

**EMPLOYEE PERFORMANCE APPRAISAL AT AVIATION INDUSTRY
(Air India Limited)**

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ABSTRACT:

Air India (AI), India's national flagship carrier, has been marred by huge financial losses over the past decade. The market share of AI has been on the decline as well. Industry experts and analysts have been blaming the productivity linked incentive (PLI) scheme for AI's rising financial worries for quite some time now. The PLI enabled the AI employees to avail performance linked incentives but the productivity level was set way below the industry standards. Through a careful analysis of the organizational culture of AI, the history behind the implementation of the PLI and the real purpose behind the implementation of such an incentive scheme, this case debates whether the PLI scheme was really the main reason which augmented AI's problems.

Keywords: Compensation & Benefits, Incentives, Equity Theory, Productivity, Motivation

INTRODUCTION AND COMPANY PROFILE

Analysing Air India Limited's Contribution to the Air Transport Sector

As a consequence of the greater commitment and effort they are required to put in at work today, employees have higher expectations for themselves and their employers. A performance review's goal is to increase productivity by encouraging open dialogue about each worker's contributions, development areas, aspirations, and concerns. Workers will have a far greater opportunity to influence their working conditions. In today's "quality"-focused economy, it makes logical that employees who get better "goods and services" from their employers would produce better products and provide better services. Assessing, analysing, and enhancing an employee's performance on the job is what a performance evaluation is all about. Management's ability to obtain as much objective information as possible about an employee's performance is crucial for conducting effective and useful performance evaluations. In today's competitive corporate world, slow performance might be fatal. The focus of this study is on the methods used by Air India Limited in the aviation industry to assess the effectiveness of individual workers.

The purpose of a performance evaluation is to collect, analyse, and record information regarding an employee's contribution to the company. A evaluation of an employee's performance is intended to assist that person improve their skills and abilities. The report's goal is to assess the employee's contribution to the company.

Staff productivity is regularly evaluated via performance reviews. The goals of a performance evaluation are often as follows:

Staff members would appreciate feedback on their work.

Find out who on your crew has knowledge gaps.

Keep track of the criteria used to assign rewards inside the company.

- Explain your decisions on pay, advancement, and disciplinary action.

Permit some time for internal evaluation and development. Fix the communication. between workers and supervisors

It's an excellent tool for assessing progress, pinpointing problem areas, and rewarding effort. It's helpful for evaluating his performance and seeing how he has impacted the company as a whole. The performance review procedure is at the heart of human resource management and demonstrates management's commitment to employee growth. People might differ widely in their abilities and aptitudes. The divide between output and input quality will persist forever.

of two people doing the same thing simultaneously. Therefore, performance management and performance evaluation are essential for understanding each employee's contributions.

The effectiveness of each worker is evaluated and reflected in their overall evaluation. Reviewing past efforts and highlighting development opportunities helps managers better prepare their teams for the future.

The performance evaluations of the staff of "Air India Limited" were the focus of a study. The study's major purpose was to evaluate the method used and the performance of the staff.

The study's primary data came from a survey, in-depth interviews, and informal discussions. The second set of details came from the business's own writings and website. The suggestions are based on findings drawn from the data analysis.

DESCRIPTION OF COMPANY:-

New Delhi is home to the headquarters of Air India, the national airline of India. Using a fleet of Airbus and Boeing jets, Air India Limited (an Indian state-owned airline) operates to 94 destinations inside India and throughout the globe. The Indira Gandhi International Airport in New Delhi is the airline's main hub, although it flies to many other significant cities in India. Air India is the largest international airline headquartered in India, with an 18.6% market share.[10] More than 60 countries across four continents are served by Air India. The airline

officially became a member of Star Alliance on July 11, 2014, making it the 27th member of the alliance.

In 1932, while the firm was still called Tata Airlines, Tata himself flew the airline's first single-engine de Havilland Puss Moth, flying air mail from Karachi to Bombay's Juhu airport and on to Madras (now Chennai). After the war, it went public under the name Air India and changed its name to reflect its new status. On February 21, 1960, it became the first Asian airline to introduce a jet to its fleet with the arrival of a Boeing 707, which it named Gauri Shankar.[11] Since its 2006 merger with Indian Airlines, Air India has been operating at a loss, despite an earlier effort at privatisation in 2000–01.

Alliance Air and Air India Express are subsidiaries of Air India and also service local and Asian destinations. Air India's logo features a swan in flight around the wheel of Konark, which represents the Maharajah (Emperor).



