



RNI Registration No. KARENG/2012/46828
ISBN 978-81-909837-3-0

PERFECT PROFESSIONAL

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₹ 200

Vol-3 Issue - 12 May-Aug 2015

Total No. of pages - 60



"Are You An Average Performer "



9788190983730

www.tvrls.com



T V Rao Learning Systems

Editor in chief:

Nandini Chawla

Guest Editors:

Professor T.V Rao, Dr. Raju Rao, Himanshi Shah

TVRLS Contributing Team

Himanshi Shah, Shachi Kotecha,

Yash Raj, Akash Kaushik, Debangshu Bhattacharjee

Perfect Professional Logo Design

Dharmesh Jadeja (dharmesh@auroville.org.in)

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Owner:

T V Rao Learning Systems Pvt. Ltd.

Published By:

Nandini Chawla

CONTENTS	
EDITORIAL	
3	<i>A New Look At Performance Management Systems</i>
9	<i>Creating Incredible Performance</i>
13	<i>Setting the Right Expectations- The Role of A Manager</i>
17	<i>Is your PMS adding value?</i>
20	<i>Forced Distribution system: Make Way</i>
24	<i>Is All Well with the Performance Management system? A Gen-Y Perspective</i>
29	<i>Think Different...Think PMS!</i>
33	<i>Is it possible to establish Ram-Rajya in organizations?</i>
37	<i>What is the NEW trend in PMS?</i>
41	<i>Performance Enhancement@ Workplace</i>
45	<i>PMS: A Paradigm Shift</i>
48	<i>How do B-schools evaluate Performance?</i>
52	<i>A Report card for Teachers...Evaluating Teacher Performance</i>



From the Editor...

Accenture drops bell curve. The paper also talked about Microsoft, Google, Adobe and KPMG doing away with bell curve. It is assumed that this will enable them to facilitate focusing on on-going performance reviews and have focused real time feedback. In the first place we never understood why Bell curve should be applied at all for measuring performance and create new issues that don't exist. Has any one thought of the signals we are giving to employees in applying Bell curve.

Almost 40 years ago when Dr. Udai Pareek and Prof. T V Rao two consultants from Indian Institute of Management Ahmedabad reviewed the Performance appraisal system of Larsen & Toubro and created a HRD linked open appraisal system, they clearly recommend that development oriented appraisal ratings should be delinked from rewards, promotions and the like.

The reasons are rather simple: Unlike for workmen where the performance can be measured and quantified as it is observable, Managerial performance is complex. It is difficult to measure and assign a number. Even in schools and colleges good institutions don't follow forced distribution. If you have mathematics paper and the teacher teaches well

and the students are good can anyone get 100 out of 100? For some reasons if some of them don't get we will try to understand the reason being their not getting full marks and try to improve. At best you set liberal standards and say that as all students are not at the same level we can expect some variation but can't really regulate that they should follow a patterned distribution.

Imagine a school saying that if the students don't get marks that follow normal curve and every one scores well then there is something wrong in the teacher. Or passing a resolution that those teachers should make sure that somehow all students fall into a normal curve because that is what the nature is. It will be most unfortunate if we have such a poor understanding of competencies of students, teachers and their output.

In fact the reasons why most people are unhappy cross the world with performance appraisals is that they force fit people compulsorily into those that can be rewarded and those that can't be and arrange them even in some hierarchical pattern without caring for the reasons for weak performance or for good performance. Indian corporations that use forced distribution rating 80% of their employees as Average and or below average. Because it is only around 20% or even less that

are declared as Star performers that deserve reward or recognition.

IIMS and other Business schools that use CAT and such other entrance tests take bright students. A few hundred are selected across the country on the basis of the tests. When they join the institution should they follow normal curve or some sort of a curve? If they don't can we say that the professors did not know how to grade? If it possible that students not getting good grads is perhaps as much a reflection of the student s that of the Professor or the circumstances.

From our experience we discovered that normal curve or forced distribution treats every one as an average person unless you prove otherwise and there are only 30% or even less who are good performers. Employees become cynical and lose interest in performing any further as they know that there is an 80% chance that they will be called an average or below average performer in any case. This tendency has done enormous damage to employee morale and motivation.

It is with the view of bringing to the notice of the public we planned this issue at a time when Performance appraisals are going to take place in the country. The issue was to be out in May but due to a variety of reasons it got delayed by two months. At least we are happy we are able to bring this out. In all there are.... articles in this issue. They deal with a variety of themes including the role of expectations in boosting performance, how to create incredible performance, gen Ys views of Performance management and so on. The issue is contributed by both experienced and in process managers and academics. We hope you will enjoy reading this and circulate this issue to all your managers so that they can contribute to uplifting up the quality of work life by avoiding painful classification.

A New Look at Performance Management Systems



Image Source: <http://www.clinical-innovation.com/topics/ehr-emr/new-workgroup-focus-shift-value-based->

It is about forty years ago Larsen and Toubro asked two of us from IIMA (Dr. Udai Pareek and T. V. Rao) to examine their performance appraisal system. We interviewed several managers at different level. Mr. A. M. Naik Current Chairman of L&T was one of those days whom we interviewed to ask their suggestions for improvements in their system. L&T managers gave us a number of suggestions which latter turned out to be the base for our designing an Integrated HRD System for L&T. A few years after that we were associated with the State Bank of India, BEML, Crompton Greaves and a number of other organizations reviewed and redesigned their systems on similar lines with a development focus. When I look back from my experiences of the last thirty years I realize that we are still struggling in our country with the implementation of appraisal systems. We continued to use the term “Performance Appraisal” while in reality it is much more.

I have realized that one of the most significant mistakes we have made is in titling them performance appraisal system and not performance management. The second mistake we made is to make them annual or half yearly exercises. Even quarterly appraisals don't seem to work. . The third mistake we made was not to insist on delinking with annual appraisals with rewards. Our original recommendation to L&T was to delink rewards from appraisals and sue appraisals for development

and have other system of rewarding employees.

After a serious reflection of this issue I have come to the conclusion that it is high time we abandon the term “Performance Appraisals”. It is high time we talk instead of Performance Management and integrate it with many other things we do in a corporation to manage performance.

One may ask what is there in the name. This is what I kept asking and did not push for change for several years. I now realize that there is a lot in the name. The title stresses that the purpose of the system is “appraisal”. The term appraisal indicates that the main purpose of the system is ‘Appraisal’, which means evaluation. It is a form for reducing the entire year's or six months work of an individual in to a number. Numbers have some great properties. They are intended to render the so called objectivity and comparability.

Unfortunately it this comparability and objectivity that has played havoc in the lives of many employees. It caused a few people to get promoted and some of them undeservingly, a few others to leave their jobs, and yet a few others to walk into office every day with low interest and satisfaction and carry on with their jobs.

No two numbers are comparable in appraisals.



Dr T V Rao is currently Chairman, of T V Rao Learning Systems Pvt. Ltd. And currently a Society member and on the Board of IIM- Ahmedabad. He is associated with IIMA as a Professor or Adjunct and Visiting Professor for the last 40 years beginning 1973. He has also worked as L&T Professor of HRD at XLRI, Jamshedpur during 1983-85. Dr. Rao is the Founder President of the National HRD Network and was President of the Indian Society for Applied Behavioral Science (ISABS). He has 60 books and over 200 papers to his credit. Also worked as a consultant to Administrative Reforms Commission and was on the Committee to review HR practices in Public Sector Banks appointed by the Ministry of Finance.

We cannot say with confidence a rating of four assigned on a five point scale by a Production Chief is indicative of the same performance level as a rating of four assigned by the Marketing Chief.

Or for that matter two marketing Chiefs operating in two regions for their juniors. The ratings depend on so many factors: the supervisor or rater, his previous background, his personality, expectations, the performer (assessee) and his own background, the way the goals are set, the level of the goals, expectations of the assessor from the performer, the chemistry with which they started setting goals, the culture of the organization, etc. No two numbers are comparable. We cannot say the a person who gets a 68 rating on a 100 point system is definitely superior to another who gets a rating of 64 and specially the 64 is from a setting where the performer had a lot of odds to face (including that of his supervisor himself perhaps?).

Yet we treat them as sacred and use them to fit into normal probability, add, subtract, multiply and calculate incentives etc. I think this is a fundamentally wrong attempt to fit qualities in to quantities and use them for anything beyond a discussion or analysis.

From a reflection on this and various other experiences in the last forty years of my work on performance appraisals I like to suggest the following:

1. Ratings in appraisals are notional and at best should be used for discussion to integrate performance on a number of non-additive parameters (like adding for a regional sales executive his achievement of sales targets, and the percentage increase in customer base, with how well he has developed his juniors, and how much he followed the various systems). They can't and should not be used to force fit into normal curve blindly or determine incentives mathematically. At best they could be used for discussion and review of performance. Ratings could be poisonous but they may be inevitable side products of the performance process. They should not become the primary pre-occupation of appraisals.
2. Performance should be assessed against expectations and expectations could be changed during the course of performance with the availability of new information, data and challenges. Expectation sharing and reviewing is the most important part of performance management.
3. It is high time we drop the term appraisal and use the terms "Management". Management is broader and encompasses many things for a system.

It includes planning, development, improvements, recognitions etc. Those who prefer to be even more focused can use terms like: PMS - Performance Management Systems, PDS- Performance Development System, PIP- Performance Improvement Program etc.

2. Merely changing the title does not help but the spirit needs to be promoted. It can be promoted by having a new look at the potential of PMS and by using PMS for objectives other than appraisals and generating numbers in percentages etc...
5. Good performance should be rewarded. But what is good performance should be understood from the beginning by each individual and there should be a shared understanding of what rewardable performance is and what is not by the performer and his superiors alike. This understanding should be there at the beginning of the performance period and not at the time of deciding the rewards. Good performance of one individual should not be dependent on the performance of others. If that is so for all bad performance the seniors should be held responsible. Healthy comparisons are good and yield results in an open and empowering climate and not in a coercive and competitive climate which encourages zero

sum games, where the support the performer gets, competencies and other factors vary from one to another.

5. Small rewards and recognitions should be encouraged to be followed and each supervisor should have a good degree of autonomy to recognize and reward the performance of his or her performing employees and this may constitute a significant part of the CTC (say 5% to 10%) of juniors. Recognition should take place all through the performance period and should not be limited to the annual stock taking or performance reviews.
6. Annual reviews of performance should be conducted using innovative methods and should become a part of life. Such reviews need not necessarily result in assigning numbers to individuals.

CREATING INCREDIBLE PERFORMANCE



Image source: <https://www.linkedin.com/pulse/20140614041448-5278408-why-the-performance-management-system-fails-in-small-and-medium-enterprises>

Often, initiatives to improve performance management focus on certain HR policies, processes and systems like role redesign, goal setting, performance appraisals, feedback, etc. These efforts may increase the effectiveness and efficiency of these processes. Performance results may also improve. All these are valuable.

