

KNOWLEDGE BEANS



THE OD FOLLOWER'S ORATE

Shekhar Joshi, Techno-Commercial Trainer, Tata Motors, talks about 'Performance Appraisal: A 'Merry-Go-Round Game'



THE OD ENTHUSIAST'S ORATE

Roshan Lal Aggarwal, CEO, VIMP Private Limited, elaborates on 'Performance Culture'



THOUGHTS FROM ATYAASAA

Anindya Purkait, COO, Atyaasaa Global Alliances LLP, discusses 'Performance Management - Latest Trends'



PERFORMANCE APPRAISAL: A 'MERRY-GO-ROUND' GAME

As quoted by Management guru Peter Drucker in his book, 'The Effective Executive', "Appraisals, as they are now being used in the great majority of organizations, were designed by the clinical and abnormal psychologists for their own purposes."

At present appraisal systems, tend to focus on what was not done rather than how best the tasks were performed, achievements in absolute numbers rather than the innovative ways worked out. However, HR professionals need to design the performance process so that it encompasses a person's strengths and overall contribution to the organization. It should be a tool for an appraisee to be guided in overcoming his weaknesses.

Performance appraisal has become a periodic weakness sharing mechanism and not a factual evaluation of achievements. Responsibility for non-achievement of the targets is, unfortunately, placed on the employee himself,

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THE OD FOLLOWER'S ORATE Shekhar Joshi



Shekhar Joshi is working with Tata Motors and has over 38 years of experience in Techno - Commercial - Training areas like R & D, manufacturing, learning and development etc. He has played various roles in his corporate career - Lead Auditor - safety and environment management, internal auditor: quality, Assessor for Tata Business Excellence

Model and faculty for behavioural/ technical skills. He has been key note speaker on - 'Role of Learning in Development of Industries' for The Institution of Engineers.

THE EDITOR'S MESSAGE

Performance management has been in discussion for many years, and in the past decade, we have seen it evolve to include an organization wide function. Today it encompasses financial reporting, operational analytics, compliance, strategy management, and profitability optimization among other things. This evolution has necessitated a multitude of technological solutions. The future will bring new ways to reduce the complexity involved and enable more organizations to realize the full benefits of performance management. We are already seeing this with enterprise-class performance management solution in cloud computing coming into play.

The theme of the next issue of Knowledge Beans will be 'Sabbaticals: A good HR policy?'. If you share a passion for the topic and have a flair for writing, do send us your 300 word article with a brief profile along with your photograph in jpeg format to atyaasaaeditor@atyaasaa.com

ABOUT ATYAASAA

Atyaasaa Consulting Private Limited is a leading Human Resource Training & Consulting Organization partnering with some of the best brands in the country and overseas. Atyaasaa has been a catalyst and a contributor in their quest for people development and business excellence. The core differentiator of Atyaasaa process is continual innovation, unique customization and use of state of the art technology tools. These are implemented through ethical and experienced operations and human resource facilitators having contribution as their core value.



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without considering the impact of factors such as economic fall of the organization, the national or market conditions during the same period. For example, organizations in the automobile sector have seen tremendous slowdown in the last fiscal year where performance appraisals would be of little help.

Apart from 90° or 360° performance appraisal methodologies, there are many other ways to ascertain employees' performance such as Critical Incidence, Weighted Checklist, Behaviour or Trait indicators, MBO – Management by Objectives, Forced Ranking etc. All the appraisal methodologies end with monetary consideration for an individual. The bell curve of allocated budget, forces team leaders to fit and reward all subordinates within the available constraints. Thus, the process of negative motivation in the team begins.

Although the goal setting process commences at the beginning of assessment year, it seldom ensures complete alignment of an individual with organizational goals. KPIs or KRAs for an individual are usually defined, discussed and logged as per the process mapped which calls for transparent evaluation, a herculean task in itself. HR professionals all over, hence largely agree to the fact that no performance appraisal system can satisfy every individual in the organization.

