



Performance Development and Review (PDR)

Learning objectives

- Understand the rationale behind the Performance Management System (PMS)
- Know the reason behind the shift to PMS
- Appreciate the Key and Winning Features of PMS
- Be familiar and acquainted with the PMS Cycle

Reasons behind the shift to PMS

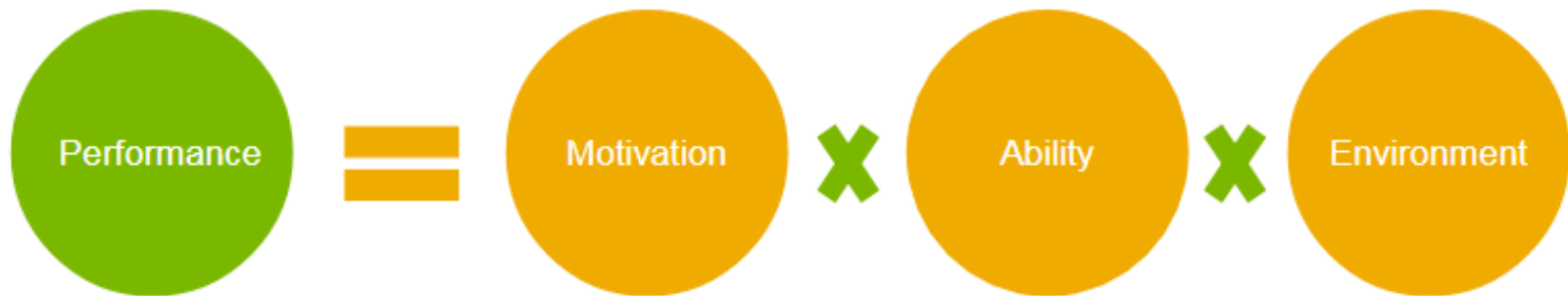
- Delivering effective and efficient services to the public
- Assessing the performance of these services on an ongoing basis
- Increasing transparency in communicating organizational performance

Contents

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What is Performance?

Job performance is a function of three factors and is expressed with the equation below



Motivation: Is defined as the desire to achieve a goal or a certain performance level, leading to goal-directed behavior. When we refer to someone as being motivated, we mean that the person is trying hard to accomplish a certain task. Motivation is clearly important if someone has to perform well; however, it is not sufficient.

Ability: Defined as having the skills and knowledge required to perform the job—is also important and is sometimes the key determinant of effectiveness.

Environmental Factors: Such as having the resources, information, and support one needs to perform well are critical to determine performance.

Defining Performance Management

- **Performance:** Fulfillment of a claim, promise, or request
- **Performance Management:**
- It is a **Holistic & Ongoing** approach in which individuals & groups take responsibility for continuous Delivery of business results



Performance Management Design



Objectives of PMS

Define and evaluate performance



Reward performance



Drive performance



What to measure

Outcomes/
Performance



Behavioral
Competencies/
Potential



Performance and
Potential



Who measures

Downward appraisal



Employee feedback



Downward and
upward appraisal



Frequency

Annual



Bi-annual



Continuous/
Quarterly



Distribution of
ratings

Forced



Dynamic



No distribution



Outcome

Reward high performers



Rank and yank



Coach performers



Integration of
Performance

No integration



Pay for performance



Linkage to talent
management

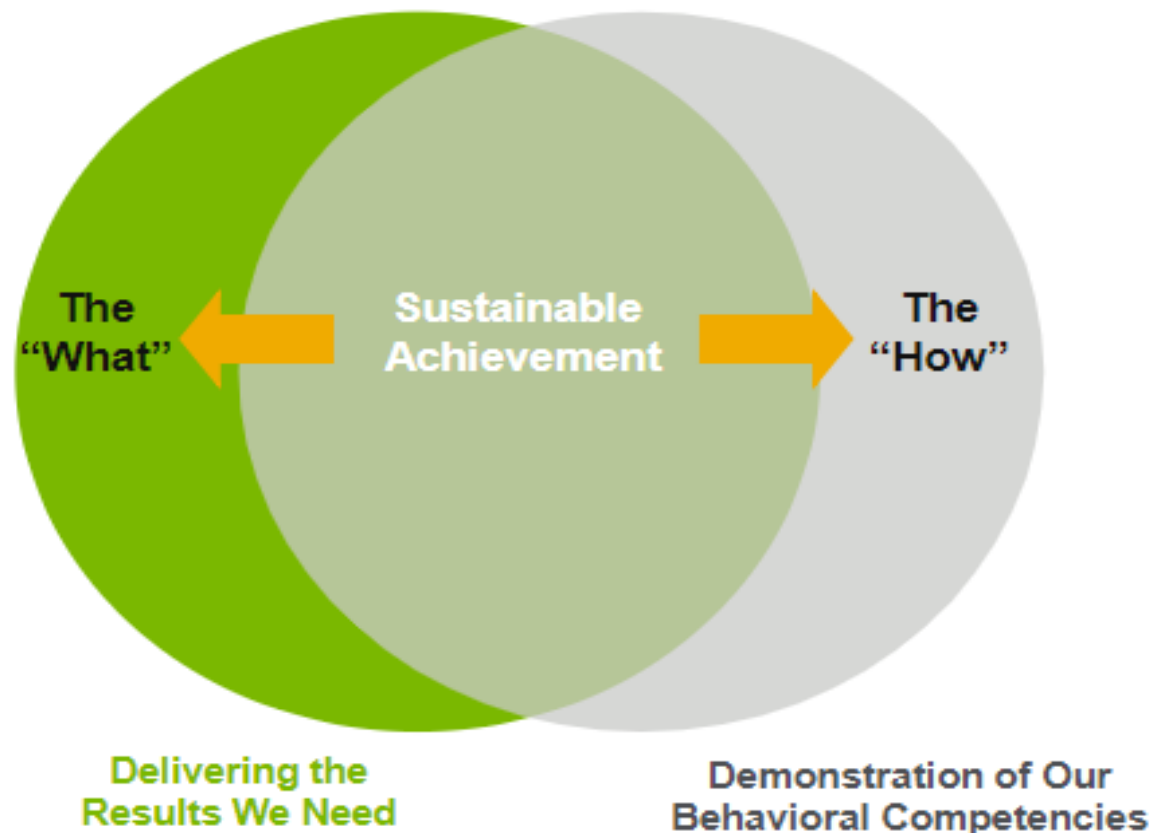
Objectives of PDR system

- Links performance measures of individuals to the strategic objectives of the organization
- Provides organization with a clear set of performance expectations, at all levels; Quantifies how departments and individuals are enabling the achievement of the overall goal
- Initiates a root cause analysis for actual performance results that are below target
- Rate employees on the results achieved and potential displayed
- Communicates key strengths and areas for improvement
- Provides a transparent link between performance results and promotions, rewards and career development

What to measure?

