligence (AI).

## 1. Introduction

Performance management is one of the vital functioning Human Resource (HR) personnel should know about and practice seriously. In performance management, not only the evaluation of the performance of an employee is done, it also determines where the roadblocks are due to which an employee is unable to provide his full potential and what are the steps to be taken to improve the performance of the employee(s).

Performance management is the process through which management ensures that the employees' performing and outcomes of those performing are directed to the goal of the organisation. The process of performance management is to identify what are the activities that an employee is supposed to perform, observing whether the activities are properly performed by the employee and providing the employee time-to-time feedback about his performance, so that the expectations of both management and the employee's meet. In the course of providing feedback, the management and the employee sit together to identify what are the roadblocks which are hindering the performance of the employee and what actions are required to overcome these roadblocks.

Performance appraisal is one of an important part of performance management and can be used as a tool for proper performance management. Performance appraisal is the process of identifying, analysing and recording the information regarding the net worth of an employee. The focus of performance appraisal is measurement and improvement of actual performance of an employee and the future potential of the employee. Its main objective is to measure what activities an employee is performing and whether it is properly aligned with the goal of the organisation or not. The process of performance appraisal remains incomplete unless the feedback about the performance is provided to the employee periodically. Performance appraisal is supposed to provide an employee the answer of the following questions:-

- How well I am performing?
- How can I improve my performance?

Human resource is one of the important assets of any organisation. So employees of any organisation should be satisfied by continuously evaluating their performance with an effective PMS. If the employees are dissatisfied with the PMS of the organisation, their performance will gradually retard and will result in high employee turnover ratio.

This paper focuses on:

- Satisfaction level of AAI employees towards the new online PMS.
- Comparison of the PMS of two Government organisations (Steel Authority of India Limited (SAIL) and AAI), we have chosen SAIL as both AAI and SAIL shares a common method of PMS and both are well recognised Government organisations.
- How AAI can further improve its PMS using Artificial Intelligence (AI)?

## 2. Need of Online PMS for AAI

The PMS of AAI is in a phase of transformation as the previous PMS was an offline one where the employees were provided a blank performance appraisal form where they were supposed to fill-up their Key Performance Areas (KPA) which were set by their immediate supervisor, then they were supposed to do their self-evaluation for mid-term assessment and finally, they were supposed to fill up their final appraisal for the annual assessment where they fill-up their special achievements. The PMS form is then forwarded to appraiser/reporting officer. From there, it gets forwarded to the reviewing and counter-signing officer.

The main problem with the pen-&-paper method of PMS is the traceability of PMS forms i.e. it is difficult to track in which stage is the offline PMS form is lying. Moreover, if the appraiser is of top management, due to his busy schedule, he is unable to assess the appraisee and the deadline of

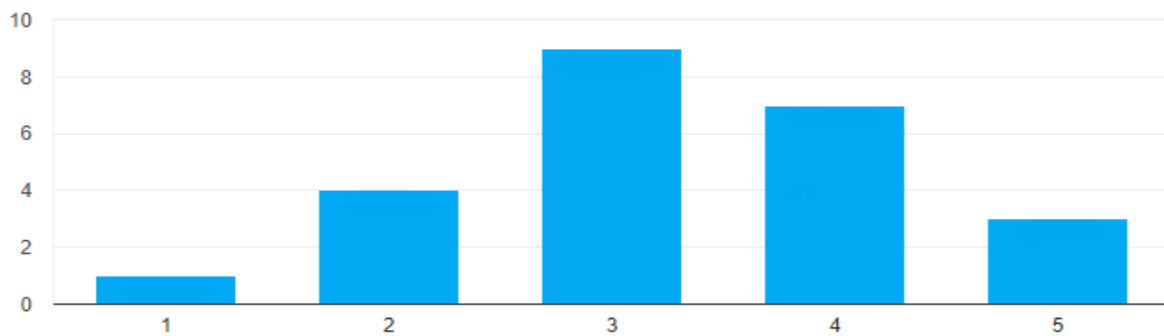
appraisal expires. So, there was a dire need of change in the PMS of AAI which resulted in introduction of online PMS. Now, the appraiser can easily assess the appraisee even outside his office and both the appraisee, appraiser and the HR admin can also track the status of the PMS form and if any anomalies are observed, he can send alert or reminder to the person who is holding the PMS form.

The new online PMS system developed by SAP was introduced in the year 2017-18. Now, with the installation of this online PMS process, normalisation of the grades provided can be done automatically.