Performance appraisal, in a way, becomes a 'Merry Go 'Round' game for all concerned.

PERFORMANCE CULTURE

THE OD ENTHUSIAST'S ORATE Roshan Lal Aggarwal



Roshan Lal Aggarwal has a bachelor's degree in Engineering and a postgraduate diploma in Industrial Engineering. He has retired as the national head of sales in 2009 from Foseco India Ltd. He has been a management team member of Foseco India Ltd and a member of the Centurion club of Foseco International. He is currently the CEO of VIMP Pvt. Ltd., which is a SME.

Performance culture means, that rewards are based on the actual performance against targets across the organization. Many organizations have followed this culture for long-term success. These organizations have seen results of a performance oriented culture during the most difficult economic times. For example, at Foseco India Ltd we have developed this culture and added more share holder value while beating the competition.

It takes many years to develop a performance culture and make it a part of the organization's DNA. When you implement a performance culture, there is both optimism and fear in the minds of employees. Optimism, as there is a feeling of organizational betterment, that everyone will share the fruit of this high performance and be better professionals. Fear, due to the feeling that lack of performance will be detrimental for job retention. At this point, employee engagement is needed for performance management to succeed. We need to manage the conflict between individual and team performance. Organizations cannot attain success with a few individuals winning and the team lagging behind.

At the end of the goal setting discussion, each employee must own the set objectives. This is the most difficult phase, where to achieve success, the employee needs to experience the support of the whole team including the leader. He should be encouraged to set objectives on monthly/weekly basis. There should be a self-monitoring mechanism along with a monthly review by the supervisor.

Finally, in a performance culture all employees are rated with a common yardstick. Review should be very thorough and be a give and take process. The employee also needs an opportunity to convey his feedback. The review is required to have a positive environment for all since there will be stars, average and below average performers in all organizations. Thus, this culture is a constant learning and improvement process, which necessitates involvement and commitment at all levels of the organization.



PERFORMANCE MANAGEMENT - LATEST TRENDS

THOUGHTS FROM ATYAASAA

Anindya Purkait



Anindya Purkait is the Chief Operating Officer of Atyaasaa Global Alliances LLP. His 17 years of contribution to corporate organizations include leading US and Indian multinational organizations in industrial systems and off-road automotive industries. He has held varied senior management positions in global design, technology and innovation centres of US multinational organizations. He has a rich experience in leading large distributed and multicultural engineering teams working on global and regional New Product Development (NPD) programmes.

Annual performance appraisal has given way to year round Performance Management System (PMS) over the last two decades. My observation is that, this change very closely coincides with the globalization of the economy where various scattered teams deliver their services from globally disseminated locations. In this context two basic considerations are important.

Performance management is one of the important tools that executives, line managers, and employees use to achieve their collective goals. IT based software applications that provide the organization with a way to achieve its operational and strategic goals have enabled a welcome change in the way performance management is done.

In a matrix organization, an employee may have multiple reporting managers who are located in different geographical locations. The software based PMS is useful for managing such relationships. Employees and managers can set goals and review them, capture accomplishments, track development and coaching needs throughout the year.

This have also facilitated periodic timely feedback and feed forward thereby eliminating heartburns towards the end of the year when appraisal is



conducted. Thus, when the appraisal is actually conducted, both are better prepared and have a full record of relevant information.

This feature also promotes an ongoing dialogue between managers and employees and ensures that both are on track to achieve their goals for the year. Data mining and analysis gives a clear picture of the competency gaps across various levels of the organization. This serves as an input to the 'learning and development' and 'organizational development' functions leading to the laying of annual learning calendars and specific OD interventions.

In addition, assessing employee engagement has become an important aspect of performance management discussions. This is because an engaged employee is a productive employee. Further, team's level of employee engagement becomes a critical parameter for evaluation of a supervisor/manager.

**The views expressed in each of the article are solely those of the author.*

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BEANSTATEMENT

"Leadership is all about managing performance and not only about monitoring performance"