On the other hand, little do we know about how to get people to cause incredibly high performance results. I wish to share a leadership development program that gets participants to cause incredible performance – like the examples in Box A.

BOX A: EXAMPLES OF INCREDIBLE PERFORMANCE

1. A DAIRY

A dairy commissioned a milk powder plant (MPP) in 2001. The MPP had to be wet cleaned periodically. The duration to clean the MPP was brought down from 28 hours to 18 hours over a period of 13 years. The top 75 managerial personnel attended a three-day program on CIP. Soon after the program, when the MPP had to be cleaned the next time, it was done in 13 hours. This continued for several months after which the cleaning time was further reduced to 12.5 hours.

2. SOCIAL ENTREPRENEUR

A social entrepreneur started an enterprise to provide healthcare support for elderly people ailing from multiple morbidity. He decided to start a new service (palliative care). According to his project plan, it would take him a year to start the service. During a coaching call, he saw that he could start the service some seven months ahead of his plan.

He actually started this service in just over four months.

3. WATERSHED DEVELOPMENT

An NGO working in a rain-fed region completed watershed development in 174 hectares in 13 days. This effort was led by a Program Manager of the NGO who attended a 3-day program on CIP. On the other hand, senior leaders of many NGO working in the same region believed that watershed development can be done in 40 acres in two weeks.

4. SOFTWARE COMPANY

An IT services company was under pressure to reduce the cost of its operations. One of the participants of a one-day program achieved a cost reduction of Rs 1.27 crores over one year, as against Rs 75 lakhs that she said she may have achieved had she not gone through the program.

5. PHARMACEUTICAL COMPANY

A pharmaceutical company was carrying a monthly inventory of 3.5 lakh cartons of certain products. A manager who participated in a Leadership Development program reduced this inventory to 1.8 lakh cartons in about 45 days (as against her own goal of causing this reduction in 90 days). Resultant saving in inventory carrying cost was over Rs 44 lakhs.

6. RECRUITMENT SERVICES TEAM

A team of a recruitment services firm had weekly targets of profits. During the first half of the financial year, the team had not met the targets for several weeks, with an overall under performance of about 20%. After the program manager of this attended a leadership program, the team started overshooting the targets and continued to do so for 19 continuous weeks. The overall achievement was 115% of the target during this period.



After almost 30 years of work experience, Prof C Balaji has taken on partnering with people to cause incredible performance as his life's purpose. Through his training programs, conducting workshops, coaching, mentoring and writing he has played a role in individuals and teams causing incredible performance in work and non-work aspects. On reflection, he notices that he had himself caused incredible performance in some situations. A Fellow of IIM, Ahmedabad Prof Balaji was in academics for 17 years – including 13 years as a Faculty Member of IRMA and about four years as the Director of the Academy of HRD – and in corporate sector for almost 13 years. He has expertise in Human Resource Management, Behavioral Science, Organisation Development, and Research Methods. He has taught in PhD-level and MBA-level programs; conducted training programs for managers and leaders; facilitated organisation change interventions; conducted and guided research; and published books, papers and articles. He was the Editor of National HRD Newsletter for about 11 years.

LEADERSHIP

DEVELOPMENT PROGRAM:

The program enables participants to understand

- a. What “incredible performance” means; and
- b. The ten Action Principles to cause incredible performance

The ten Action Principles are:

- a. Commit and Account
- b. Reset Mind
- c. Simplify
- d. Be Present
- e. Declare A Goal
- f. Create A Deep/Compelling Purpose
- g. Rally Others
- h. Execute With Ruthless Focus
- i. Embrace Breakdowns
- j. Fore-view For The Future

Under each of these Action Principles, participants learn a whole range of actions they can take and simple tools they can apply.

CONCEPT DEVELOPMENT:

During the leadership programs I had designed and delivered earlier, participants worked on one- to two-months long projects. In many of these projects, participants produced unimaginably high results. The ‘hard’ and ‘soft’ parameters of these results included:

- “Hard” Parameters
 - Revenue
 - Cost
 - Profit / profitability
 - Market share
 - Customer delight

- Customer retention
- Productivity
- Capacity utilization
- Efficiency
- Quality
- Employee retention

- “Soft” Parameters
 - Competence
 - Leadership
 - Team work
 - Interpersonal relationships
 - Communication
 - Confidence
 - Stress
 - Employee engagement
 - Work habits
 - Discipline
 - Self-esteem

Starting with the premise that actions – and only actions – produce results, I reflected on the actions the participants took to cause such results. While the specific actions they took varied from situation to situation, they seemed to be applications of the above ten principles. Interestingly, while the participants focused on some of these principles consciously, all the ten principles seemed to have been applied. Thus, these ten action principles seem to form a whole system.

DESIGN OF THE PROGRAM

I have had opportunities to design and conduct programs of durations ranging from a few hours to seven months. Depending on the duration, the depths to which participants learn varies from being acquainted to developing certain

level expertise (and cause incredible performance during the process.)

Here’s a brief outline of the main aspects of the design of the program:

- a. Classroom sessions: Six to eight full-days classroom sessions, one per fortnight; participants learn one or more action principles in each of these; participants also share their experiences with applying the action principles in real life
- b. Application of Action Principles between classroom sessions: Participants are given assignments to apply the action principles they learnt till then; assignments invite participants to apply these in real-life situations at work and outside work
- c. Sharing of experiences with application: When participants share their experiences with applying the action principles, (a) their own insights into the framework deepens; and (b) other participants are motivated to apply the action principles in aspects other than what they applied in
- d. Outward Bound Learning: A two-day OBL enables participants to reflect deeply about “What is it about me that made me take or not take actions to cause incredible performance in the various activities of the OBL?”
- e. Individual Projects: Three-month long individual projects in which people take on causing incredible performance in one aspect of their current

accountabilities that is of strategic importance to their respective department or the organisation; this project gives opportunities to apply the ten action principles together

- f. One-on-one coaching: Such a coaching happens once a week with a coach trained in the framework; coaching can happen in in-person meetings or over telephone; the dates and timings of the coaching sessions are agreed upon between the coach and participants at the beginning of the program; the participants are coached in applying the action principles.

LESSONS LEARNT FROM SUCH PROGRAMS

Some of the lessons I learnt from designing and facilitating such programs are:

- g. Participants cause incredible performance that is measurable, that too in financial terms. In one in-house program for a pharma company, the 20 participants caused results worth at least Rupees Fifteen crores in three months)
- h. The results that participants cause are far beyond what they would have cause otherwise ('business as usual' or 'stretch'). Many of them meet the 'incredible goal' they declared at the beginning of the project; some of them overshoot such goals; some of them fall short of achieving the incredible goal, but even then what they achieved are far higher than what the 'normal'

higher than what the 'normal'

- a. Participants cause incredible results even during the classroom session through application of the action principles – in the above pharma company example, the value of such results was in excess of Rupees six crores
- b. Causing incredible performance can be sustainable over long periods when participants continue to apply the action principles
- c. The programs are transformative in nature: they alter something fundamental to the 'Self' of the participants though the focus is on actions – what they do
- d. Though people cause incredible performance even in a short-duration program (say a few hours or one-day), they are rare and chancy. Whether such people developed expertise in the action principles is a moot question
- e. There are no "shoulds" about actions to cause incredible performance; this is a radical mind-shift change for those who are dogmatic and/or protagonists of one 'model' or 'theory' or the other
- f. When an organisation takes on developing a critical mass of people in causing incredible performance, the culture of the organisation can alter
- g. The domain expertise that people have are often good enough to cause incredible performance; what needs to be added is application of the ten action principles.

WONDERMENT

I wonder:

- Why would anyone settle for 'improved' or even 'stretch' performance when what she or he can cause is incredible performance!
- The least incredible performance is at least double of what we would normally produce. If each one of us doubles our performance, what would the impact of this on the economy, culture, human beings!

Setting the RIGHT Expectations- The ROLE of a MANAGER



For many of us movies are a great source of entertainment. They give us a much desired break from our routine life. While we do not go with a specific intention of learning from movies, there are many learning's and take away's from well made movies.

In this article, I use a movie as an example to discuss the topic on hand.

I am sure most of us have seen the highly acclaimed Bollywood movie "Taare Zameen Par" starring Aamir Khan and a brilliant child artist Darshel Safary. The movie touched the hearts of many with the story of the dyslexic Ishaan who does not like school because his teachers and other kids BELITTLE him. But, no one knows that he is a budding artist and hence his talent goes UNRECOGNIZED.

Enter Ram Nikumbh (Aamir Khan) who is the new art faculty in the boarding school Ishaan is sent to. Ram is quick to notice that Ishaan is not very happy in school and does not talk or participate much in the class as well as other school activities. Through constant encouragement and believing in Ishaan's abilities Ram successfully brings about a transformation in Ishaan's academic performance as well as in his confidence levels. Ishaan goes on to win the art fair organized at the school and surprises everyone except his teacher, Ram who had encouraged Ishaan and believed him to be capable of it.

This movie is a perfect example of the "Pygmalion Effect".

Rosenthal & Jacobson's work (1968) shows that teacher expectations affects student's performance. Positive expectations breed positive performance and negative expectations breed negative performance. Rosenthal & Jacobson described this effect as the PYGMALION EFFECT.

"When we expect certain behaviors of others, we are likely to act in ways that make the expected behavior more likely to occur" (Rosenthal & Babad, 1985)

Rosenthal named the effect "Pygmalion" inspired from a Greek mythology character by the same name- a sculptor, who fell in love with the statue of a woman created by him. Legend says that he asked the Greek goddess to bring the statue to life and his wish was granted. Many of us might not be aware of this history.

But a lot of us would have seen the movie "My Fair Lady" based on the play Pygmalion by George Bernard Shaw, where Professor Higgins works on transforming a flower girl named Eliza Doolittle into a lady.

Rosenthal had researched this issue for a long time and after a particular experiment known as the Oak School Experiment he explained the differences in terms of teacher expectations. In the experiment, it was seen that when teacher's had high expectations from certain students the students showed better growth/academic results.

Rosenthal offers a "four-factor" theory to explain the Pygmalion effect.

1. Climate: Teachers who expect more of a group of students tend to create a warm and encouraging climate for them.
2. Feedback: They give more verbal clues to the children to help them improve their behavior and praise the good work.
3. Input: Teach more material to the high potential kids.
4. Respond Opportunity Factor: Give more chance to the selected kids for responding to questions and asking questions as well.



Himanshi Shah, is a Computer Engineering graduate with an MBA from Nirma University, Ahmedabad. She has worked with companies like Infosys and Cadila Pharmaceuticals as an HR Business Partner. She is currently working as a Manager at TVRLS. She has independently handled Corporate Training Workshops for companies like Vodafone, Motif, Cadila, Vedanata and others. She is an author of fiction books and an avid blogger.

You can reach her at himi.shah@gmail.com

Lot of experiments and research conducted by various people, have confirmed the existence of “Pygmalion effect” in classrooms.