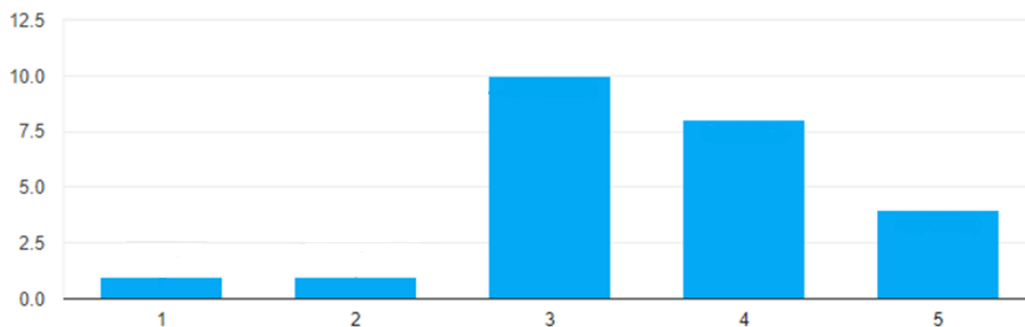
While doing the study about the satisfaction level of employees towards the online PMS, an empirical survey was done within the organisation. For doing that survey, a well-defined questionnaire was prepared which was circulated among the employees of the organisation. In that survey, the total number of respondents participated were 24. Survey is on 5 point scale, where 1 is strongly disagree, 2 is disagree, 3 is neutral opinion, 4 is agree with the statement and 5 is strongly agree with the statement. Total 10 questions were asked to the employees and the responses of each question are shown in the following charts:

**3. Employee Satisfaction Level towards Online PMS**

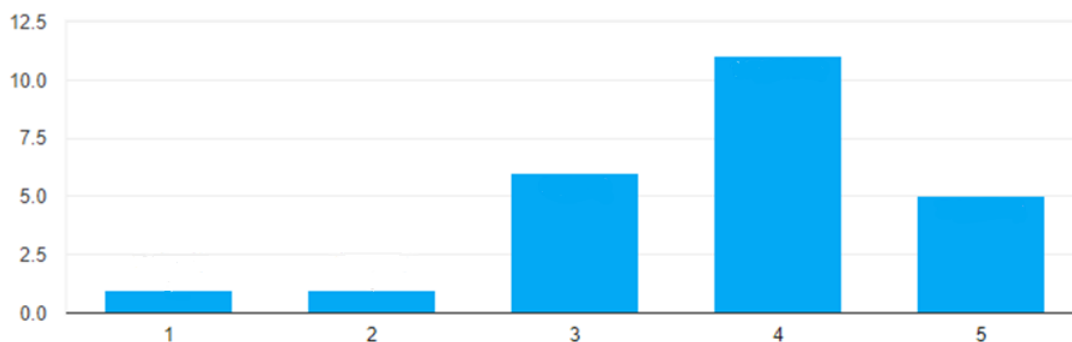
1) The ongoing Performance Management System is very user-friendly



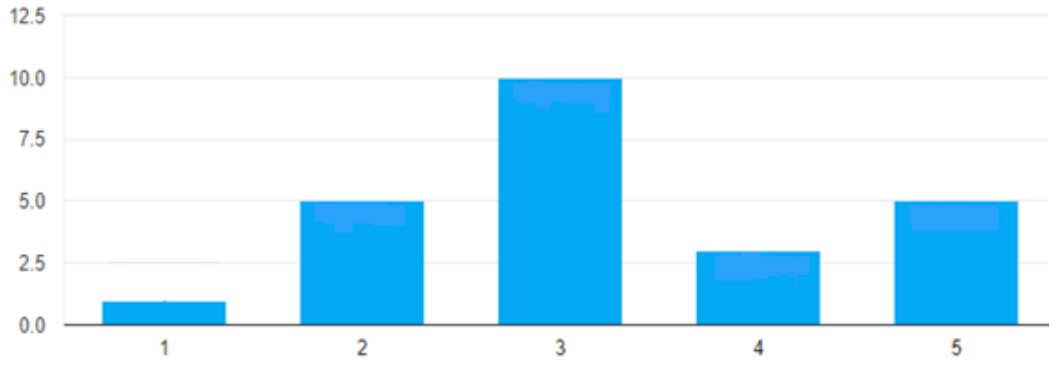
2) The reporting channel is not so complicated