LITERATURE REVIEW:-

Performance is the result of allocating material, financial, and human resources. Productivity occurs when two inanimate elements—one human—are combined. However, the human element presents an unpredictable variable that can only be partially addressed by management. Management can accurately predict the input-output relationship and fine-tune the chosen component to achieve the desired outcome while working with inanimate production factors. When working with humans, however, the intangible element of will, volition, or freedom of choice is included, and workers may choose to be more or less productive. Because of this trait, motivating incentives are necessary.

Peter Drucker (1990) contends that the new opportunities for progress should be given the same weight as the traditional pathways to management since professionals are the fastest-growing part of the workforce.

Written by Richard I. Levin and David S. Rubin (1990–1998). If statisticians have a strong knowledge of sampling distribution, they can acquire representative samples at manageable costs. It is advisable for decision makers to go for the smallest possible sample size that yet provides a reliable result, given the high expense of collecting large samples.

Fred Luthans is the author. Year: 1995 Research in the subject of organisational behaviour has focused on more well-known elements, such as attitudes and motivation, than on learning, despite the latter's significance. Organisational Behaviour Model is one behavioural management strategy that may help modern firms face the challenges posed by the increasingly competitive global economy.

Like Aswathappa K (1997-2005). The organization's goals can only be achieved with the help of everyone involved. A performance evaluation is the most reliable way to find out whether an employee has provided 110%.

In a performance assessment, an individual's efforts are measured objectively against benchmarks.

Anne Bruce and James S. Pepitone (1999). In today's complex world, it's not enough to simply reward good conduct. Today's employees have more tools at their disposal than ever before. You can't expect them to fall for the Quasi-manipulative tactics that have been successful for so many managers in the

past, can you? Beverly Kaye and Sharon Jordan, authors. Gaining appreciation for your work. Rewards, either in the form of praise or cash, may be given.

David R. Hampton. The results of a performance review may be utilised for either evaluation or development. Bonuses and promotions given to subordinates are examples of using one's discretion. Leaders use the word "development" to describe how they help their subordinates improve their abilities and output.

Ms. Sue Schellenberger (1998 era) As we go into the next century, companies are doing more to include their employees at all levels. They're trying to find common ground by using mushy words like "commitment" and "loyalty." Psychologist analysis of the workforce is a growing trend, and some businesses are even conducting regular, in-depth surveys of workers' mental health.

Please cite as follows: Mamoria, C.B., A. Kumar, and R. Sharma. Profit sharing and employee ownership - Employees are consulted beforehand on management decisions, which is what the phrase "worker participation in management" has come to signify. Management in India cannot pass the buck for a project's success or failure under the Third Five-Year Plan. For a stable economy or a democratic foundation to flourish, worker participation in management must be seen as both a fundamental concept and an urgent requirement.

There are too many variables to fully comprehend people, money, and motive in Mary Jenkins and Tom Coens's (2000) work. Management might do better in terms of compensation and morale if only it would take the effort to clearly articulate its objectives and operate from reasonable premises.

Heinz Weihrich and Harold Koontz (2001). The ability to accurately evaluate managers has been criticised as a "weak link" in the managerial chain, despite its potential importance. It's how we decide who should get a rise and who shouldn't. One method for balancing individual ambitions with organisational needs is career management.

Porter and Lawler (2000–2006) presented a comprehensive theory of motivation. It is widely agreed that monetary benefits (incentive pay) are effective motivators, however it is argued that motivation, performance, and satisfaction are three separate factors with no consistent link to one another. How effectively they function depends on factors such as motivations, preferences, and the worth of the positive benefits provided by the target objects.

Researchers A. V. Nordenflycht and J. H. Gittell (2004) The qualitative and quantitative results suggest that relational variables, such as conflict and workplace culture, are more important drivers of performance than structural aspects like unionisation, shared governance, and remuneration.

Peter Ducker (2004–2007), widely regarded as the world's preeminent authority on management, identifies improved productivity as the gateway to competent leadership. Deming also states that worker effort is just 15% of the cause of productivity problems. Every effective manager has to be very productive. We are all aware that productivity is not a simple output measurement. It's a metric that compares the amount of input to the final product. Therefore, productivity may be defined as the efficiency with which resources are transformed into products.

(2005), J.S.Chandan It's generally accepted at this time that a company's success is directly tied to the efforts of its employees. This has led to a shift away from micromanagement on the part of managers. Understanding human nature is thus more important than ever. Organisational behaviour studies how workers interact with one another and with the firm as a whole.