One way of measuring performance at the end of the year is to focus solely on the “What” that is the outcome, this approach is usually beneficial in target led activities. Another approach is to evaluate “how” that is looking at the demonstration of the behavioral competencies exhibited while completing the task.

However the most prevalent way of measuring performance is to evaluate both the “How”- and the “what” of the task.



Who measures?



Downward Appraisal

- Manager leads the discussion and submits ratings
- E.g: Manager rates appraisee based on evidence, discussion is around the rating.
- Prevalent in majority of organizations

Employee Feedback

- Manager leads the discussion for rating, after that employee is given a chance to give feedback on the fairness of the process
- E.g: Manager leads the discussion and gives his ratings. The employee submits feedback on his view on ratings and how the process was conducted
- Prevalent in majority of organizations

Downward & Upward Appraisal

- Manager rates the appraisee and appraisee rates the manager
- E.g.- Employee is rated on performance and manager is rated on managing performance of team

Frequency of measuring?



Annual

- Performance is measured at an yearly basis, at the end of the year. Feedback may or may not be provided during the year
- May lead to goals being changed in agile businesses
- E.g: year end appraisal
- Traditional way of measuring

Bi- Annual

- Performance is measured after 6 months. Feedback may or may not be provided during the period.
- Helps in reviewing the progress and taking corrective action.
- E.g: Half yearly goal setting and appraisal

Continuous

- Performance is measured in a continuous manner through feedback.
- Feedback is recorded and referred to, for the purpose of giving ratings.
- E.g: Check -in's (Feedback session) at organizations
- Helps in providing instant corrective action which resonates with business pace

Distribution



Forced Distribution

- A forced bell curve is created to assess and rate performance.
- May lead to high performers not being adequately rewarded because of adherence to bell curve.
- Traditional and most prevalent way for measuring.

Dynamic distribution

- Fixed percentages are not maintained to rate performance.
- The percentages are decided on the basis of the business performance.
- Used in small departments or in high growth businesses

No Pattern

- No Ranking is used to evaluate performance.
- Rewards are given on the basis of individual performance
- Newer method for evaluating performance, usually the linked rewards are on growth and learning opportunities

Outcome



Reward Performance

- High linkage of performance with rewards.
- Reward high performers with monetary and non monetary incentives.
- E.g- Variable pay and Pay multiplier are used to reward performance
- Traditional and most prevalent way

Rank & Yank

- Reward high performers with monetary and non monetary rewards. Remove or warn low performers to improve their performance.
- E.g- At GE, the bottom percentage (10% in GE's case) of underperformers were fired after the performance appraisal.
- Traditional method

Coach Performance

- Coach high performers to improve and accelerate their performance in addition to monetary rewards
- The focus is on development of the individual to achieve success
- E.g- At Juniper, the J stars are developed to achieve stretched targets
- Newer Method

Integration of Performance



No Integration

- Performance ratings are used only for measuring performance. Have no linkage to any other process
- Compensation is delinked from performance
- Not widely practiced

Pay for Performance

- Performance is linked with compensation and high performers are differentiated by higher rewards
- E.g- Variable pay and Sales incentive are linked with performance of the person and the business performance
- Leads to a visible motivation for achieving targets
- Most prevalent approach

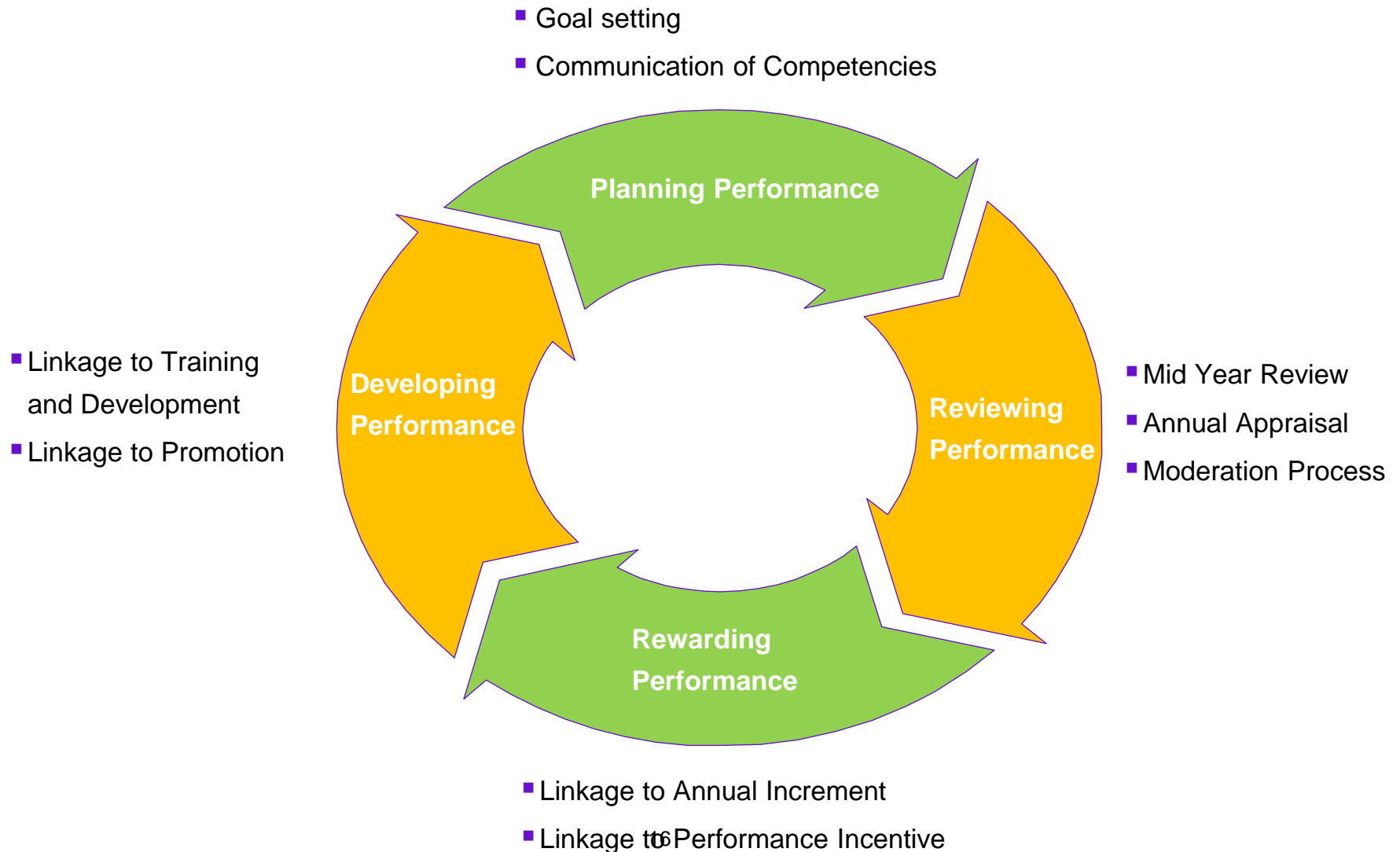
Linked with all HR Verticals

- Performance ratings are used in all HR processes to give a differentiated experience to all employees, addresses the motivators for employees beyond compensation
- Leads to drive for achieving stretch level targets
- E.g– Career transitions and Learning opportunities which are linked to performance