Do you think the “Pygmalion effect” can be transposed to the world of WORK as well?

Well there is no doubt about the fact that-a manager’s expectation from an employee is a key-factor which determines his/her performance at work. This effect has been described by J. Sterling Livingston in a Harvard Business Review article, Pygmalion in Management: “The way managers treat their subordinates is subtly influenced by what they expect of them”.

Research has validated the effect of this “self-fulfilling” prophecy in the workplace. Professor Dov Eden of Tel Aviv University has found the presence of Pygmalion effect in all kinds of work groups across various sectors and industries.

This means that as Managers, our expectations towards employees can drive good or bad performance.

I do not say that the concept is very simple. One may say that there are other factors like the person’s family situation, his education, his relationship with co-workers, company culture etc. which too play a vital role in determining an employee’s performance which is true. But as described above, positive leadership is a top factor in encouraging a higher performance from an employee.

So, as Managers what can you do to manage the Pygmalion Effect at Work?

Listed here are few ways to manage the Pygmalion Effect at your Workplace:

1. **RIGHT PERSON AT THE RIGHT PLACE ON THE RIGHT TIME:** Hiring and placing a right person in a role where they can perform now or can reasonably work up in the future will give the employee something to progress towards. Hiring a person in a role that is above or below their ability will frustrate them and limit their potential to perform.
2. **EMPLOYEE TRAINING:** Give the employees training with the aim of improving his/her skills instead of pointing out his/her mistakes. Let employees work on projects to be able to improve their skills continuously.
3. **SET THE RIGHT GOALS:** It is important to set goals that are realistic and attainable. An important aspect to note here is to give employees STRETCH goals that are beyond their current achievements but are reasonably achievable. If the expectations are too high, the employee is deemed to fail. If too low, then you are allowing them to perform below their ability.
4. **HAVE CLEAR EXPECTATIONS:** As managers or leaders, it is very essential to define clearly the results that you are expecting from your subordinates. The same needs to be

communicated well to them in order to avoid any misunderstandings. This helps the subordinate to work on important goals and not spend time on non-important activities.

5. **CONTINUAL AND CONSTRUCTIVE FEEDBACK:** Have frequent interactions with your employees in a positive manner. Talk to them about their performance, giving both praise as well as constructive feedback. If an employee is facing problem, provide additional guidance, mentoring or training to help overcome the problem. Instead, if you reprimand them, they will have zero motivation to try harder.

However, with constructive feedback and encouragement the chances of improving their performance are higher.

Higher Performance is a case of Greater Expectations from employees irrespective of the fact that they are some Ivy School graduates or of a humble background.

So, are you going to be The RAM NIKUMB who brings out the best in his protégé by believing in him or are you going to be PROFESSOR HIGGINS who succeeds in transforming his protégé to a partial extent due to his treatment and attitude towards the flower girl?



The Pygmalion Effect:

“The difference between a flower girl and a lady is not in the way she acts, but in the way she is treated”—Eliza Doolittle, *My Fair Lady*.

(17)

Image Source: <http://www.flavoryellow.com/2014/07/11/the-pygmalion-effect-self-fulfilling-prophesies-and-the-power-of-expectation/>

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Is your PMS adding value?



Does your PMS and Appraisal System work for you in a value adding manner? Does it help you actually manage performance and behavior of your own self and your subordinates? Find out by answering these 10 questions....

1. Your PMS provides every individual with an overall performance rating number that indicates Good, Average and Bad performance (Below Average), relative to others in your function/organization. i.e. Overall Percentile Score

YES NO

2. Every KPA you have has a clearly defined Key Result with corresponding weightages and is SMART.

YES NO

Every recorded Area of Work should have a corresponding tangible result, of SMART nature. There may be more than one such results. This is the output, what gets produced. It is the tangible outcome. Total number of Tasks in an appraisal should not exceed beyond 7.

3. Your PMS has provisions for Delegation which every Manager (having one or more direct reportee) is expected to fill in appropriately.

YES NO

Delegation has since long been in the shadows. Every manager or leader, should as a practice, identify one or two individuals that can be delegated some work/task currently being done by their respective senior. Identifying the individual to delegate to, can be a monumental task by itself. The results, however, usually are more gratifying and value adding to concerned individuals.

4. Your PMS clearly identifies High Potential Employees or Star Performers

YES NO

Star Performers are identified as a step to better retaining effective performers as well as to provide motivation and a healthy competition for the rest of the employees to strive for the same. Such star performers usually have a fast career growth profile.

5. A PMS Manual is distributed to all employees who are expected to read it.

YES NO

6. Review and Development mechanism involves much of the talking done by the incumbent rather than the boss or senior dominating the discussion

YES NO



Raju Rao is a postgraduate in Personnel Management and Industrial relations from XLRI Jamshedpur and Ph. D. in Management from M.S. University of Baroda (2008), he worked for four years in the Corporate Personnel Department of the Torrent Group, Ahmedabad and joined with TVRLS in 1998. He has two decades of rich experience in the field of HRD. His areas of specialization include HRD Audit, 360-Degree Feedback, Performance Management Systems, Competency mapping and Assessment Development Centers. He has also conducted workshops on Team Building, Consulting Tools and Psychological testing. He has been trained exclusively in Psychological testing (MBTI) and consulting interventions at NTL, Bethel (USA). His consulting experience includes work with leading organizations across the country and abroad like Aditya Birla Group; Chanrai Group-Nigeria; Alexandria Carbon Black-Egypt; Gujarat Venture Finance; Apollo Tyres; Tata Tea; AMP India and many others.

7. Review Discussions have provision for formally recording additional resources/support required (from Seniors, Functions, Organization) for better achieving targets over the remaining 6 months

YES NO

8. You are the first one to be enquired on what you think your improvement requirements are; not the senior first, then you and then HR.

YES NO

Most organization, erroneously, require the Senior/manager to state an individual's improvement area's and training requirements. Only after this does the incumbent have a say. There are some rules to be followed for Effective T&D. Most basic and important aspect of T&D

- Individual must first feel the need to improve and develop.
- Senior should also agree.... When the individual doesn't get a first say on this matter, the first rule is violated. Resultant learning becomes questionable. The order is most essential here.

9. Attributes, Behaviors, Values etc. form a part of PMS and are explained with significant examples of use

YES NO

e.g Communication Skills: Individual speaks in a clear manner, uses local language to explain if required, responds promptly to emails, maintains eye contact when presenting, neat and tidy working carefully corrected for errors, shares information with all ...conversely, on the negative side : Interrupts others when talking, prefers no eye contact while presenting, slow in maintaining time lines, has hap hazard memo's, at times uses rough or slang language.

Every individual being appraised should know in detail, which activity of their behavior is to be scrutinized for ratings. Expectations on each attribute needs to be defined in concrete terms of behavior indicators. Specific examples as shown above go a large way in understanding and accepting Assessments.

10. Every appraisal results in a concise Action Plan for the incumbent with a time limit which is shared with the immediate Senior/Head

YES NO

Towards the end of the Performance appraisal, do you know what it is that you have to do, in order to perform better and faster than previous occasions? What result will indicate this difference? The Action plan should always begin ... ' I Willby so and so date within the next two weeks!' This format helps commit to the intent of action. Sharing this statement with others is enough to bind you to the intent.

Add up the YES and No's. If the NO's number more than 3, the implications are that your PMS still has some scope to work better and more meaningfully. Beyond 3 No's is a danger signal indicating that there is much amiss. Quite some amount of work will be necessary to make a good PMS.

The more the total number of YES, the better it is in terms of having a value adding ideal PMS System. It is possible to make a simple and small PMS having quite a few benefits and being of scientific value. A good quality of PMS means a better ability to actually enhance performance over a period of time in a scientific manner.

Additional considerations:

- You know precisely what you need to demonstrate and achieve in terms of Results/Targets in order to be promoted. As discussed with Supervisor.

YES NO

- Your efforts are not considered adequately and more focus is on results which are not entirely influenced by your work.

YES NO

Forced Distribution System...MAKE WAY!



PERFORMANCE APPRAISAL

is a dreaded word. Most employees are not happy with the ratings they receive and an open appraisal discussion is still a distant reality in most of the companies.

Companies usually have high attrition rates following the appraisal period. This is because a large number of the employees are dissatisfied with the appraisal they receive.

To prevent this from happening, companies need to answer some questions:

“Are we measuring the right thing in a right way?”

In this competitive era, companies are adopting new trends to gain an edge. They are reshaping their performance management systems by entertaining approaches that are way more innovative and rational.

In this race of companies to adopt better practices, let us look at some significant names which got rid of traditional subjective evaluation methodologies and have started practicing innovative techniques.

CISCO SAYS BYE TO BELL-CURVE:

Cisco too used a bell curve method to evaluate its employees. The company’s major concern with this system was that 10% of the employees, given lowest ratings,

were noted as losers in the group, even if the group was performing well as a whole.

Cisco management felt that the bell curve was forcing managers to rank some subordinates as poor performers in spite of their doing a fairly decent job. This was harming the company rather than giving any benefits. Francine Katsoudas, the chief HR officer at Cisco, said “More and more companies were finding that their performance management system wasn't serving them well. From an employee's perspective, it's the most hated process that you have. Even leaders are saying they are not getting what they want from the system. And so, we're going to move away from ratings. And we're going to move away from the concept of the annual review”.

Cisco has replaced the traditional bell curve approach with a new feedback mechanism to foster more teamwork and collaboration.

Recently Katsoudas was quoted saying "Instead of writing perhaps two pages assessing your employee at the end of the year, we're going to say, have a quarterly conversation, find out how they're doing, give them the feedback on what's going on, ensure that they are aligned to what's most important, and have the conversation about when they're going to be ready to move onto something else and you prepare them for that.”



Yash Raj is currently pursuing his MBA in the Human Resources domain from Xavier Institute of Management Bhubaneswar. He is a graduate in Electronics engineering from Visvesvaraya Technological University and has an experience of more than 2 years in Information Technology sector. He is an intern at T V Rao Learning Systems Ahmedabad.

MANAGING TRANSFORMATION IN ADOBE:

Adobe used to conduct an annual performance review for its employees. This used to be a surprise factor for the employees coupled with a negative hangover effect for them after the review period. This led to a series of muddles, some of them being ambiguous business goals, higher disgruntlement and so on.

Last year, Adobe implemented new performance review process known as 'check-in system'. The new system focuses on **Expectations** - Each employee's expectations are heard, understood and documented at least once a year in the form of a two way collaborative communication, **Feedback** - Employees are provided with quarterly reminders to review their expectations and also are encouraged to provide and obtain feedback and **Growth and Development** - Employees are encouraged to grow in their current and future roles.

The managers are accountable for the whole process. As the year begins, they set performance goals for every employee and have frequent discussions to assure that everyone is on the right track. They make a yearly decision on the compensation based on the market rates, the employee performance for the period and the budget provided to them. This new system of Adobe focuses on both the ends of the performance curve i.e. satisfying high performers and has

set path for 30 percent reduction in voluntary turnover.

