

Title: Policy & Procedure

Category: [Performance Management Process](#)

Policy: **4. POLICY & PROCEDURE**

udget & Resources

Budgeting for Performance Management Workshops

The Business Head with the inputs from business/department and BHR Heads earmark the annual budget for PM activities and workshops. This workshop will have the following indicative modules:

- Understanding PM in defining and evaluating the business objectives and goals.
- Understanding the process of review and feedback mechanisms.
- Facilitating of setting goals and objectives.
- Documenting best practices and learning for sharing.
- Managing under performers.

4.1.2 Responsibility for Providing Other Resources to Complete PM Cycles in a Timely Manner

The CHR in coordination with the business heads and BHR provide PMS learning and benchmark practices through their annual T&D calendars for continuously improving the PMP in the company. In addition, they align the Rewards and Recognition programs to the PM by:

Allocating financial support for Chairman’s individual and team awards, and for Project Bonus at the Corporate Level –CHR, Business Heads, and BHR.

Allocating financial support for quarterly spot awards at the business level – Business/Unit Heads and BHR.

ing Goals

The AOPs and business objectives as decided by the GHB for the coming financial year drive the setting of goals for employees. While setting goals, the appraiser and the appraisee keep the following key variables:

The goals for the managerial and for the support cadres are dynamic. If there are external factors, which are not in the control of the business or the individual, or if the directions or the priorities of the business change, then the goals too change.

The goals although are aimed at individual employee, there are times when a group/team may have to perform a goal. If the goal is a team activity, the team discusses it candidly about the efforts involved by each member. It includes the group goal setting, group definition of individual and group tasks, group appraisal of its accomplishments, group appraisal of each individual contribution to the group’s effort.

When employees are in complementary relationships, whether they report to the same immediate supervisor or not, both horizontal and vertical goal formations are formalized by the Business Head and the HODs. Such groups discuss horizontal and vertical goal/task formations among itself and then with the business and HODs. This is done to examine business and environmental obstacles for achievement of goals and the kind of organizational and leadership supports that are required to attain the goals.

4.3.3 Process of Goal Setting Top-Down

The process of setting goals involves the top-down approach. The top-down approach drives the business strategy by way of AOPs from the GHB and the Business head to each business. The AOPs are translated into operational strategy by their respective departments/functions and then finally to the teams and to the employees. The periodic performance review and feedback between the appraisee and the appraiser and between the departmental/functional heads with the Business Head enables the top-down approach.

4.3.4 Time Line for Setting Goals

The time-line for setting goals for the employees is finalized by **2nd week of April** for the coming financial year. This time-line applies both to the employees who are in the managerial and as well as in support cadres.

4.3.5 Reviewing Goals

❖ The Business Head and HODs ensure that the yearly goals of the appraisees are reviewed for:
Managerial cadre, twice in a year i.e. in the 1st week of April and October
Support cadre, once in a year i.e. in 1st week of April.

❖ The periodic review serves to:

Evaluate the performance of the appraisees w.r.t. set goals. Goals can be changed during the feedback sessions based on the changes in the AOP.

Relate individual and team performance to the AOPs and to the business objectives.

Improve the Behavioral and job skills of the appraisee by timely review and feedback.

Constantly enhance communication levels between the appraiser and the appraisee to develop rapport.

Decisions making for increments and promotion.

Final Discussion

Steps Followed - Discussion with Employees

The Business Head, CEO, HR Head, appraiser, the appraisee, and other concerned go through the PM plan for the year and the AOP to understand the process of setting goals.

The appraiser and the appraisee hold detailed discussions in the month of March before finalizing the appraisee's goals and performance expectations by 11th week of April.

4.3.2 Prescribed Format

❖ Performance Appraisal Form –**Annexure IA**

Feedback Process – Formal and Informal

The periodic review and feedback mechanism is a developmental tool for both the appraiser and the appraisee. The appraiser aligns the AOPs and business objectives and enables the appraisee to meet the goals that have been mutually agreed for the year. S/he drives the process of top-down approach of setting goals, which drives the business strategy.

The appraisee uses the feedback process to express his T&D needs and most importantly his/her abilities or apprehensions about the goals that have been set for the year. The appraisee uses feedback process to address all his concerns with the appraiser for achieving the yearly goals.

Process of Providing Feedback on Performance

The mid-year feedback for the managerial cadre in the Performance Appraisal Form is sent to the BHR/CHR after the completion of the PMP cycle.

The yearly feedback for support cadre in the Performance Appraisal Form is sent to the BHR after the completion of the PMP cycle.

acking

BHR collects a copy of the feedback forms from all the HODs for the managerial as well as support cadres and arranges them by employee number year-wise for easy retrieval at any point of time.

is for Tracking

High Potential and High Critical positions: The CHR and BHR will include two additional columns in the existing employee database for both the lists of GMs and above and AGM's and below. Mark the first column if the employee is highly potential with a single asterisk. Mark the second column if the employee is in a Highly Critical position with two asterisks.

High Performers are those who have reached the PMP rating of OP or EP in the second PMP cycle too, irrespective of their level either in managerial or support cadre.

Low Performers: For the managerial as well as the support cadres, the BHR and CHR maintain a separate record of low performers who have the annual PMP ratings of NP. Employees who are in LD/PD and above category, with two CPs in consecutive PMP Cycles will be separated after confirmation of the PMP Ratings after the PMP Process.

❖ Employees in NP categories

When an employee is placed in NP category after the completion of PMP cycle, the HOD along with the immediate supervisor and HR will initiate separation action of the employee.

Grievance

Grievance, for the purpose of this policy will mean dissatisfaction arising out of a decision of the Management concerning the employee. Grievance for the purpose of this procedure will only cover individual grievance such as:

- Increment
- Promotion
- Compensation and Benefits
- Performance Management Process

Note: Grievance to be raised within 2 weeks from the date of issue of an increment/promotion letter.

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FAQs:

Attachments:

[Performance Appraisal Form \(A1 to A4\) Annexure - IB.docx](#)

[Performance Appraisal Form \(M1 to M7\) Annexure - IA.docx](#)