Linkage of Performance with other HR Processes

HR System	Linkage To	Type of Linkage
Increment in Fixed Pay	KRA Performance Rating	Aims to reward for overall performance, market alignment, organization results
Variable Pay	KRA Performance Rating	Accentuates focus on individual performance and aligns payout to achievement of corporate/function targets
Career Progression	KRA Performance Rating, Desired Behaviors Rating and Development Plan	Provides growth path (promotions, job rotations) based on demonstration of good overall performance, fitment of role based on skills and abilities exhibited and career aspirations.
Training & Development	Development Plan (Organizational /Functional & Individual)	Provides opportunity for development of skills, abilities for current and future role based on organization /function requirements and individual needs

PDR system



Two components of performance measurement in PDR system



Output

Objective: Drive enhanced Institutional performance through measurable targets/ goals

- What the employee accomplished against the objectives or goals that were assigned
- Objectives are unique to individual and differ from one appraisal period to another.
- Focus employee's efforts to help implement the institutional, department or unit performance objectives

Capability

Objective: Develop employee's capabilities to be able to deliver on targets/ goals

- Represent an institution's core values or behavioral expectations
- How the employee behaved against standards or expectations from him/her
- How the employees do their job on an ongoing basis
- Having them as a part of the appraisal increases the likelihood that every manager is discussing & setting standards for their direct reports on these dimensions



Both required for a balance picture of the performance



Planning Performance

Goal Setting Process

- Cascading of Goals from institution goals to individual goals
- Appraiser and appraisee to jointly set following for the appraisee:
 - Key Result Areas (KRAs)
 - Weights for each KRA
 - Key Performance Indicators (KPIs)
 - Performance Targets

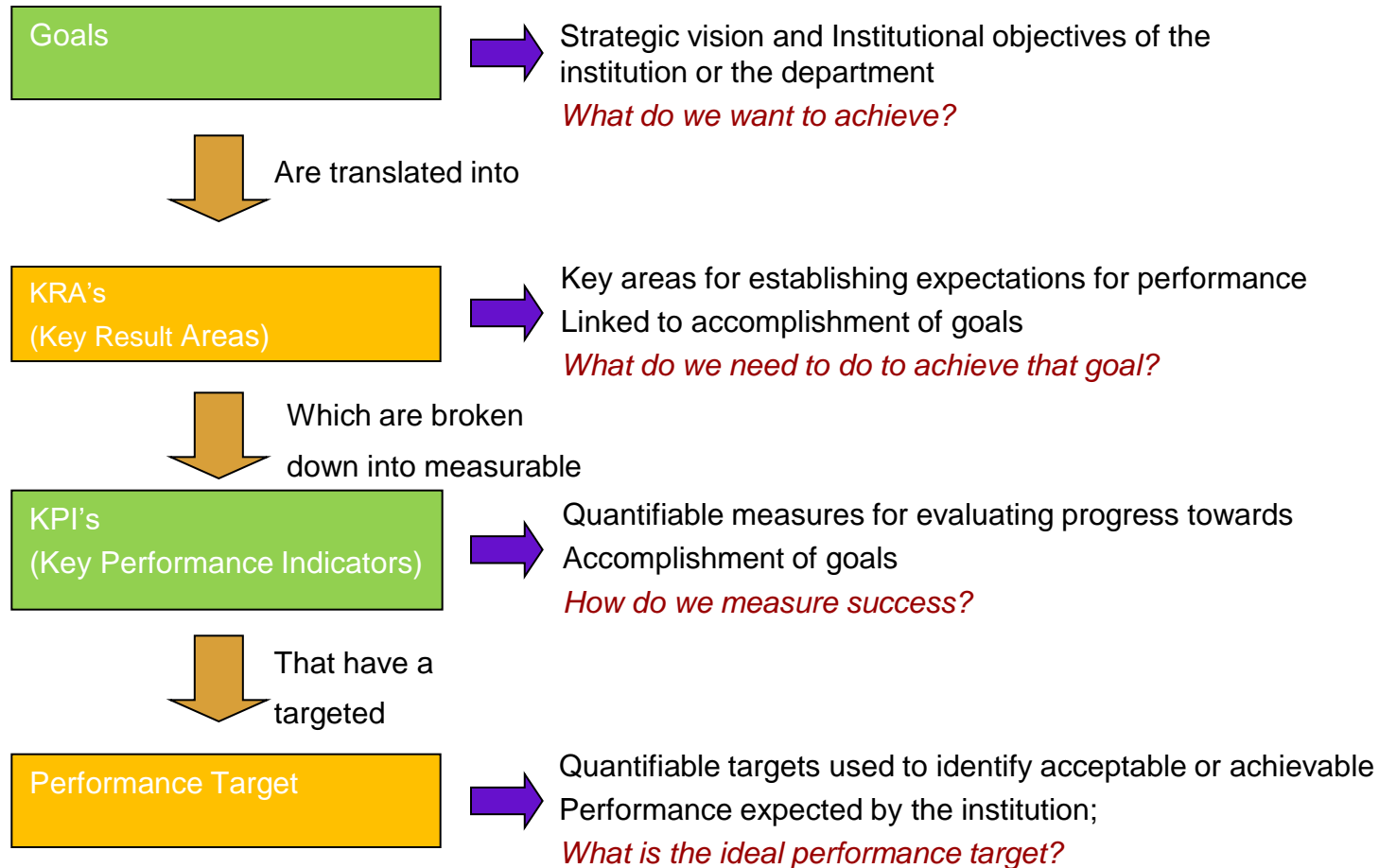
Communication of Behavioural Competencies

- Understanding the definitions of Behavioural Competencies and expected behaviours during the course of the year

Parties involved in Planning Performance:

- Top Management: Decides on organization's overall goals
- Operating Committee: Cascades overall goals into departmental goals
- Head of Department (Reviewer):
 - Negotiates goals and targets for the department with the operating committee.
 - Cascades targets to direct reports
 - Reviews the KRA and targets for every employee within the department
 - Reporting Officer (Appraiser) and Subordinate (appraisee): Jointly discuss and set targets for the appraisee

Goal Setting Process- Key Components



Role of stakeholders in goal setting process



Role of stakeholders in goal setting process

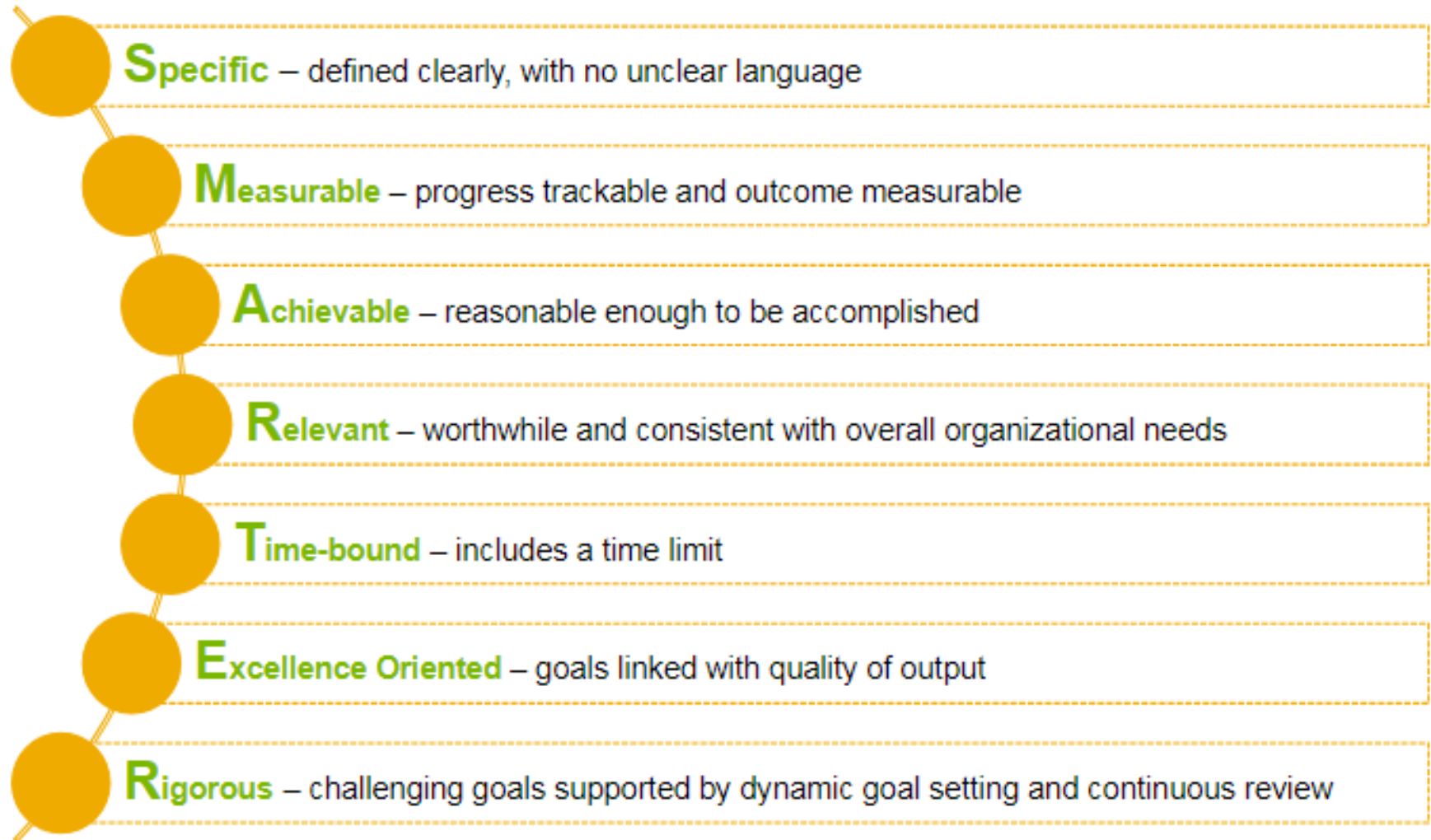
Appraiser

- Goal Setting Meeting with Appraisee at the beginning of the year
- Decide and fix KRA for the appraisee

Appraisee

- Goal Setting meeting with appraiser at the beginning of the year
- Negotiate KRA's, with the appraiser

Building SMARTER Goals



Understanding behavioral competencies

What are Behavioral Competencies?

- A personal characteristic, which is displayed by outstanding performers in a role in a given work environment and which is demonstrated through specific and observable behaviors
- Examples include Interpersonal/ Communication Skills, Time Management, Leadership skills etc.

Why include Behavioral Competencies in PDR system?

- To highlight the behaviors for superior performance in an organization
- To articulate the expectations on behaviors and attitudes from employees
- To highlight "soft" skills required when defining job expectations
- To reflect organizational values and strategic priorities

What are the Behavioral Competencies included in PDR System

- Competency Matrix may consist of 6 individual and 3 supervisory competencies

Sample of behavioral competencies

Individual Competencies	
Competency Name	Key Competency Indicators
1) Respecting Diversity	<p>The employee:</p> <ul style="list-style-type: none"> ▪ fosters inclusion- class, caste, religion and country ▪ consideration for different learning pace ▪ tolerance towards different perspectives of colleagues and students ▪ provide equal opportunities for learning
2) Commitment and Motivation	<p>The Employee:</p> <ul style="list-style-type: none"> ▪ work in the interest of students, colleagues and institution ▪ creates a positive environment inside and outside of class ▪ brings out the best in students and co-worker ▪ instills optimism and confidence
Supervisory Competencies	
Competency Name	Key Competency Indicators
1) Supervisory Responsibility (Building Best People)	<p>The employee:</p> <ul style="list-style-type: none"> • trains, develops, and mentors his/her staff • faces performance issues candidly and squarely • clearly sets achievable goals for department • ensures that goals are met on a timely and accurate basis • ensures that he/she and his/her staff comply with training requirements • develops, delivers timely and meaningful Performance Evaluations • Implements policies and procedures with staff.