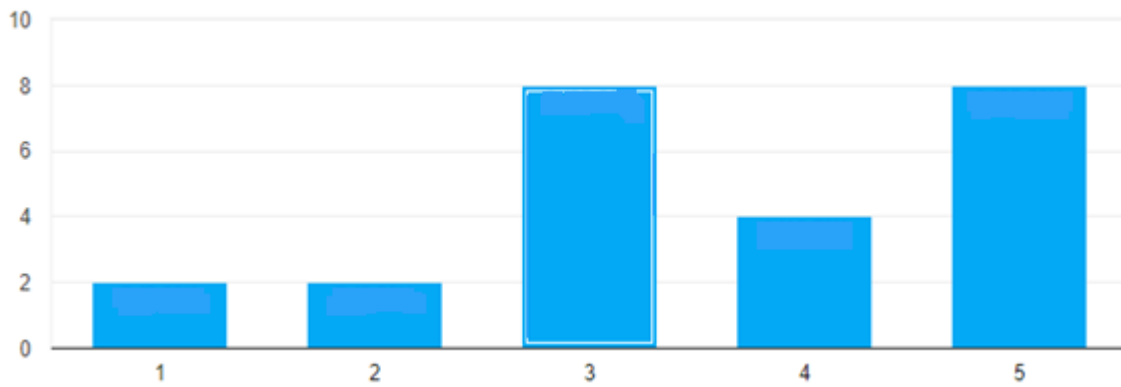
3) My performance gets properly assessed by all of my appraisers (reporting, reviewing and counter-signing officers)



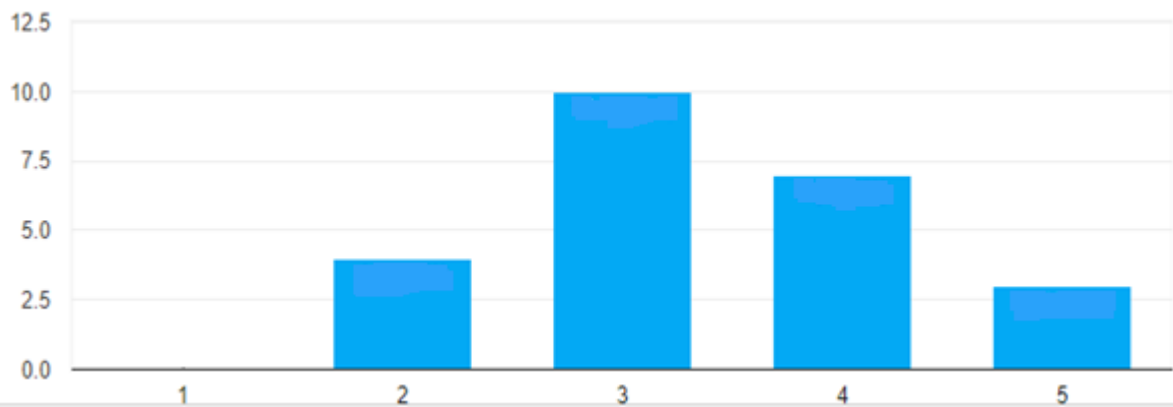
4) Performance Average Rating (PAR) given is without any personal biases/grudges



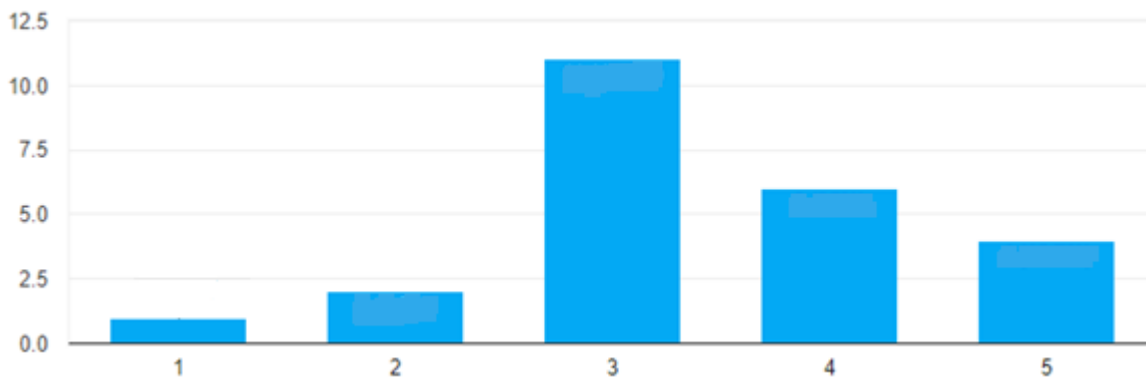
5) The KPAs are planned in a one-to-one discussion with my reporting officer