Preparing a Paper for a Meeting in 2006 Capacity refers to a person's, a group's, or a society's ability to function, solve problems, and set and achieve objectives. There is a distinct distinction between formal incentives and informal ones. It was formerly thought that a combination of inner and external drive would provide the best results.

Based on research conducted in 2007 by Drs. Vineetha Ravipati and Sujatha Subramaniane, One effective strategy for cutting costs is raising staff productivity as measured by available seat miles per employee.

Strategies for Training and Keeping Employees at Southwest Airlines (2008) As an industry leader, Southwest Airlines has shown the value of employee assessment and coaching. Better training and development may be provided for employees who are a good fit for the firm and the role via the use of an online skills assessment and skills management system.

RESEARCH METHODOLOGY

The research is meant to help management make better decisions by providing them with data that has been systematically gathered, analysed, and evaluated from an objective standpoint. After discovering and defining a component, more investigation into it is required.

Both primary and secondary sources were used for information in this investigation. Simply said, research is a systematic investigation of a topic. Research may also be defined as the systematic and scientific investigation of the existing literature on a certain subject.

RESEARCH DESIGN

Researchers need a design, or framework, to guide their data collection and analysis. Though the goal of any study is to learn something new, the research strategy used in this report on Air India Ltd.

PRIMARY DATA

The study's primary data came from the contributions of the 25 employees. In-person interviews with a representative sample of the population are used to collect data.

We used a questionnaire with a more structured question style in this survey. It's a cross between an open-ended questionnaire and a more conventional one. Primary data are facts and figures gleaned from the original resources themselves. Human resources manager interviews also contributed to the research.

SECONDARY DATA

Information was gathered from secondary sources including the institution's archives, websites, and academic publications. When information is obtained not via primary research but rather from a previously published or unpublished source, it is called secondary data

DATA ANALYSIS :-

An expert may get insight into the organisation and find ways to boost its performance by analysing and interpreting a number of financial statistics. "analysis" refers to the process of systematically classifying data, which includes several interrelated activities like as assigning codes to raw data, tabulating it, and drawing statistical inferences from it. when "interpretation" is giving anything more nuance and background than just its surface meaning.

The majority of respondents (80%) are pleased with the new working conditions. There is room for improvement in the areas of quality and cleaning, according to 34% of respondents. Twenty-four percent of people felt it was OK, nine percent said it required more improvement, and five percent were not happy. Therefore, the great majority of employees are engaged in suggesting an

implementing workplace improvements.

Table 1

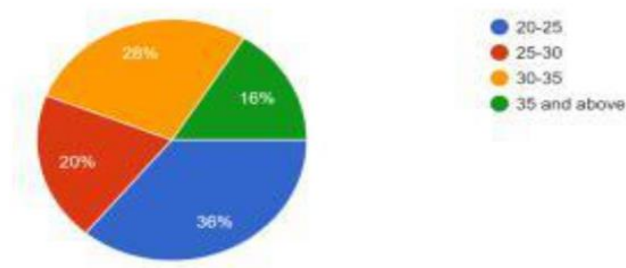
Interpretation

From the above table it can be inferred that 52% of the respondents are male and 48% of them are female

Age	20-25	25-30	30-35	35 & above
Responses	9	7	5	4
Percentage	36%	28%	20%	16%

Age

25 responses



Interpretation

From the above table it can be inferred 36% of the respondents are in 20-25 age , 28% was in 25-30 years age, 20% was in 30-35 years age,16% of them were of 35 and above age

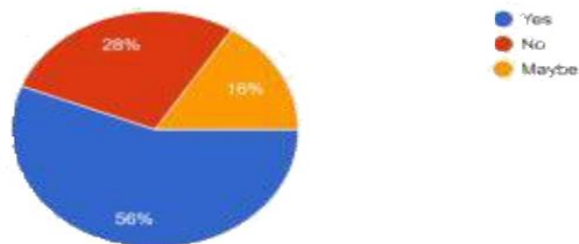
Table 2

Interpretation

From the above table it can be inferred that 40% of the respondents consider merit as method of **performance appraisal** ,52% opted for grading, 8% of them for other factor.