Reviewing Performance

Parties involved in reviewing performance phase:

- Appraisee: Person whose appraisal is being done
- Appraiser: Person who is doing the appraisal, normally the reporting officer
- Reviewer: Person who reviews appraisers appraisal, normally the Head of Department
- Moderation Committee: for conducting the moderation exercise, consisting of Dean / Departmental Head & HR Head
- HR: Process Facilitator, will ensure all required activities are conducted timely

PDR Format

Comprehensive form with following Sections:

Section I

Goal Setting & Achievement

- Statement of goal (KRA) and measurement criteria (KPI) for the year jointly identified by Appraiser and Appraisee. Each goal is given a relative weightage
- Rating on performance against goals given at the end of the year by appraiser

Section II

Behavioural Competency Evaluation

- Core and Leadership Behavioural competencies evaluated by appraiser

Section III

Employee Strengths, Areas of Improvement and Training Needs Identification

- Statement of status of training programs identified in previous year's appraisal discussion
- Statement of employee strengths and areas of improvement identified by the appraiser
- Statement of performance expectations and training needs identified by the appraiser
- Sign-off by appraisee on evaluation

Section IV

Final Evaluation

- Final Overall Evaluation by appraiser and Sign-offs of appraiser and reviewer

PDR Format: Goal Setting

SECTION I: GOAL SETTING AND ACHIEVEMENT

Use the section to define S.M.A.R.T. goals at the start of the year and rate as appropriate.

- Goals (KRA's)
- Measurement Criteria (KPI's)
- Unit of Measure
- Weights
- Target
- Achievement (mid-year and year end)
- Self Rating
- Appraiser Rating
- Weighted Score
- Appraiser Remarks

Total weighted score
Overall rating on goals
Rating scale

KRA	KPI's	Unit of Measure	Weight	Target	Mid Year Achievement	Year end Achievement	Self Rating	Appraiser Rating	Weighted Score
I)			____%				<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1	(= Weight X Rating)
Appraiser's Remarks:									
II)			____%				<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1	(= Weight X Rating)
Appraiser Remarks:									
III)			____%				<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1	(= Weight X Rating)
Appraiser Remarks:									
Total Weighed Score		= (sum of individual weighted scores) ____							

PDR Format: Section II – Behavioral Competency Evaluation

SECTION II: BEHAVIORAL COMPETENCIES EVALUATION

Use this section to rate the appraisee on the defined behavioral skills.

Individual Competency Name
Key Competency Indicators
Self And Appraiser Rating

Appraiser Remarks on Ratings

Supervisory Competencies

Overall Rating Calculation

Competency	Key Competency Indicators	Self Rating	Reporting Officer
Individual Competencies (For all employees)			
1) Approach to Work	The employee demonstrates: <ul style="list-style-type: none"> self-motivation flexibility and adaptability enthusiasm pride in his/her accomplishments 	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
Appraiser Remarks:			
2) Professional Attitude	The Employee: <ul style="list-style-type: none"> works effectively under pressure exhibits a positive attitude treats coworkers and other associates with professionalism and respect welcomes, responds, and takes corrective actions to constructive criticism 	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
Appraiser Remarks:			
Supervisory Competencies (Only for CL4 upwards)			
1) Supervisory Responsibility	The employee: <ul style="list-style-type: none"> trains, develops, and mentors his/her staff faces performance issues candidly and squarely clearly sets achievable goals for department ensures that goals are met on a timely and accurate basis ensures that he/she and his/her staff comply with training requirements develops, delivers timely and meaningful Performance Evaluations Implements policies and procedures with staff. 	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1	<input type="checkbox"/> 5 <input type="checkbox"/> 4 <input type="checkbox"/> 3 <input type="checkbox"/> 2 <input type="checkbox"/> 1
Appraiser Remarks:			
Total Average Rating		=..... / 9 = (for CL 1,2,3,4) =..... / 6 = (for CL 5)	

PDR Format: Section III – Training Needs Assessment

Training Status for needs identified previous year

Strengths and Areas of Improvement

Training Recommendations

Appraisee Sign Off

SECTION III: EMPLOYEE STRENGTHS, AREAS OF IMPROVEMENT & TRAINING NEEDS IDENTIFICATION

Use this section to record Strengths, Areas of Improvement and Training needs for the Appraisee as observed during the Appraisal Period. The comments should be specific and explanatory, including examples.

Status on Training needs identified Last year

Training Program Recommended last year	Status	
1.	Completed <input type="checkbox"/>	Pending <input type="checkbox"/>
2.	Completed <input type="checkbox"/>	Pending <input type="checkbox"/>
3.	Completed <input type="checkbox"/>	Pending <input type="checkbox"/>
4.	Completed <input type="checkbox"/>	Pending <input type="checkbox"/>
5.	Completed <input type="checkbox"/>	Pending <input type="checkbox"/>
Appraisers Feedback on Training Program Attended		

Current Year's Training & Development needs

Strengths (Please mention 3)
1.
2.
3.

Areas of Improvement (Please mention 3)
1.
2.
3.

Training and Development Needs (Please mention atleast 1 technical and 2 behavioral training)
1.
2.
3.

SIGNATURE

Appraisee: I have discussed and agree with the appraisal.

Date

PDR Format: Section IV – Comments & Sign Off

Rating Calculation

Overall Rating and
Promotion
Recommendation

Appraiser & Reviewer
Sign Offs

Department Head and
Reporting Officers
Comments

SECTION IV: FINAL EVALUATION

Period covered (month/day/year): from _____ to _____

Employee Name: _____

Department: _____

	Score	Weightage	Weighted Score
Goals	_____	_____ %	_____
Behavioral Competencies	_____	_____ %	_____
Final Score	Sum of Weighted Score _____		
Final Rating	FEE <input type="checkbox"/> EE <input type="checkbox"/> ME <input type="checkbox"/> PME <input type="checkbox"/> DNME <input type="checkbox"/>		

Score	0.00 - 2.75	2.76 - 3.50	3.51 - 4.00	4.01 - 4.74	4.75 - 5.00
Rating	DNME	PME	ME	EE	FEE

Would you recommend the employee for promotion? Yes ☐ No ☐

SIGNATURES

Appraiser: This is my evaluation of the employee's performance during the review period. _____ Date _____

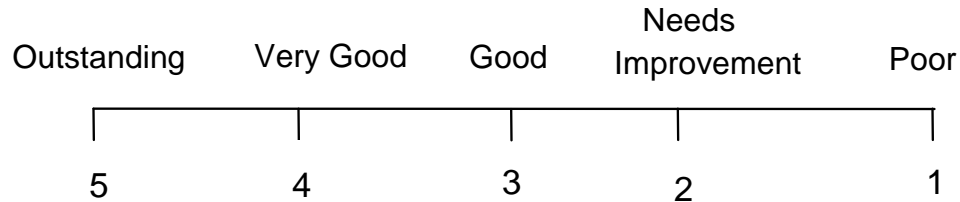
Reviewer: I agree with this evaluation. _____ Date _____