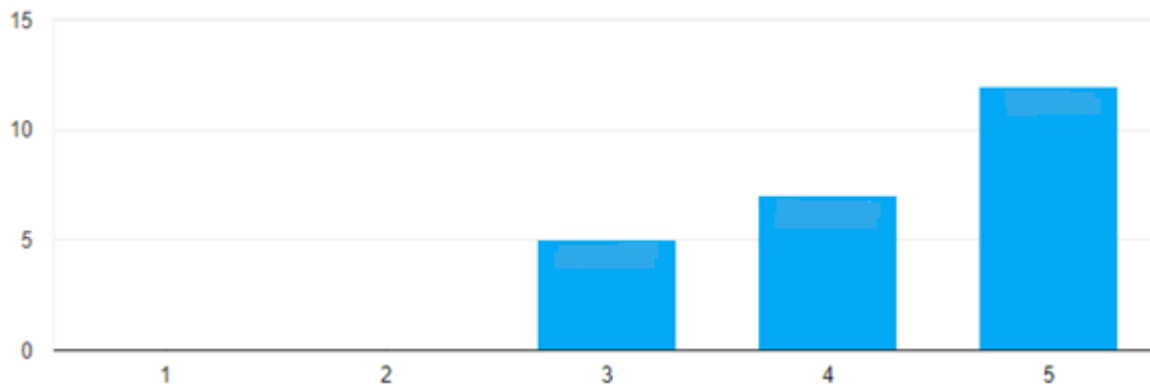
6) Timely release of Performance & Career Assessment(P&CA) report is done for acceptance



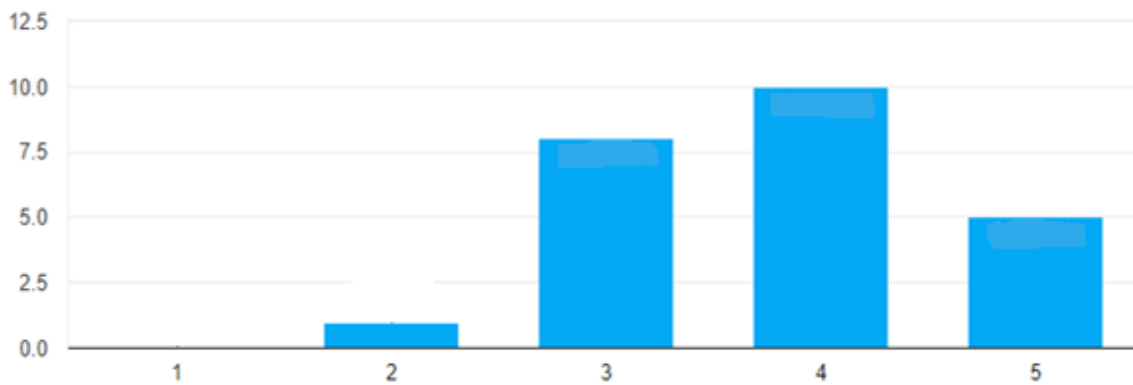
7) When not satisfied with the final grading, my representation is properly disposed off



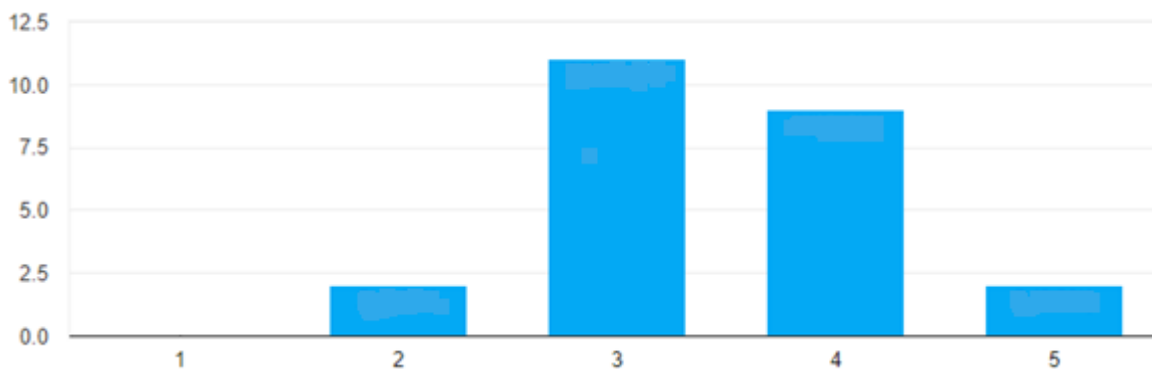
8) Online PMS is more transparent than the offline one



9) The P&CA report is shared with me to increase my productivity



10) I am satisfied with the new online PMS.