A SWITCH FROM THE TRADITIONAL FORCED DISTRIBUTION SYSTEM BY DELOITTE:

Previously, Deloitte used to set objectives for its employees at the beginning of the year. The manager used to follow a forced distribution system where he would evaluate the employee via rating him and providing him feedback after the completion of the project. These evaluations were summed as a single rating at year end and hence were more prone to errors.

Stacia Sherman Garr, VP, talent management at Deloitte, believes that, while forced ranking helps removing the under performers during restructuring process, but the effect of greater level of demotivation it gives rise to, can't be ignored.

To overcome this erroneous evaluation scheme, Deloitte started offering a simple and unique design for managing performance. The basic objectives of the new system are **Recognize** performance mainly via variable compensation, **See** the person's performance clearly without any idiosyncratic rater effect thereby streamlining the traditional process of evaluation and rating and **Fuel** the individual performance.

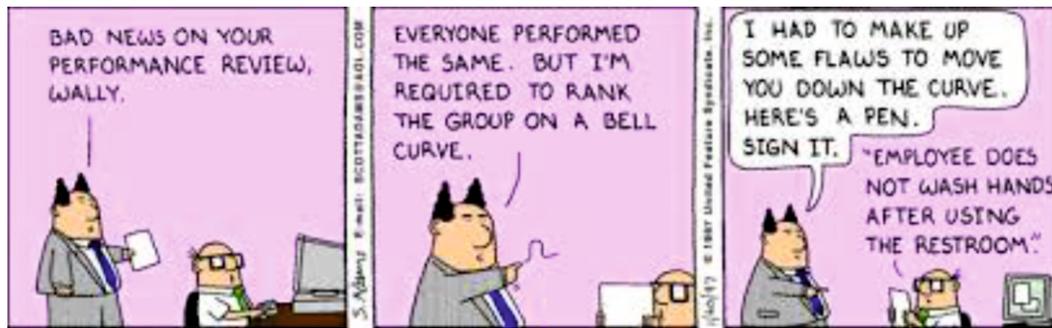
Deciding on proper annual compensations, performance snapshots per project and weekly check-ins are few of the main tasks to support the objective.

Every team leader now needs to check-in with each team member at least once a week. Performance at the individual level doesn't focus on the skills of each team member but targets the future actions of team leaders with respect to his or her team members.

MICROSOFT SAYING GOOD BYE TO FORCED DISTRIBUTION SYSTEM:

Previously in Microsoft, managers used to grade employees against one another and rank them on a scale ranging from one to five. The system was termed "stack" or even "forced" ranking. It meant a certain percentage of employees of Microsoft were bound to be designated as underperformers. The forced ranking divides the employees in different groups regardless of their performance. The unhealthy result of this process leads to expulsion of bottom 10% employees.

To bring some modification in the system for a better employee satisfaction level, Microsoft decided to dump this numerical ranking method and adopt more frequent and fruitful employee evaluations. They said they no longer require grading their employees against one another. Microsoft managers now are giving employees more frequent feedbacks on their performance. They will be more collaborative and will encourage continuous development. Managers also are having better flexibility in distributing bonuses.



ATLASSIAN, THINKING BEYOND THE FORCED DISTRIBUTION SYSTEM:

According to Australian software enterprise Atlassian's performance review model, people had to review themselves and their peers twice a year through 360 degree feedbacks. Managers reviewed their team members and determined their final performance rating on a 5-point scale which also determined their bonus. This process required a huge amount of time and resources to be completed.

To experience a better employee satisfaction level, Atlassian decided to drop this system of forced rating and initiated a series of activities like **replacing the ongoing traditional performance review structure with a more continuous model**, incorporating various constructive aspects of reviews in the prevalent one to one meetings.

Now every staff member is given stock options to help the people benefit from the company's growth. There is no more rating on a numerical scale. The staff members and managers decide on the person's position on the two scales. This approach encourages a better style of reviewing feedback. Such a peer feedback model has resulted in outstanding performance of 75% staff and an increase in engagement levels to 83%.

Although it is true that forced ranking has brought disciplined rigor to the management process but it remains silent on the single most pertinent question **“Does our system need it?”**.

There are serious aspersions that it has improved the system from what it was. One of the most cited is that the cost of hiring and development is huge when you are removing 10% of your workforce based on the forced distribution.

The main objective of forced distribution was to obtain closer linkages between job performance and bonus payouts but as the time passed it seemed that the cure was worse than the disease. The employees were segregated into different groups with no real basis of how to decide the threshold, except maybe financial. That means if your budget for pay increase does not allow more than five employees to be kept in the highest band the sixth employee suffers a setback despite his good performance throughout the year. No wonder employees feel demotivated and the productivity of the organization suffers.

Employees should not be compared among themselves rather they should be compared with their work plan. In the end the department's/project's/unit's KRA and objectives are the priority of any organization and they can only be achieved with collective efforts.

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Is All Well with the Performance Management System? A Gen-Y Perspective

...For they (youngsters of today) have their own thoughts.

*You may house their bodies but not their souls,
For their souls dwell in the house of tomorrow,
which you cannot visit, not even in your dreams.*

*You may strive to be like them,
but seek not to make them like you.*

For life goes not backward nor tarries with yesterday.

- Kahlil Gibran

Although the Performance Management process has evolved rapidly over the last two decades there are still cracks visible – especially when viewed from Gen Y’s perspective.

In a candid conversation with a veteran HR practitioner - **Yasmeen Busrai**, a young professional with four years of industry experience in the HR Consulting space, shares her views reflecting the opinion of her generation. There is scope, for senior leaders, to reflect upon some of the stereotypical perceptions that surround young professionals of today.

PERFORMANCE MANAGEMENT PROCESSES HAVE BEEN IN EXISTENCE FOR DECADES, WHAT DOES YOUR GENERATION FEEL IS MISSING IN THE PROCESS?

Any process, even if it’s a long standing one, needs to adapt to changing times and changing aspirations. Many performance management systems, because of their traditional approach, have actually degenerated into a routine exercise. What our generation looks for is a dynamic and interactive process where we have the opportunity to have our voice heard.

Many business leaders think that our generation is only interested in immediate gratification, results, or rewards. However, in most cases, this is not true. What really drives us is the impact of our contribution – however big or small – on the organization.

In many situations it may not be possible to quantify this contribution. However, young professionals want managers to help us understand the linkage of our work with overall organizational goals. Unfortunately, many performance management systems focus only on assessing delivery or achievement of targets and fail to highlight this connection.

ARE ANNUAL OR SEMI-ANNUAL PERFORMANCE APPRAISAL DIALOGUES EFFECTIVE?

While many managers invest significant time and effort into annual or semi-annual appraisal dialogues – this is not adequate. What we look for, in addition to these structured conversations, are frequent interactions on an ongoing basis.

We respond best to leaders who make themselves accessible throughout the year and not only at the time of appraisals – In fact some of the most constructive and motivating conversations have been unplanned and informal in nature.

Organizations that recognize the importance of employee engagement, and focus their efforts on creating an engaging and enabling environment, tend to attract and retain younger talent far better.

We value leaders who readily offer guidance rather than those who give directives. Managers who provide us with regular feedback, major tasks, tend to be preferred.

especially upon the completion of major tasks, tend to be preferred. Acknowledgement of our contribution and practical advice on what we can do better goes a long way. It provides us with a sense of direction, helps us build confidence in our capabilities, and motivates us to perform better.

Young professionals expect managers and organizations to provide far more than an assessment on a set of goals achieved. The entire process of performance management should be looked at as a journey where every stage can be made engaging and exciting.



Yasmeen Busrai Graduated in Organizational Psychology and obtained Post Graduation qualifications in Intervention Counselling from The University of Queensland, Australia. She is employed with an international Human Resource consulting firm. She can be contacted at yasmeen.busrai@gmail.com

WHAT ELSE DO YOU EXPECT FROM PERFORMANCE MANAGEMENT PROCESSES?

A critical precursor to the appraisal dialogue is a clearly articulated and mutually agreed upon goal sheet. Nothing is more frustrating than repeatedly being given a routine list of activities and simply being expected to execute them - without understanding its significance or value add. However, this does not mean sacrificing flexibility while running the business, which to some extent is inevitable.

The driving force for this generation is to excel, which is why constructive criticism is also welcomed. It is considered as a platform for self-development. Many managers miss this opportunity and gloss over the appraisal focusing only on tasks achieved simply to avoid difficult conversations. This de-rails the development process and results in confusion and frustration.

Very often managers just use performance appraisal discussions as an opportunity to give feedback on performance. What our generation wants in addition to this, is a clearly defined development roadmap at the end of the performance appraisal discussion. It is imperative for this development plan to be 'owned' by the manager. If this fails to occur, the entire process runs the risk of losing credibility. Therefore, appraisal by itself is not adequate. It must be linked to professional and personal growth and development.

Younger professionals want interactive discussions, where managers not only analyse the output, but also offer alternative approaches for the future. Dr Marshall Goldsmith has talked about the concept of 'Feed Forward' where the manager encourages the appraisee to consider various options and decide on the most appropriate choice. This particular concept combines the virtue of feedback and coaching, and is highly valued by this generation.

A characteristic trait of the younger workforce is to seek new and challenging tasks, or stretched assignments. This inclination, however, has to be balanced in a manner in which the priorities of the organization supersede that of individual.

An effective performance management process is also one where managers are able to leverage diverse backgrounds and unique strengths of individuals to create value for the organization.

Managers also need to be adept at balancing individual career aspirations with what the organization can offer. The traditional method of organizations determining career plans for individuals is obsolete. Our generation is less inclined to blindly accept what the organization has in store for us. We want to actively participate in shaping our own career.

ISN'T YOUR GENERATION ALL ABOUT 'I, ME, AND MYSELF'?

Contrary to what many may think, our generations' 'what's-In-It-For-Me' outlook does not necessarily reflect a selfish motive. In many cases, it stems from an inner desire to know how we can grow professionally and how we can add value to the organization we work for.

It is incorrect to assume that this generation only wants to 'receive'. On the contrary, today's younger workforce is keen to establish an individual identity and want to meaningfully contribute to the organization. This is why non-monetary recognition has increasingly gained importance.

This pursuit for individual identity also manifests itself in how compensation is viewed by our generation.

Most young professionals are able to objectively assess their performance vis-à-vis the reward they deserve. As a result, organizations that have sharp differentiation of rewards are preferred.

Research has shown that Reward features as the second, if not third, priority in the minds of today's generation. The top priorities are personal growth and enhancement of knowledge and skills. The notion that attrition in today's generation is solely due to compensation is a total misconception. Young talent seek change because they do not see adequate learning opportunities or career growth.

WHAT TYPE OF BIASES, IF ANY, DO YOU FEEL EXIST IN PERFORMANCE MANAGEMENT?