HOD COMMENTS: (optional)

REPORTING OFFICER'S COMMENTS: (optional)

Rating scale for performance evaluation

A Five-point rating Scale



Outstanding: Performance is below acceptable level and immediate improvement is needed in order to reach an acceptable level of performance

Very Good: Minimum job requirements are accomplished; however, some progress is required in order to consistently meet performance expectations

Good: Overall, a solid performer who is recognized as effective by management team and key work partners. Performance may exceed expectations at times

Needs Improvement: Consistently achieves high levels of commendable performance and is recognized as highly effective by management team and key work partners; indicating potential for future advancement

Poor: Accomplishments are rarely equaled, are clearly obvious to management team and key work partners and serves as a role model; indicating strong potential for rapid future development

Ratings scale explained

Outstanding

- Consistently exceeds expected performance levels
 - Consistently accomplishes results in advance of established timeframe/deadlines
 - Consistently requires fewer resources than budgeted
 - Outcome/impact is consistently of greater benefit to the institution than expected
-

Very Good

- Exceeds expected performance levels on some, but not all, objectives/tasks/projects, and meets expected performance levels on all others
 - Accomplishes results in advance of established timeframe/deadlines on some, but not all, objectives/tasks/projects, and meets expected timeframe/deadline on all others
 - Requires fewer resources than budgeted on some, but not all, objectives/tasks/projects, and requires budgeted resources on all others
 - Outcome/impact is of greater benefit to the institution than expected on some, but not all, objectives/tasks/projects, and meets expectations on all others
-

Good

- Consistently meets expected performance levels
- Consistently accomplishes results in accordance with established timeframe/deadlines
- Consistently requires budgeted resources
- Outcome/impact consistently meets expectations

Ratings scale explained

Needs Improvement

- Generally meets expected performance levels, with few exceptions where performance may fall short of expectations
- Generally accomplishes results in accordance with established timeframe/deadlines, with few exceptions where timeframes are not met
- Generally requires budgeted resources, but with a few exceptions may require additional resources
- Outcome/impact generally meets expectations, with few exceptions where impact is less than expected
- Accomplishes results after established timeframe/deadlines on some, but not all, objectives/tasks/projects, and at least meets expected timeframe/deadlines on others
- Outcome/impact is of lesser benefit to the institution than expected on some, but not all, objectives/tasks/projects, and meets or exceeds expectations on others
- Requires more resources than budgeted on some, but not all, objectives/tasks/projects, and requires budgeted resources, or less, on all others
- Does not meet expected performance levels on some, but not all, objectives/tasks/projects, and meets or exceeds expected performance levels on others

Poor

- Consistently falls substantially short of expected performance levels
- Consistently fails to meet established timeframe/deadlines
- Consistently requires substantial over-budget resources
- Outcome/impact consistently falls substantially short of expectations

Mid-year review

Objective of the mid year review is for the appraiser and appraisee to have a discussion on YTD performance trends and incorporate any course correction in KRA, weights or targets if it is required.

Mid-year review will provide a good opportunity for the appraiser to do a status check and give performance feedback to the appraisee

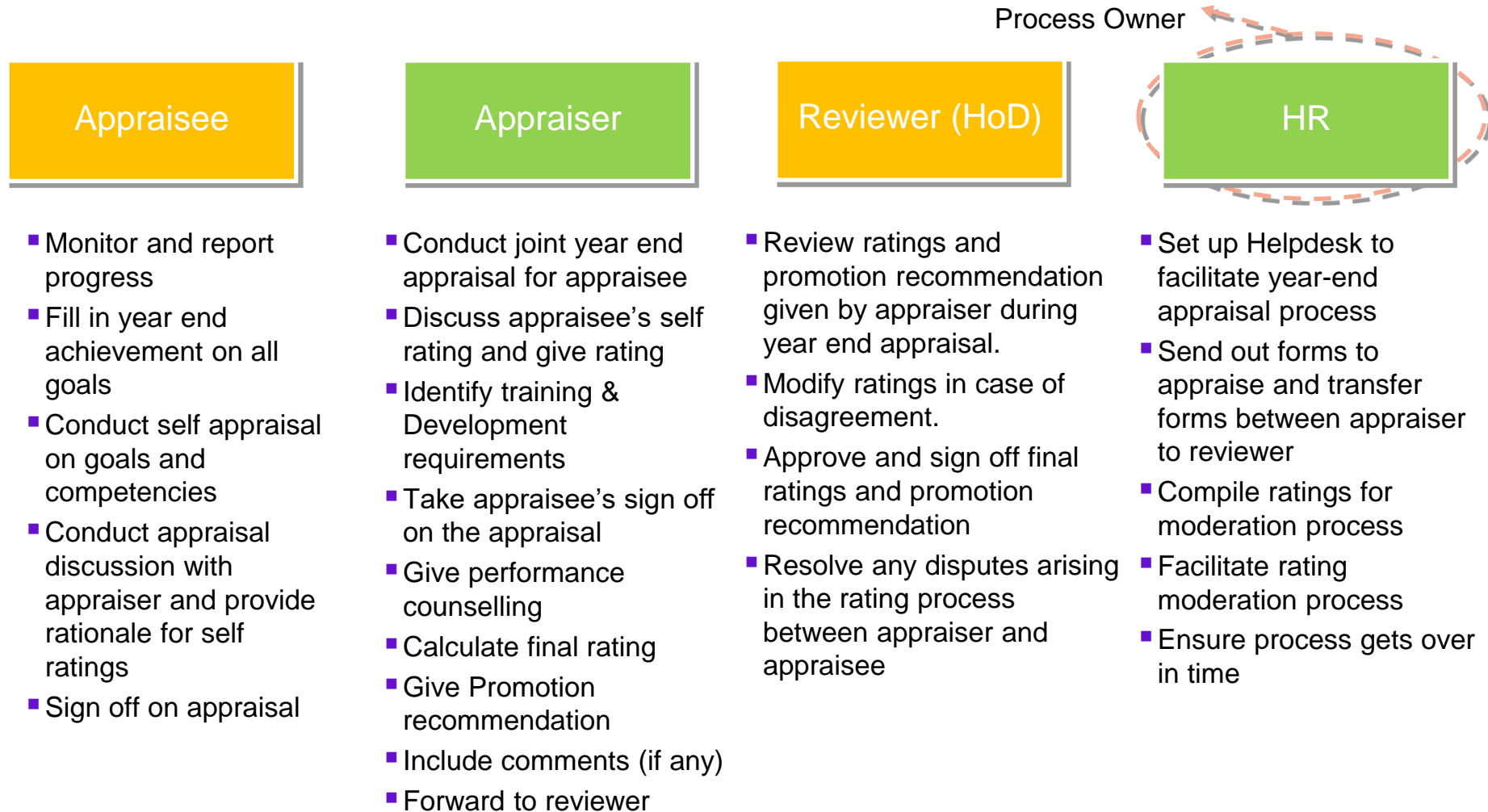
Key activities during Mid-Year review will be:

- Joint review by Appraisee and Appraiser
- On each KRA
- On each Behavioral skill
- Performance Discussion between Appraisee and Appraiser
- Performance feedback given to the appraisee
- Course correction in KRA or weights done if required
- Change in goals or weight ages reviewed and approved by reviewer

Year End Review – Key Activities

- Self Appraisal by Appraisee
 - Rating on each KRA
 - Rating on each Behavioral skill
- Performance Discussion between appraisee and appraiser and appraisal by Appraiser. Appraisee signs-off on the appraisal.
- Ratings calculated by appraiser
- Recommendation given for promotion by appraiser
- Ratings and promotion recommendation reviewed by Reviewer, modified in case of disagreement and finally approved and signed off
- Grievance case resolved by reviewer

Role of Stakeholders in year - end appraisal



Sample

Weightage of KRAs and Behavioral competencies

Level	Weightages for KRAs and Behavioral Competencies	
	Goal / KRAs	Behavioral Competencies
Level 1	30	70
Level 2	40	60
Level 3	50	50
Level 4	60	40
Level 5	70	30
Level 6	80	20

Sample Rating Calculation



Rating on KRAs

3 goals for the year

Appraiser Rating after year end appraisal

Part I: KRAs

Goal	Weight	Appraiser Rating	Weighted Score (Out of 5)
KRA#1	40%	VG (4)	$0.40 \times 4 = 1.6$
KRA #2	40%	OS (5)	$0.40 \times 5 = 2.0$
KRA #3	20%	VG (4)	$0.20 \times 4 = 0.8$
Total			4.4

Step 2

Part II: Behavioural Competency Evaluation

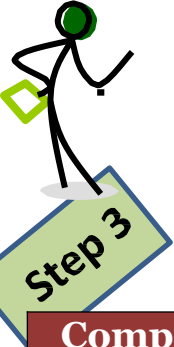
Behavioural Competency	Appraiser Rating
Respecting Diversity	VG (4)
Commitment and Motivation	OS (5)
Job Knowledge	VG (4)
Interpersonal/ Communication skills	GD (3)
Compassion and Sensitivity	OS (5)
Time Management	GD (3)
Building Best People	GD (3)
Leadership	VG (4)
Communication and Feedback	VG (4)
Total	$35/9=3.88$

Example of Rating Calculation

The staff being appraised is in level **Level-6**

- ✓ Weightage of KRAs in Performance appraisal: **80%**
- ✓ Weightage of Behavioural Competencies in Performance appraisal: **20%**

Rating Part III: Final Evaluation



Component	Score	Weight	Weighted Score (Score x Weight)
Goals/ KRAs (Section I)	4.4	80%	$4.4 \times 0.80 = 3.52$
Behavioural Competencies (Section II)	3.88	20%	$3.88 \times 0.20 = 0.77$
Final Score	$3.52 + 0.77 = 4.29$		

Final Rating

Very Good (VG)

Part IV: Final

Step 4

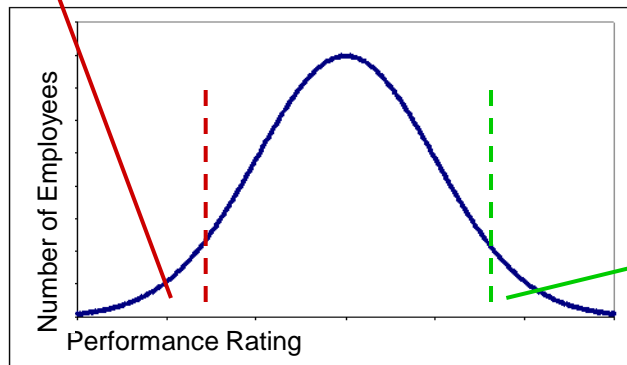
Score Range	Rating
4.75 - 5.00	OS
4.01 - 4.74	VG
3.51 - 4.00	GD
2.76 - 3.50	NI
2.75 & below	PR

Moderation process

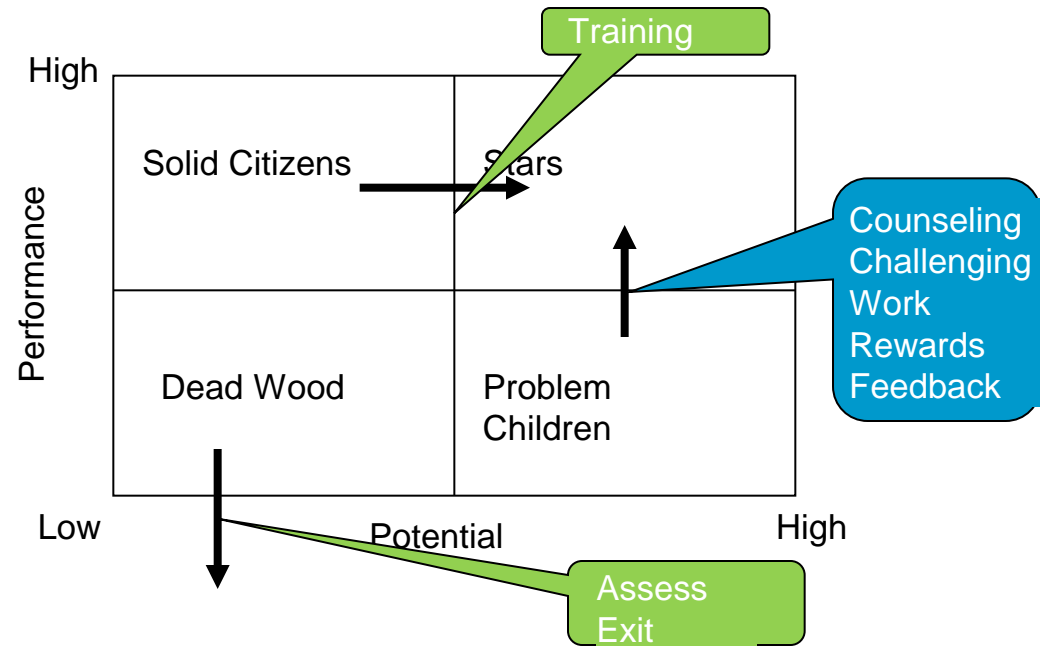
Bell Shaped curve and its applications

This is also called the normal probability distribution and the Gaussian distribution.