#### 4. Comparison of PMS of AAI and SAIL

The process of PMS followed by both the organizations is based on Management by Objective. It is a method where both the appraiser and the appraisee jointly sets up their common goals, define individual's responsibilities of that particular employee and uses the outcomes of these responsibilities to measure the employee's performance. The basic difference between the PMS of SAIL and AAI are:

PARTICULARS	SAIL	AAI	REMARKS
Reporting Channel	Two stages of reporting, reporting officer and reviewing officer	Three stages of reporting, reporting officer, reviewing officer and counter-signing officer	The channel is much simpler in SAIL than in AAI
Setting of KPAs	Done by Head of the Department (HoD) (He may not be the immediate appraiser of the employee)	Done with a one-to-one discussion between the immediate appraiser and appraisee	HoDs have the record of each and every employee's KPA in SAIL than in AAI
Involvement of HR Admin in the PMS cycle	Twice: First during the release of PMS form for starting the PMS cycle, second during normalisation of the grading received by the appraisee	Four times: First during the release of the PMS form for starting the PMS cycle, second during the mid-year review, third during the annual appraisal, fourth during the acceptance by appraisee	Too much involvement of HR in the system which can cause misplacement of the appraisal form which can be easily avoided as in SAIL

Grading and its meaning	84 and above	:-O	Outstanding	:-1.00 - 1.50	Grading system of SAIL is a bit confusing while the grading system of AAI is a bit easy to understand
	68 – 83	:-A	Very Good	:-1.51 - 2.50	
	52 – 67	:-B	Good	:-2.51 - 3.50	
	20 – 51	:-C	Fair	:-3.51- 4.50	
			Poor	:-4.51 - 5.00	

**5. Recommendations based on Survey, Interview and Comparison with the PMS of SAIL**

On the basis of the survey conducted and interviews of the employees taken regarding their satisfaction level towards new online PMS and also after understanding and comparing the PMS of AAI and SAIL, we recommend the following actions to AAI:

- Reporting channel is too long, it takes too much of time to complete the entire process. To reduce the completion time, the reporting channel needs to be shortened.
- In the ongoing (online) PMS, HR admin is involved in the system several times, firstly while releasing the PMS form in the ESS (Employee Self Service) portal of the employee, secondly while releasing the form for mid-year review by the assessee, thirdly while releasing the form for annual appraisal by the assessee, fourthly while normalisation of the grading and releasing the form for acceptance by the assessee. To release the pressure from the HR admin, their role is to be restricted only in two cases, firstly while during the release of the blank online PMS form on the ESS portal of the employee and secondly while normalising the grading and releasing them for acceptance by the assessee.
- The form of the online PMS is too long. It is 10 pages form for E-1 to E-7 level employees and 16 pages form for E-8 and above level employees. If the number of pages of the form gets reduced, it will be very easy for all the employees to fill it up.
- It has been observed that the PMS form of an employee stays with his appraiser for a longer period of time due to which the main agenda of the PMS gets affected i.e. without timely evaluation of the PMS form of the employee, his productivity cannot be increased. So, for timely completion of the appraisal of an employee, an automatic reminder from the software is to be sent to all the appraisers.
- It has been also observed that the PMS form of an employee remains unattended for a longer period of time in his ESS portal i.e. the KPAs remains unfilled by the employee for a longer period of time due to which, the performance management cycle of that employee cannot start on time. So, to start the performance management cycle timely, a system

generated reminder mail should be sent to the employee.

- It has also been observed that the forms are not forwarded to the next level of the cycle on time which puts the completion of the performance management cycle of halt. So to bring the system on a smoother and timely managed track, auto-forwarding of the online PMS form is to be inserted in the software, so that the form gets forwarded automatically to the next level of the cycle for further necessary action
- Some employees are having problem in filling up the online PMS form, so AAI should add a tab FAQs in the system where the solutions of all the queries which can arise while filling the online form are to be inserted.

**6. Future Aspects: Artificial Intelligence to Further Improve the PMS of AAI**

One of the most alarming drawback in assessing employee performance based on human intelligence and human conscience is workplace biases, discrimination based on gender, and much more. Most of the times, appraiser compares the performance of the appraisee with his peers rather than evaluating him as per the defined standards of achievements. Another common problem is recency bias that the actions of the near past are given more weight than the actions which happened earlier in the period for which the performance is being assessed. Hence it is often observed that employees are hardly satisfied with the feedback that they receive from their appraiser.

One solution of all the above-mentioned problems is Artificial Intelligence (AI) based PMS. One of the most effective way of motivating employees is a clear connection between performance and rewards. But that clarity dissolves when performance is evaluated once a year. With AI, performance can be assessed in real time rather than annual performance review. So that the good performance can be appraised immediately and if the performance is not as per the standards then the supervisor can intervene to guide the appraisee to raise the standards.

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