A predominant bias faced by the younger generation is the resistance to new ideas put forth by them on the assumption that they lack experience. However, this generation is well informed and well connected, and is often able to develop new ideas by leveraging vast social networks and research and technology platforms. There are two implications of this - the organization loses out on a fresh perspective, and the younger workforce feels de-motivated.

The other bias revolves around inconsistent process application.

What this generation looks for is complete transparency in the performance management process. This includes consistency and predictability in its application. The element of bias creeps in when exceptions and 'adjustments' are made to the system which consequently diminishes our faith in the system.

It is here that the Human Resource function can - and must - protect the sanctity of the Performance Management processes and ensure that it is implemented in a consistent and impartial manner.

IF YOU WERE TO RECOMMEND FIVE CHANGES TO A CEO, WHAT WOULD THEY BE?

UPWARD FEEDBACK

My first suggestion to the CEO would be to introduce a robust process of Two Way Feedback. This would involve team members providing upward feedback to their managers as part of the performance management process. This feedback could also serve as an input into the developmental plans of the managers within the organization. The major advantages of this two-way feedback process would be increased synergy within the organization, an atmosphere of collaboration, and consequently higher team effectiveness.

CONTINUOUS ENGAGEMENT

Another important area of focus, which would be a non-negotiable directive to all business leaders, would be continuous employee engagement. Managers would be expected to regularly engage with their teams and provide adequate support when required. The effectiveness of engagement initiatives would need to be tracked and measured on a regular basis to ensure that they meet individual objectives and have a positive impact on the organization.

IDEA INCUBATION

Establishing and driving a culture where ideas can be freely generated and expressed would be a big motivator for young professions.

Resources could be allocated to take some workable and viable ideas forward. This concept has yielded significant benefits for organizations like 3M who have made breakthrough innovations through 'Moonlighting' projects.

OWNERSHIP AND ACCOUNTABILITY

The CEO should ensure that a culture of ownership and accountability for business results is continually reinforced. It would be beneficial to ensure that while encouragement and opportunities are extended to the younger generation, this also results in them being held accountable for delivering results. Here, young leaders would be encouraged and expected to take ownership of activities within their circle of influence.

MANAGER AS A COACH

This generation responds better to managers who provide a nurturing and supportive work environment. Therefore, the CEO should expect his managers to not only be task masters, but coaches as well. Young professionals value managers who are accessible and who genuinely show interest in their development. These managers would score in winning respect and are often seen as role models.

**ANY CONCLUDING
REMARK?**

Performance management is a powerful process, and when deployed with sensitivity and consistency, can result in higher productivity, job satisfaction, commitment, and better business results.

The younger talent pool today are energetic, ambitious, have a great deal of potential, and are not afraid to challenge the status quo. Providing them with an avenue to express their ideas and aspirations, and facilitating their development through ongoing coaching will empower them. A fair and transparent performance management process will further help maximize this potential.

Consequently, organizations that are able to evolve with changing times and adopt relevant approaches to performance management, are likely to gain a competitive advantage and attract and retain quality talent.

THINK Different...Think PMS!!!



Image Source: <http://www.canadianunderwriter.ca/MktgImages/cutech/2014073109343604jrc30qy0lhrqf553qfurvin.jpg>

Gone are the days when a thought of reviewing KPA of all employees in a company with thousands of employees was sufficient enough to stop a heartbeat or two of a HR manager. All credit goes to the technical advancement in the Performance management which has made it possible to have all the information just a single click away.

Performance management is the current buzzword which organizations want to be adept at in today's cut throat competition. Every organization is seeking for the new enhancements or modifications in its current Performance management system to make it more acceptable to the employees and efficient in reviewing their performance.

Though performance management as a process was not recognized till 1980s but it has been used in various fields from the inception. According to Koontz(1971), the earliest and first known performance appraisal took place during the Wei dynasty (AD221-265) in China when the emperor employed an imperial rater, whose task was to evaluate the performance of the official family. But it was during First World War, when rating was used for the first time to measure the performance of the officers in US Army. W D Scott prepared a rating system on the basis of 'man to man comparison'

which was modified and used in the U.S army. This system was used for the promotion in the U.S army and after its successful implementation there, it was used in many organization- British army being the first one. With the advent of time, there have been several changes in performance management system from a simple man-to-man comparison to a capability building tool.

RE-ENGINEERING PMS: WHY IS IT NECESSARY?

Performance management is now become a much broader and a complicated function of HR in its impact on the morale and results of the employees. It constitutes activities such as joint goal setting, continuous progress review and frequent communication, feedback and coaching for improved performance, implementation of employee development programs and rewarding achievements. Traditional Performance management was being looked as a performance evaluation method used to rate the employees, but now it is being seen as an activity to bring continuous improvement of performance at individual, group, and organizational level in all aspects of performance.

Earlier emphasis was given on the rating of the performance and then rewards were attached to these rating but it often promoted destructive competition among individuals, departments



Akash Kaushik is currently pursuing MBA in Human Resource Management from Xavier Institute of Management, Bhubaneswar. He is a member of XIMAHR: The HR association of XIMB and Xquizzite: Quizzing committee of XIMB.

He is a B.Tech(Computer Science Engineering) graduate from Kurukshetra University, and has 2 years of work experience in IT sector.

and agencies discouraging collaboration and coordination. These mechanisms were mostly result based and don't take efforts and behaviors put in the process by the employee into considerations.

The rapid technological and social changes have brought several changes in the PMS. From simple man-to-man comparison, it has come a long way to become a strategically important function of HR. As several **motivation theories** came over in last six decades, there were gradual changes in the approach to Performance management system. Business doesn't function for mere profit making; now they thrive for relation building with their employees, clients and customers also.

PERFORMANCE REVIEW: ONE TIME ACTIVITY OR CONTINUOUS PROCESS?

A performance management system consists of several activities like goal setting, performance review, performance appraisal, feedback etc. Earlier the emphasis was put on performance appraisal and Performance management was just supposed to be an activity to make basis for appraisal. Though majority of companies still follow the same route but now major companies have started to move away from appraisal to a more continuous kind of system. The current model of Performance Management uses the annual or biannual "Performance Review" to provide employees with feedback on their performance and then link the appraisal to the ratings but it has its own counter effects. There are several progressive companies who are trying to get rid of this practice.

SHOULD APPRAISAL BE DELINKED FROM PERFORMANCE RATING?

In place of appraisal on the basis of the past performance, **companies are now focusing on developing capabilities of the employees and set the future goals for them.** Australian software developing company, **Atlassian**, is one such company who has got rid of unconstructive focus on ratings and distributed curve. Instead of that, they implement a more lightweight, continuous model of conversation. They get rid of numerical rating, instead a quarterly or monthly or weekly discussion takes place between the manager and employee and they discuss how well the employee done his work in the past six months and how can he improve that. It's an honest and healthy conversation that solves the purpose of the capability building and performance review. Atlassian has also stopped paying performance based bonuses. Instead, they give everyone salary hike. By delinking monetary benefits to the performance rating, they have managed to curb the unnecessary comparisons, negative effects.

Recently, **RedHat** has done some modification in performance review system. "In the case of an organization like Red Hat (the organization where I am the CEO) which operates as part of multiple open source software communities like Linux and OpenStack, these questions are all the more difficult to answer — like how to measure someone's contribution to an

external community — and traditional performance reviews just don't cut it for us. For example, building open source software, like we do at Red Hat, involves collaborating with people outside of the company who volunteer their efforts. That means you can't simply issue orders or direct what work gets done and when. What you can do is build influence and trust with other members of the community. But doing that can involve making contributions that offer no direct output or result." Mentioned Jim Whitehurst, president and CEO of Red Hat in his HBR article dated 11th /managing-performance-when-its-hard-to-measure).

First of all, they encourage a regular discussion between the manager and employees so that both of them remain in the sync on the expectation and development. Second, they get rid of bell curve rating; rather they pay attention to both performance and potential, and focus on connecting their people with opportunities for growth and development. Third, they also take employee's peers' and community's feedback regarding his work and development to have a look on his quality of influence on his clients. And most importantly, they don't follow any rigid formula for appraisal and bonuses. Managers give appraisals on the basis of their true performance without any predefined constrained budgets.

These changes in performance management systems are the progressive changes which focus on managing and enhancing performance instead of evaluating performance.

TECHNOLOGICAL ADVANCEMENT: BOON FOR PMS

Technological advances and social changes, over the time, have led to change in the perspective of people towards work. The whole process of filling up the forms and then analyzing them seemed to be a cumbersome process. This led to the development of **E-Performance management which provides an automated and easy-to-understand platform to do all the HR activities.** E-Performance management is a part of HR information system (HRIS). Through E-PMS, it is possible to integrate the strategies, policies and practices with HR. There are several companies which provide HRIS, of which E-PMS is a part. There are some companies like oracle which provides specifically designed system for performance management. Oracle's PeopleSoft e-Performance is an integrated solution designed to enable talent management best practices that will foster employee engagement, provide strategic workforce insight and help you achieve critical organizational objectives – in a clear, yet flexible, process.

There are several vendors which provide online PMS system to the companies. These E-PMS save a lot of time by automating the time consuming performance appraisal process and provides confidentiality and flexibility. This complete performance management system provides easy-to-use yet highly effective tools such as goal management, performance appraisals, competency and skill assessment, talent profiles, development activities, reporting and analytics, and multi-rater or 360-review functionality. It helps in linking individual goals and rewards to business objectives to communicate clearly to employees how their contributions enable business success, ensure key initiatives are adequately supported, and track progress toward completion and hence increase employee success.

INCLUSION OF NEW TOOLS

These socio-techno changes led to include contextual performance in the PMS in addition to result approaches. Behaviourally Anchored Rating Scales(BARS) and Behavioural Observation Scales(BOS) are also introduced for appraisal to include behavioural aspect. These all innovations are done to make PMS an easy, efficient and flexible system which can motivate the employee to enhance their performances.

Efforts have been made to make PMS more objective but there will always be some subjectivity PMS should be future oriented that uses past performance as an indicator to set the future course of action. A performance feedback should be descriptive, not evaluative, in nature that is based on facts. PMS can be used to find the existing skill gaps in the employees that can be used to design the training programs. The more it is acceptable to the employees, more is its chances to work well. For this, employees should be communicated well about the objectives of the performance management system and should be encouraged to take part in the performance review discussions

Over the years, HR system has gone through transformation so is PMS. In this competitive business environment, it shouldn't be a surprise if we see new innovations in PMS by several organizations in the next few years. Several big companies are coming up with the innovation in their existing PMS. GE, Cisco and many other companies are not using bell curve distribution anymore in their appraisal system. Deloitte has come up with a PMS which is future oriented rather than past oriented. Microsoft and Adobe has also done modifications in their existing PMS. Seeing the trend, it wouldn't be wrong to see many other companies to follow the suit of these giants and coming up with new innovations in their PMS.