Dead Wood



Bell Curve



Rewarding Performance

Individual Performance ratings after moderation will be used for:

- Linkage to Salary Increment

Rewarding Performance

Approach

- Employees shall receive annual incremental adjustments to their salaries provided they have demonstrated sufficiently high individual performance
- Institute to determine average annual increment % at each level based on market conditions, inflation, planned wage bill increase and capacity to pay
- Institute to create a matrix linking increment % to performance rating

Note: Illustration depicts possible increments as a % of basic salary



Scale	C	B	A	A+	A++
Proposed Scale	PR	NI	GD	VG	OS
Level 1	0	6	8	12	20
Level 2	0	6	8	12	20
Level 3	0	5	6	10	16
Level 4	0	5	6	10	16
Level 5	0	5	6	10	16
Level 6	0	5	6	8	11
Level 7	0	5	6	8	11

Developing Performance

PDR system for will be used providing inputs to following process:

- Linkage to Promotions
- Linkage to Training & Development
- Performance Counseling

Linkage to Training & Development

- Reporting officer shall identify training needs and recommend training programs to be attended by employee in the coming year
- Reporting officer will get a chance to assess development of employee on trainings attended in the previous year since the system captures training history
- Performance discussion and rating on competencies will help employee understand gap areas vis-à-vis desired competencies
- Reporting Officer will identify employees strengths and areas of improvement. Will serve as key developmental inputs for the employee for the coming year.

Key steps in implementing PDR

The key steps to keep in mind for implementation involve Communication and training

- Communication and branding of the new system
- Training of end users
- Documentation and institutionalization
- Build linkages to other HR systems

Traditional vs. High Performance Organization

Traditional Organization	High Performance Organization
Internally focused	Customer focused
Top-down control, bureaucratic structure	Autonomous, self-regulating work units
Planning and coordination done by management	Planning and coordination done by work teams
Job roles are narrowly defined	Job roles are clearly but broadly defined and employees possess multiple skills
Unclear processes and procedures	Documentation and clarity of processes and procedures
Rigidity: there is one single best way to do a job	Flexibility: many ways to achieve same level of performance
Uniform and strictly enforced policies. Do things by the book	Minimum of rules. Values and common sense govern behavior
Department boundaries determined by function (e.g. Engineering, Manufacturing, etc.)	Department boundaries determined to leverage competitive advantage (task inter-relationship, customer, product or process focused)
Training focuses on technical skills	Training focuses on total employee development (e.g. business understanding, teamwork, etc.)
Rewards based on individual performance	Rewards based on contributions to effectiveness of team and individual
Employees viewed as tools of management	Employees viewed as partners
Alienated and unhappy employees accepted as given of industrial life	Quality of life of employees is important to company

What makes Google a high performing and admired organization?

1. Transparency and Trust

Google culture is based on the inherent belief that employees are, “good, smart people who want to produce good work”.

2. Talent

Google’s selection process is rigorous and is built upon competencies that are directly linked to Google’s strategy, mission and vision. Cognitive ability, leadership ability, and the ability to contribute to the culture (a competency referred to as “Googliness”) are at the top of the list with role-related knowledge given less emphasis

3. Productivity

The work pace at Google is not laissez faire. Googlers work against tight deadlines and high quality standards. Perks and services were provided to allow employees to stay focused on their work.

Practices in Performance Management

Adobe's Check-In Process

- In 2012, Adobe's then Senior Vice President of People Resources, Donna Morris, was feeling frustrated with annual performance reviews. **The process was so complex, bureaucratic, and paperwork-heavy that it ate up thousands of hours of managers' time. It also created barriers to teamwork and innovation,** since the experience of being rated and stack-ranked for compensation left many employees feeling undervalued and uninspired.
- By the fall of 2012, Adobe had totally **redesigned its performance management system** to eliminate the yearly performance review and replace it with a more frequent and less formal **"check-in"** process. Managers and employees meet for check-in discussions at least once a quarter. The discussion isn't scripted, and no paperwork is filled out, however **every check-in discussion covers three topics: expectations, feedback, and growth and development.**
- Including employees' growth and development in the check-ins allows managers and staff to talk about opportunities. Employees examine their current role and their desired career path and then receive advice from managers on the knowledge, skills, and abilities they need to improve in their current role and to move closer to the future they envision for themselves.
- In contrast to the rearview-mirror perspective provided by most annual reviews, discussing employees' growth and development allows both groups to brainstorm on staff goals and how they align with Adobe's strategy. Most of all, this part of the check-in helps employees own their career and development plan and feel more empowered to grow.
- Adobe has seen a **30% decrease in the number of employees quitting and a 50% increase in involuntary departures** — people who weren't meeting expectations are now dealt with more directly and quickly.

Practices in Performance Management

Pulse Check In at Deloitte

- Deloitte conducted a public survey to find out what managers thought of performance reviews, and **58 percent of managers stated that traditional performance reviews did not serve its purpose**. Considering that performance reviews did not go through any palpable transformation since its inception, the number does not take most professionals by surprise.
- Performance management systems can also create ill-will, filling employees and managers with dread. “I would say, as a general statement, that 2–3% of any organization's workforce is not great, for a whole range of reasons,” says Bashinsky. **“But we put 97% of our people through a negative process**. That doesn't mean you don't manage poor performers – because you do – but it's about focusing on the 97–98% of our good people and building on their strengths and helping them grow within the organization.”
- Deloitte has adopted a **custom-designed system that starts with regular face-to-face check-ins between staff and their managers**. Rather than filling out a lengthy review questionnaire once a year, staff are asked to answer **snappy four-question ‘pulse’ surveys on their smart phones every quarter**. Managers in turn fill in a short app-based performance snapshot – of only eight questions – about their team members once a quarter. The responses are confidential and the data is aggregated to give a picture of how teams are performing.
- Key part of the program involves managers taking on a coaching role. Before the roll out, Deloitte put all of its managers through an extensive training program to ensure they had the right coaching skills for this new focus. To prepare the wider workforce, Deloitte ran an extensive change management program of communication sessions, webinars and workshops.

Learning from Best Employers

1

Have organization scorecard, which is cascaded into functional and departmental scorecards using four perspectives of the Balanced Scorecard

2

Employee goals are closely tied to organizational goals and are typically restricted between 6 & 8

3

Relook at goals mid-year and perform corrections as demanded by market or environmental changes

4

Give due weightage to business goals and behavioral competencies while evaluating performance

5

Use feedback from multiple raters using tools such as 360 degree feedback to make employees aware of performance and performance gaps

6

Provide differentiated rewards and career development opportunities to best-in-class employees

7

Support robust performance management through effective and timely communication channels

Thank You