Do you receive any increment in your salary after Performance Appraisal

25 responses



Options	Yes	No	May Be
Responses	14	7	4
Percentages	56%	28%	16%

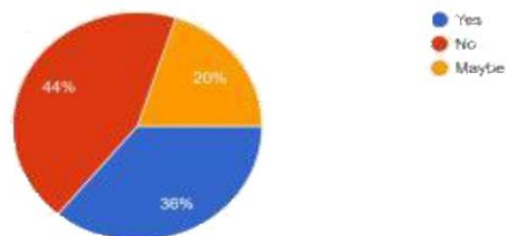
Table 3

Interpretation

From the above table it can be inferred that 56% of the respondents receive increment in salary after PA, 28% of the respondents say "NO" and 16% of them are in "confused state"

Do you think Performance Appraisal help to provide an atmosphere where all are encouraged to share one another burden

25 responses



Options	Yes	No	May Be
Responses	9	11	5
Percentages	36%	44%	20%

Table 4

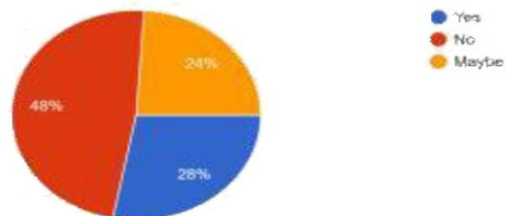
Interpretation

From the above table it can be inferred that 36% of the respondents say "YES" that performance appraisal help to provide an atmosphere to encourage to share one another burden ,44% of them say "NO" and

20% of them are in " confused state"

Do you think Performance Appraisal helps people set and achieve meaningful goals

25 responses



Options	Yes	No	May Be
Responses	7	12	6
Percentages	28%	48%	24%

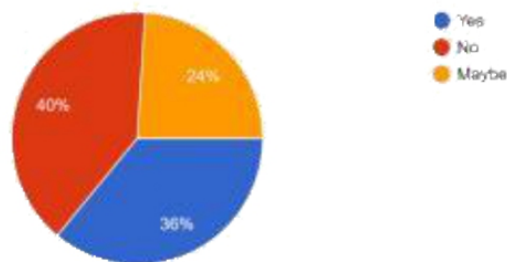
Table 5

Interpretation

From the above table it can be inferred that 28% of the respondents say "YES" for performance appraisal helps in people set and achieve meaningful goals, 48% of them say "NO" and 24% of them are in "confused state"

Do you think Performance Appraisal give constructive criticism in a friendly and positive manner

25 responses



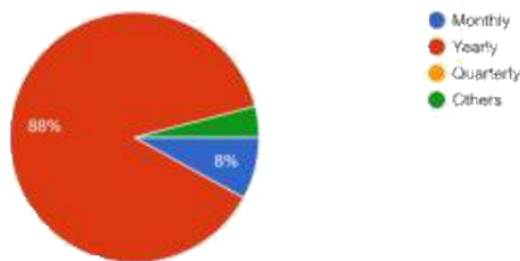
Options	Yes	No	May Be
Responses	9	10	6
Percentages	36%	40%	24%

Table 6
Interpretation

From the above table it can be inferred that 36% of the respondents say “Yes” think performance appraisal give constructive criticism in a friendly and positive manner,40% of the respondents say “NO” and 24% of them are in “ confused state”

When Performance Appraisal made in the Organization

25 responses



Options	Monthly	Yearly	Quarterly
Responses	2	22	0
Percentages	8%	88%	0%

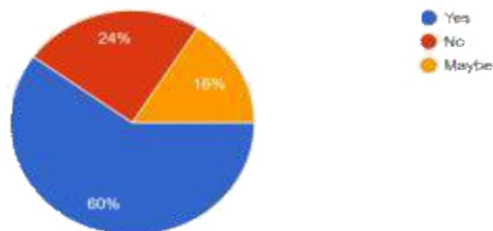
Table7

Interpretation

From the above table it can be inferred that 8% of the respondents say performance appraisal is made on “monthly basis”,88% of them for “Yearly”,4% of them for others

Is there any conflict arise between employees after Performance Appraisal is made

25 responses

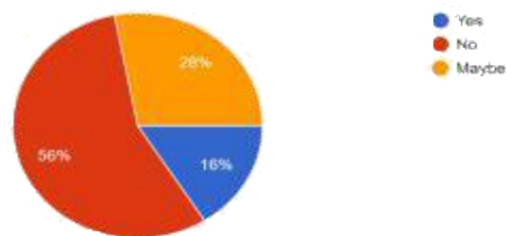


Options	Yes	No	May Be
Responses	15	6	4
Percentages	60%	24%	16%

Table 8
Interpretation

From the above table it can be inferred that 60% of the respondent say "Yes " that there can be conflict raised between employees after Performance Appraisal , 24% of them say "No" and 16% of them are in " confused state"