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Is it possible to establish Ram-Rajya in organizations?



Image Source: <http://devdutt.com/articles/indian-mythology/footprints-of-pilgrims.html/attachment/pandavas-climb-mountain>

As part of MBA programme in B-School, we learn some fascinating words like ownership, motivation, self-driven teams, performance culture etc. to decorate our answer sheets in examinations. But later we hear our seniors or we ourselves realize that it not a bed of roses. We realize that it is one thing to understand a theory and completely different to actually apply it in real world. So I wonder is it really possible to create such ownership, motivation, self-driven teams, performance culture in your organization? Can we create a “SAT-YUG” in today’s great Indian corporate circus?

Mr. Devdutt Patnaikk, talks about establishing a culture of Trust and Performance in organizations by drawing references from ancient mythology. Here are the excerpts from the interview.

1. How Was The Performance Assessed In Indian Scriptures? Is There Any Relevance Or Similarity Between That And The Current Performance Management System?

Modern Management is based on Greek Mythology which is achievement driven. It is about achieving individual excellence in your world. It is also influenced from Biblical Mythology,

according to which we must achieve something by aligning to the rules. So Modern management is evolved from the ideas that emerged from Europe and Middle East which is different from the Indian Thought which is about creating happiness for which you may need to achieve or not achieve. The fundamental explained in the Indian Scriptures is creating ‘Happiness’. It is all about creating a happy ecosystem which may or may not achieve. The definition of happiness is different according to different people. Therefore a person is continuously negotiating with people around him and enabling himself and the others to achieve happiness which may or may not include ‘Performance’ the way we define it today. It is a very different way of looking at the world and different from what Modern Management follows.

2. Before It Was All About The European, Japanese And American Style Of Management, Now People Say That Indian Style Of Management Is Getting Popular. So What Are The Differences Between The Performance Management Systems In These Different Styles Of Management?

Indian style of Management is more based on human relationships not rule based. You may be not good at our work but you may get bonus because you have good relationship with your boss. This is not acceptable in European system.



Devdutt Patnaikk is a leading mythologist (decoder of stories, symbols and rituals that reveal human assumptions and cultural truths), writer, illustrator and speaker. He is based out of Mumbai. Being trained in medicine, he has worked in healthcare and pharma industries for 15 years. He was a business advisor with Ernst & Young, and then Chief Belief Officer of Future Group (Big Bazaar). Author of over 25 books and 400 articles on mythology who connects mythology with everyday life.

He is based in Mumbai.

They call it favouritism, we call it loyalty. European Model revolves around rejection of all human relationships and the only relationship that is valid is between an individual and the state. This can be good or bad. This is also not the way the entire world functions.

In the Performance Management System we view an individual from the lens of performance; we dehumanize them which mean that the value of the human being is coming from the report card. Every quarter by quarter you feel humiliated for not achieving your performance and then we wonder why people are so cynical about the corporate world and why do they make Dilbert kind of cartoons. It creates a negative ecosystem where 'you' don't have value; only what 'you do' has value. This is a classical American thing. So for evaluating the employees, they are reduced to machine. This is why we have problems like occupational stress, psychological problems, and high attrition rate. Performance Management System is the necessary evil for the company but the human being starts feeling miserable.

3. "KarmaniyaVadhikarasteMafaleshuKadhachana...." In this shloka in Bhagwat Gita, Lord Krishna says do your duty and not on the result. How much is this statement relevant to the current Performance Appraisal System.

It is a different thing when Lord Krishna says it and when a capitalist says it. In corporate world this statement can be used to exploit employees. Manager can say that do this work and I will give you minimum wages, and when employee protests manager says listen you focus on your duty and work, manager will take care of your remuneration. Manager will decide your duties; manager will decide your remuneration so manager is located in the position of Lord; but managers are not Krishna. When managers and organization practice this the organization is exploiting its employees. This is very dangerous situation. This is how for centuries in India, people have used scriptures to exploit people. So such 'selective quotations' have been used to exploit people systematically.

4. Is the attachment of incentives to the results and performance causing the pain in the society?

At the personal level attachment to anything will cause pain, but in organizations we have to but this is in a way it is exploiting employees.

5. What according to you is the problem with the Performance Management System and What according to you is the ideal way of performance Management in Indian organizations so that it can be used as a tool to establish FAITH in employees?

The problem with the Performance Appraisal System is that it is highly objective. All your life in school you had report cards, so all the benefits of education came to you because of these numbers in report cards. But it is not necessary that these toppers in school become the most successful people. So there is no correlation between the number and the outcome. Yet we stick to these numbers and stress on objectifying. We trust numbers and hate human opinions. The whole idea is to remove individuality; numbers are true and people are not. Steve Jobs had said, "I don't need Market Research, I will do what I feel is right". It was a very bold statement, but if he would not have been like that, Apple would not have happened. So context is important. In some context objectivity is required. I don't say that objectivity is bad, objectivity is also required. But this objectivity is best method. I always give this story of this girl who married a boy because she had no choice and the boy started thinking that he is the best. So many times objectivity is like this, you have no choice so you go towards this number but it is not the best option.

So then what is a better way? Indians value subjectivity a lot more than the western people. It looks at the ecosystem of relationships. This works well in small teams not in large groups.

Because the Indian thought of growth is very different from the way the western idea of growth comes. The idea of growth demands objectivity and so now we are also following the trajectory of growth and thus objectification. But only objectification will create RANBHOOMI and not RANGBHOOMI. Indian outlook is required to manage small departments and groups while the western system is essential for growth. So in order to have a more sustainable system we need an amalgamation of both Indian as well as western method.

6. In a team we have top performers, moderate performers, non-performers. What according to you is a good way to measure the performance of team as a whole and measuring the performance of members within the team? Also how do we convert these non-performers to performers?

I once saw on National Geographic- a pack of wolves collaborating when hunting. But after catching the prey they compete for better share of the meat. Humans are no different. We still behave like animals, I am the alpha, I have worked more so I should get more and you are omega so you should get less. But if we do not reward the alphas they would turn into omegas.

So 'Western Management Module' celebrates the jungle and jungle is not a safe place to work. The whole point of human civilization is to move out of the jungle but see how we recreate it in the corporate world using sophisticated language like collaborations, competition which is behaviour of wolf pack. Once we start getting educated we realize that what we thought as Modern Management is actually primitive tribal language.

We just manufacture wonderful words like 'Fair Play' but in reality we are like animals we fight and sulk to get more because since I have worked more so I should get more. But you can never create 'ownership' in such teams. A leader and his good team should take the ownership for his work.



Image Source:

<https://www.facebook.com/DevduttPattanaik/photos/pb.166495080030015.2207520000.1433411324./682626811750170/?type=3&theater>

What is the NEW trend in PMS?



Image source: <http://www.starresults.com/blog/why-sales-managers-hate-performance-management/>

PERFORMANCE WITH COACHING AND DEVELOPMENT.

Lisa Barry, Stacia Garr, & Andy Liakopolous (2014). Deloitte University Press

Empirical proof from various surveys conducted shows how redundant forced distribution become in PMS. 58% of companies surveyed said that the bell curve forced rating is useless and it is demoralizing high performers, creating team animosity, and reducing employee engagement. In the forced ranking methods, the higher performers are at loss as the value of the top performer is pushed down and pushes mid-level performing employees to bottom. Neither does it consistently reward high performers nor encourage mid-level performers. At a time when 70% of all the employees in the world are knowledge workers and their ability to perform depends on their skills, attitude and their ability to innovate and work as a team; a good PMS system must focus on a continuous feedback and coaching model. Research data shows that organisations where Performance review discussions were held quarterly or more, were better placed in employee attrition and employee engagement. Managers need to be coaches in employee development and not only evaluators. The critical thing required is separating compensation decisions from performance feedback.

Compensations should be dependent on the skill level, criticality of the job he is carrying out, monetary value of those skills to the customers and in the job market. Employees have to be held accountable for their actions but must be provided necessary tools for self development. An effective and robust PMS can be devised by getting senior management support in communicating the purpose of PMS, simplifying the process, skill development, communicating the benefits of coaching and feedback to the managers and employees, and delinking compensation from rewards.

KILL YOUR PERFORMANCE RATINGS: NEUROSCIENCE SHOWS WHY NUMBERS-BASED HR MANAGEMENT IS ARGUABLY OBSOLETE.

David Rock, Josh Davis, & Beth Jones. (August, 2014)Strategy+Business. Issue 76.

Research by the authors on the neurological impact that a performance rating has on the human brain suggests that it has the same effect when attacked by a wild animal. The article talks about how measuring human performance on a numerical scale actually damages the same performance that PMS intends to improve. The primeval reaction of “fight or flight” is not at all conducive for a Performance review discussion.



Debangshu Bhattacharjee is currently pursuing his Masters in Business Administration in the Human Resource domain from Xavier Institute of Management, Bhubaneswar. He has also done his engineering in the Mechanical stream and has more than two years of experience in the manufacturing sector. He has received the first prize in state level extempore completion organised by West Bengal Renewable Energy Development Authority, He has also excelled in competitions organised By CTS, Transitions2K10. His articles have been published in B- school magazines and other such platforms.

Statistics from Korn Ferry reveal that despite the push for employee development, managers are actually very incompetent at it. Evaluation of employees has to be based on the unique role they have played in moving the organization forward. The article talks about a research which concludes that ratings generate a negative reaction in the minds of employees. A neuroscience based framework called SCARF (Status, Certainty, Autonomy, Relatedness, and Fairness) talks about how these organizational factors impact negative human reactions. A low perceived level of any of these factors disturbs the employees and impairs their productivity and willingness to commitment. Rankings often lower the status of employees with respect to their peers. The process being opaque and having low autonomy results in employees feeling helpless about their growth. The related nature of forced rankings causes low level of team cooperation. The author talks about alternate ways to evaluate performance; first, through structured discussions, regarding employee performance, where the HR departments outline five or six topics to be discussed in a performance review. Second, through guided conversation where the company provides a general framework and the employees talk about their goals, how they are progressing towards it and what has been their past, & present contribution to the organization.

PERFORMANCE MANAGEMENT GETS SOCIAL: PERFORMANCE MANAGEMENT MAY ADDRESS THE COLLABORATIVE NEEDS OF MODERN BUSINESSES IN A WAY THAT EMPLOYEES ENJOY RATHER THAN FEAR.

Edie L. Goldberg. (2014). SHRM HR Magazine. Vol.59, No.8.

Bridging the gap between personal goals and organizational objectives can be done by HR. A technology oriented approach called Social Performance Management (SPM) fosters quick exchange of information, ongoing dialogue, coaching and recognition among employees. This tool helps in tracking individual goals and team goals and their progress; this can be done for every project and is not a one off incident in the PMS cycle. After every project, employees can call for manager, peer feedback on their performance. The public feedback is open for all and this fosters recognition, but the constructive feedback is kept private and is only shared with the recipient. The employees' performance towards a goal is only visible to employees who are a stakeholder in the employee's performance. This is jointly decided by the employee and the manager in advance. If an employee's performance falls very short of expectations, the HR and the manager work together to plan an improvement. This is done offline. It promotes collaborations across teams.

Although it appears more like a conversation, it also captures actual performance records. Before implementing the system in organizations, the expectations of employees from the SPM are heard, so as to make them more connected, engaged and motivated. Organization culture also plays a major role in its implementation. Social Performance Management may be the one universal solution to suit your needs.

PERFORMANCE REVIEWS: WHY BOTHER?

Claire Suddath.(2013) Bloomberg Business

Performance reviews when done in an improper way, can be a nerve wrecking experience for employees. This increases the stress level and results in low levels of trust among employees. The usual perception is that Performance reviews are done to document your negative performances only. Aubrey Daniels the person who coined the term Performance Management believes that Performance reviews should be instantaneously, whenever there is a problem. Performance Review is perceived as a tool for domination by the management. Feedback shouldn't be treated as a report card but seen as a tool for development, which sadly, it isn't.

A cynical view of Performance review notwithstanding, all and any documentation, primarily exists for the benefit of both appraisee and appraiser. It is for them both to use this record tactically for their own benefit.

GIVING NON-SELECTIVE DOWNSIZING A PERFORMANCE REVIEW

Jennifer D. Bragger, Eugene J. Kutcher, Amanda Menier, Valerie I.Sessa & Kenneth Sumner. (2014). Human Resource Development Review. Vol. 13(1) 58-78.

The article talks about how a random, non selective system of downsizing can impact trust the employees have in the management, goal setting with managers, and communication between manager and employees. They are critical factors for a good PMS. It is perceived that organisations can make money in two ways: through reducing costs or increasing revenue. The easiest way is to reduce number of employees. Research evidence shows that intangible things like trust, commitment, and motivation have a long term impact on organizational success. A long term approach where downsizing is avoided or if necessary based on performance, can lead to increased productivity for employees. An organisation where non-selective downsizing is carried out, hinders the growth and willingness of the employees to contribute as they often find hardworking people getting fired. Those employees who are retained, are also less likely to be giving feedback about their peers.

Clear cut goals, continuous communication and reinforcing good work with appropriate rewards, helps in building organisational trust. In such an atmosphere, even when Downsizing is required, employees trust exists. Involvement of employees in deciding whether to reduce work weeks, reduce the salary, freeze salary, job sharing can help in understanding that Downsizing is the last option available and it is only based on Performance. The role of the HRD department in terms of training line managers for proper communication, measuring and documenting performance of employees and in developing competencies also becomes critical. Downsizing only happens for non performers, and is based on performance data.

IN PERFORMANCE APPRAISALS, MAKE CONTEXT COUNT.

Ben Dattner.(2013). Harvard Business Review

Performance Appraisals have been a major part of the PMS in organisations. The Performance Appraisal system

in practice focuses only on the individuals' ability and not on the situational factors that promotes individual ability. Considering situations in evaluating performance, results in more accuracy and helps understanding variance better. Apart from accuracy, situational factors help in finding out the underlying factors necessary for good performance. These factors can be addressed accordingly. The perception of fairness, by considering situational factors, increases motivation, commitment and retention.

Adding a column in appraisal format, enquiring about situational factors affecting employee performance can help in identifying them easily. However, keep in mind that contextual data recording does not get used as a pretext for poor performances.

Performance ENHANCEMENT @ Workplace



Image Source: <http://www.thebestpromoproducts.ca/blog/tag/business-advertising/>

Don't you desire to be in the Forbes 500 list? How will you manage to generate revenue for your shareholders every year?

These are some day to day questions which need to be answered by the managers of top notch companies. Organizations have realized that their employees are their biggest strength and so they are coming up with the innovative ideas to retain them. Companies are adopting practices that can boost the morale and the performance level of their employees. This current trend has led to superior results coupled with generation of ingenious ideas. Some leading examples of such companies are as stated below.

FACEBOOK UPGRADING PERFORMANCE OF ITS EMPLOYEES

Facebook implements strong talent management practices. The on-boarding process of this company is unique. Moving away from the traditional lectures and videos, employees are made to work in teams on several real time projects. Each employee has an assigned mentor. At the end of the on-boarding process, the employee is asked about the team or the project, which he would like to join.

Facebook has a 'Hack-a-month' program. As a part of this

program, the employees with a work experience of more than a year in a project are given the option to select their next project team. After working for around one month with them, they can continue with the new team or go back to the old team as they like.

Instead of waiting for the people to earn a decent degree, Facebook extends its recruitment to ones with skills. This encourages a lot of youngsters to apply for Facebook, against those companies which mandate a college degree as prerequisite.

Facebook ensures that performance is always given priority by offering rewards based on performance of the employee.



Facebook has another unique approach in which it pays its employees an extra 600 dollars, for staying within a mile of its headquarters. The culture at Facebook encourages absolute collaboration, innovation and openness.



Yash Raj is currently pursuing his MBA in the Human Resources domain from Xavier Institute of Management Bhubaneswar. He is a graduate in Electronics from Visvesvaraya Technological University and has an experience of more than 2 years in Information Technology sector. He is an intern at T V Rao Learning Systems Ahmedabad.

At Facebook, ideas are encouraged despite the designation of the employee. Every Friday, the CEO holds an open forum where employees are encouraged to share new ideas. The firm offers free train passes, free auto parking etc. for such idea generators.

Additionally, Facebook offers free Wi-Fi buses from some distant locations. This makes the transport of employees convenient and also lets them work while riding. Facebook has a policy of casual dress code. This makes the employees comfortable and creates an informal and friendly work-environment.

IMPROVING PERFORMANCE AT GOOGLE

Google is known for its innovative culture. There are employees whose sole duty is to enhance productivity of the company by keeping employees happy. Google provides a lot of perks and incentives to its employees including haircuts, gym and swimming facilities, dental and health benefits, food, dry cleaning, video games facilities, death benefits and so on. These perks ensure high employee retention and reduce the time and money spent on recruitment. Despite the measures taken by Google, there is a saying, “no good thing comes for free.” One undesirable consequence that Google faces for hiring talented and ambitious people is their capability to switch to competitor companies with better offers or to start their own new ventures.

To prevent this, rather than rewarding employees with prizes or cash, it provides them an opportunity to meet and interact with the company’s senior leaders. This has proven to be a good tool to maintain high employee satisfaction levels.

Previously, Google used to provide 12 weeks of maternity leave. This resulted in a large amount of women employee leaving the company. Google has now increased the maternity leave to 5 months and provides flexible work times etc. This has reduced the women attrition levels significantly.

Employees at Google are encouraged to attend problem solving sessions called ‘Fixits’ which increases their satisfaction. There is an online tool at Google called Google Moderator which votes on questions. The highest voted questions are then answered by Google’s executives creating a transparency in the firm.

AMELIORATING PERFORMANCE AT ADOBE

Adobe implements innovative approaches in many fields. The employees of Adobe along with their managers evaluate their developmental needs, strengths and requirements. They discuss with their managers how to align their personal values with their probable growth opportunities. This kind of approach leads to increase in productivity. There exists a Globe Smart Web Tool via which the employees are trained on how to conduct business more effectively through discussions with the global team. Several self study product training sessions on Adobe products like Adobe Photoshop, Adobe After Effects, Adobe Acrobat, technologies like XML, C++ etc are offered to the employees online. Adobe also provides educational assistance to employees for working knowledge of Adobe through certificate, graduate and under graduate programs from renowned universities and colleges. Adobe pays the entire tuition fees for the program called Stanford Instructional Television Network, which involves courses of science and engineering. Employees while continuing with their work can attend these programs on a part time basis. Along with these, Adobe partners with a women leadership development program called Women Unlimited. The participants of this program receive customized coaching from peers and professionals of many leading companies and can participate via a nomination process.

Adobe offers other courses to help its managers. The sessions of this program focus on abilities of goal setting, decision making, conflict management, delegation etc.

Adobe doesn't stop there. It believes in sharing its success with its employees who help it achieve its objectives. It provides competitive salary packages, bonus and rewards to its employees. It invests in its employees' health and wellness. It assists its employees to reach their utmost potential. Adobe's program on Educational Assistance reimburses around 10,000 US dollars every year for several certificate programs.

MICROSOFT AUGMENTING PERFORMANCE OF ITS EMPLOYEES

Microsoft believes that if its employees stay happy, they can deliver better results. One significant feature of Microsoft is the access it provides to latest technologies. The challenges involved keep the employee busy. Most of the employees feel that they are doing more than 'just a job'. The employees are provided with professional responsibilities to give them a sense of belongingness.

The concept of micro managing at Microsoft is negligible. A large chunk of employees feel that their managers are honest and ethical.

Microsoft provides options of working outside the office, which is highly appreciated by employees with responsibilities of small children or old parents. No matter how massive the enterprise has become, the employees feel that the culture and benefits of Microsoft have not changed.

Microsoft used to implement a forced ranking system where employees were graded on a scale of 1 to 5. The new system that was implemented believes in helping the employees improve in areas where they lack instead of enforcing them with a certain fixed percentage.

The trainings, promotions and challenging work environments are key factors which have led to employee loyalty. There are employee assistance programs that provide confidential counselling. The employees can even buy the company's stock at a discount of 10 percent. Microsoft takes care of the complete health premiums for its employees and even contributes to their health savings accounts.

For these companies their employees are their prime assets. They know that finding new talent can be a mammoth task.

In the competitive market today, company's growth is determined via the performance of its employees. Different companies have devised different strategies to retain, engage, motivate and nurture their employees. Apart from employee pro performance management system, companies can inculcate several other unique practices to enhance the output of their employees. Considering the current pace at which the companies are adopting innovative ways to boost performance. It can be predicted that a lot many surprises are yet to be seen. All in an effort to retain talent and increase profits.



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PMS: A Paradigm Shift



The famous management consultant, educator and author, Peter Drucker had once said in his essay for Harvard Business Review *“Every few hundred years throughout Western history, a sharp transformation has occurred”*. But I feel that if Peter Drucker would have been alive today he would have definitely changed his statement. The reason why I say this is because the world to me, especially the corporate world, seems to be changing quicker than a hundred years plus. The rate at which this transformation is taking place is also accelerating. Moreover this concept is not just a western phenomenon but is globally witnessed.

Such shifts are very evident in the corporate world. What was relevant and applicable a few decades back has become totally obsolete today. New concepts are introduced every day & it becomes difficult to keep pace. For if we ask our grandparents, they would have never thought of flexible work hours, virtual offices, and work from home kind of concepts; but today it has become part of most corporate organizations. Thus shelf life of management styles is decreasing. This is very much true for Performance Monitoring Systems as well.

Performance Monitoring Systems have always existed because it is basic human nature to judge others.