Are there any job expectation established before Performance Appraisal
25 responses



Options	Yes	No	May Be
Responses	7	14	4
Percentages	28%	56%	16%

Table 9

Interpretation

From the above table it can be inferred that 28% of the respondents say “Yes” that there should be job expectation established before Performance Appraisal, 56% of the respondents say “No” and 16% of them are in “confused state”

Figure no 5.12

Options	Superiors	Subordinates	Clients	all
Response	6	7	3	9
Percentages	24%	28%	12%	36%

Who rates the Performance

25 responses

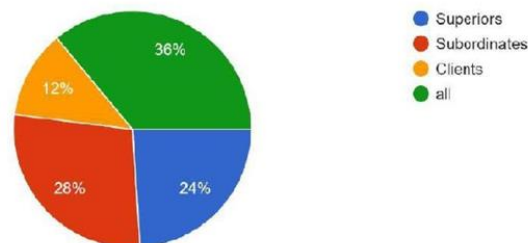


Table 10
Interpretation

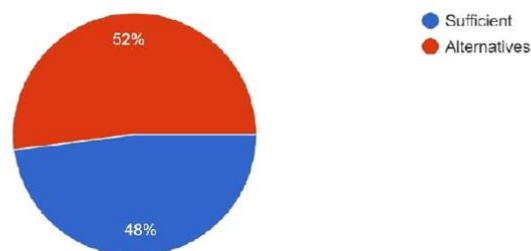
From the above table it can be inferred that 24% of the respondents say that superiors rate the performance, 28% of them say “subordinates”, 12% of the respondent say “Clients” and 9 %of them say “All”

Figure no 5.13

Options	Sufficient	Alternatives
Responses	12	13
Percentages	48%	52%

Do you feel Performance Appraisal process is sufficient Appraising the performance of employees or you need some alternatives

25 responses



LIMITATIONS OF THE STUDY

For what should be obvious reasons, the Company has decided to withhold certain information and data.

have been helpful in rounding out the paper. Few employees appreciated interruptions while they were on the clock.

The sample size was limited to 50 employees because of the difficulty of compiling a complete report in a short period of time from the available data.

Due of their sensitivity to the respondents' emotional states, the replies might sometimes be off.

FINDINGS

The majority of staff members are unhappy with the performance review process and the performance criteria (opinion, satisfaction, benefit, outcome, etc.) that are used to rank employees. Two of the most frequent practises are 360-degree assessments and management based on metrics.

The employees at Air India are wonderful.

Air India is known for its emphasis on employee growth and development.

Performance Appraisal has been used to compile the potential of various employees in order to reveal latent skillsets within the workforce.

Suggestions and ideas may help workers

RECOMMENDATIONS

- Introduce new methods of gauging employees' performance, and make sure everyone knows about them.

Future performance reviews will need to be more transparent and fair.

They need more opportunities to voice their opinions and develop plans to improve.

In order to assist employees who are psychologically exhausted attain their potential, it is important to provide them with extra training.

Employees will be more invested in their additional shifts if overtime is taken care of at the time of performance assessment.

It's possible that workers will be consulted on the ideal framework for assessing their performance. Programmes that evaluate performance considerably benefit from feedback on previous evaluations. should be expressed by having high-achievers set even loftier objectives while low-achievers come up with brand-new ones.

CONCLUSION

The word "performance appraisal" is used to describe a formal analysis of an employee's performance. Knowledge of the job, quality and amount of production, leadership ability, capacity to supervise others, dependability, teamwork, judgement, flexibility, adaptability, health, and similar factors are all part of the assessment. Employees have the opportunity to perfect their talents and improve their inadequacies.

Air India has a long history of conducting periodic performance reviews dating back to the company's beginnings. The institution's performance assessment was well-received by staff and had a noticeable effect on productivity.

Air India has been successful for a while now, and its name has grown in prestige among travellers and the general public alike. Training and job openings are provided for those from underprivileged backgrounds. By regularly assessing and updating the performance evaluation programme and making use of the appropriate tools, performance appraisals may be done more successfully. Suggestions from employees and seasoned experts may assist refine the performance assessment and make it a flawless evaluation method.

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