So though Human Resource Development is a modern concept, practice of performance appraisal is an ancient art. But slowly over the years it has evolved. Initially it used to be like one system fits all. This is something similar to Ford’s philosophy that all cars should be black. But gradually we see that even Ford had to introduce colors. Similarly even performance Measurement Methods had to introduce variations and these days it has become highly customized and sophisticated. In a span of 2 or three decades, this world rearranges itself, as the our social-political systems change, people values, competencies change and technology advances.

Professionally Performance Monitoring became popular after the Industrial Revolution as there was a need to evaluate the output of the workers involved in manufacturing. Workforce, in those days consisted of people from TheGreatest Generation, people born in between 1901-1924. These people had faced the world wars, Civil Rights Movement. So the threats and risks were high and survival was difficult. Most of them were not highly qualified so opportunities were few. Thus Merit Rating Scale which was used to measure the performance of army officers became popular in corporations also. Merit Rating Scale involved quantification of subjective judgments in order to make it **fair and unbiased. Merit rating today continues, under the guise of performance appraisal in organizations.**



Shachi Kotecha is currently pursuing MBA from Institute of Management, Nirma University (IMNU). She is also Alumni Relations Coordinator at IMNU. She has done graduation in Pharmacy from Institute of Pharmacy, Nirma University. She is a State level Debate competition winner conducted by Vikram Sarabhai Space Center, Ahmedabad.

The world had seen enough tyranny and oppression by the time world wars ended. After such massive destruction and big blow to the trade & industries, only development remained as an option to mankind. There was suddenly a boom in birthrate and so the generation that was born in the period 1946-1964 was called Baby Boomers. They had more discretionary income than any previous generation. They were more optimistic and liberal. Women started getting out of homes for work. With women at work place getting more common and the world talking about women as managers, the Performance Management System had to change for women. Women have altogether different set of expectations from men. Women need more flexible timings, maternity & social leaves and some other benefits. So while we talk of equality, it becomes difficult to have a common performance monitoring criteria for both men and women working in the same office. Gradually as development was taking place, living standards were also improving. They were thus more customers oriented, hardworking & goal focused than before.

So Management by Objectives (MBO), Critical Incident Method, Behaviourally Anchored rating scale (BARS) were introduced and Performance Appraisal System with modifications became widely accepted. **Here a classic shift was witnessed in the purpose of performance appraisal systems.**

GEN X, the generation born in the period 1966-1985, witnessed the advent of a technological era. They have seen the kind of technological advancements which their previous generation had not even dreamt of. And as the technology started penetrating the workplaces, they had to be more adaptable and flexible. They are more qualified and highly skilled than before. Then came the much talked about generation: GEN Y, people born in 1985-1994. Stark differences are seen in this generation from its previous ones. Gen X work to earn whereas gen Y tend to find purpose and satisfaction in their work. Gen Y is highly liberal, social and has strong networking skills. Their entire outlook towards work and life is different. So factors motivating them are completely different. While we see that the Gen X trying to adapt to the concepts like virtual offices, flexi work timings, globally connected businesses, Gen Y's see it as an essential prerequisite. Thus performance Management exercise in such virtual, flexible frameworks is difficult.

Adding to the problems, there are some behaviours of Gen Y which are difficult for Gen X to understand and digest. It is extremely difficult to devise a common performance Management system which takes care of both generations expectations.

Over the period of years the priorities of organizations have also changed. Initially importance was given to processes than to acquiring financial resource or to acquiring new technologies. Today its all about talent management. Decreasing Attrition rates is the biggest challenge that the HR Managers are facing today. Today its common to see job hoppers every two years or so. If we see our parents or grandparents, most of them spent their entire work life in one organization which is not the case with the latest generation.

And if this is the case with the current Gen Y, I wonder what the scenario will be when Gen Z (Born between 1997-2015) joins the workplace. Remember: *'Change is the only permanent constant'*. Organizations will evolve to cater to the needs of future generations. I wonder how? We can wait and watch these shifting times and trends. Who knows, we may have a generation Alpha some future day!

How do B-Schools evaluate Performance?



In 2014, a very large number of 354,421 students enrolled for MBA across 3364 institutions in India. While there has been a flood of MBA graduates in the country, the quality aspect has totally been ignored in most institutions. CAT 2013 saw 1.74 lakh students appearing to get admitted into one of the 3365 seats on offer, at the IIM's. The competition is of such intense level in other premiere B schools like XLRI, FMS, ISB also; because of the quality of education on offer.

Performance Management of students is a process of establishing shared understanding between the faculties and students, so as to ensure better management and development of the students; both in the short term and long term. Through this, students understand what is expected of them, and what approach is to be followed within the set framework of the faculties as well as institutes. How students competence is enhanced through these educational setting is to be observed. Generally a normal distribution has been used in industry for performance measurement. **Through this article we try to understand the systems in place in these institutions, to manage and enhance the development of students.**

There has been an increase in the batch strength in these institutes and no longer does the same faculty teach only a particular subject to all the students in the batch. **This necessitates uniformity in the grading systems; hence the role of the institutions has become crucial in evaluating and managing the performance of the students.** Aspects like RTI act and permeability of the IT for better transparency, has led performance management to be seen more at an institutional level rather than the faculty level. **There is moderated discretion between the institutional level and the faculty level.** Questioning from the stakeholders like the Central government on the performance of certain students necessitates the institutional guidelines to be in place for performance management. All the institutes have their own guidelines for the grading system, providing certain amount of flexibility to the faculties.

There is a prevalent notion that normal distribution is used to grade students, but that is only partially true. Each faculty has their own way to grade. As Dr. ZubinMulla a teacher of Compensation and Leadership course at TISS shares "Though I don't use normal distribution for grading but I believe that it is **the nature of the subject that decides the use of normal distribution.**"



Debangshu Bhattacharjee is currently pursuing his Masters in Business Administration in the Human Resource domain from Xavier Institute of Management, Bhubaneswar. He has also done his engineering in the Mechanical stream and has more than two years of experience in the manufacturing sector. He has received the first prize in state level extempore completion organised by West Bengal Renewable Energy Development Authority, He has also excelled in competitions organised By CTS, Transitions2K10. His articles have been published in B- school magazines and other such platforms.

Compensation management as a subject is more absolute, and questions have a definite answer, hence normal distribution is not used in such cases. On the other hand Leadership is a subjective course and often taught using case studies. Hence a normal distribution may be used to relatively grade students. Dr. Unnikrishnan K. Nair of IIM-Kozhikode, who works in the Organisation Behaviour area, believes that **normal distribution is more of a mental model that guides faculty for grading, and is definitely not a dictating curve.**

He often tends to adopt a curve which is skewed a little towards the higher side so as to ensure that there is no forced lower ranking. Dr. Banikant Mishra, of XIMB who works in the finance area uses the normal distribution for the core subjects, but not so for his electives. His logic is that students choosing electives have a certain degree of competence in that field, hence their grading have to be different. He reiterates that institutes provide certain discretion to the faculties in the classification of grades. Dr. S. Ramnarayan of ISB-Hyderabad who also works in the Organisation behaviour area has similar thoughts and believes that the grade distribution may end up following a normal curve in several courses. He states faculty members at ISB are not required to have the class marks follow a normal distribution. *“Of course, there will always be a certain amount of variation in marks obtained.*

Some students in the class are likely to perform exceedingly well; some quite well; and some not so well. This happens in most courses.” He doesn't fit students on a normal distribution; but there are institutional guidelines in terms of marks and grades and the distribution of marks is left to the faculty discretion. *“It is possible that many students end up getting A negative or B and B negative is the lowest grade – this is perfectly acceptable.”* Dr. Sanjay Mohapatra, whose area of interest is the Information systems domain at XIMB, doesn't use normal distribution for student grading.



Most of the subjects have various components like quizzes, papers, presentation and end terms. Although it is easier to grade students in quizzes because of the objectivity associated with it; papers, projects, presentation have a high degree of subjectivity associated with them too. Dr. Mishra believes class participation to be a good indicator of a student's performance, but there is again an amount of subjectivity associated to it. **He believes that having more number of components makes evaluation fairer and negates the one off odd day of a student.**

Even term examinations can have subjectivity because of the essay type nature of the questions. Dr. Mohapatra states that a student's class involvement is a good indicator of performance. Dr Mulla focuses on the student's unique way to look at a topic, bringing relevant examples from outside the curriculum and self reflection as parameters to grade subjects overall. Group projects which are a vital component in B school assessments are evaluated on the basis of depth of data collection, quality of analysis, linkage of experiences with concepts and frameworks discussed in the class, quality of write up, and presentations as per Dr. Ramnarayan. All these parameters and weights are communicated to students before hand and if they want to get good grades they know how to approach their group project. Dr Unnikrishnan Nair is more context oriented in grading each component and uses weighted averages to come up with the overall grade. *“If the mean and median comes close I feel good.”* *“When I prepare a question paper, it is to differentiate whether a student has read or not.”* He gives value to the performance of student solely and doesn't use pre conceived notion about students overall grades. For him grading in assignments depends on parameters like content: Originality of thought, richness of the piece; and the process: proof of hard work, systematic and innovative ways of presentation, appropriate standards way of writing, formatting.

“If there is a publication potential to any assignment, even though overall the report was not graded highly, I talk to the students after grading; & suggest ways to carry on.”, says Dr. Nair. This is one of the ways he encourages interest in his subject. Dr. Zubin Mulla uses innovative ways to connect students to his subjects; He uses newspaper articles to make cases which are small and realistic. For his leadership course he used the examples of Anna Hazare; for Compensation courses he designed cases on the stock option plans used in the case of Mr. Ashok Vemuri of iGate. These real world practical examples are means to engage students, sometimes in class and sometimes out of it. “If a student has captured the key issues, applied the correct theories, gives added examples and materials and formats it well; I grade the students A+”, says Dr. Mulla. Dr. Mohapatra has had a long stint in the industry, and apart from relating the subject matter to the industry happenings, he shares his personal experience to engage the students. It goes without saying that plagiarised work is a strict no for these faculties and use of references a must in any submission. Dr Ramnarayan uses film clips, simulation and carefully selected practical case studies to increase interest amongst students, and uploads them on the net for easy accessibility even after the course.

Dr. Mishra believes that **evaluations cannot be perfect, and hence the system should be sensitive to the impact grades have on student’s life.** He proposes a system like in the USA/Europe where students can give a correction paper if he has fared badly in an exam.. He doesn’t see sense where students have to repeat a year for poor performance in one/two subjects.

The student’s attitude towards the use of the normal distribution for grading has been mixed. Out of the 125 valid responses from students of IIM-Raipur and XIMB, 54 % students believe normal distribution should not be used for academic evaluation. Most students who feel normal distribution is not well suited for grading, believe **that good performance is not always rewarded and this leads to demotivation.** Students who felt that normal distribution is good, believe that **it brings uniformity in grading for the entire batch and leads to a healthy competition.**

Faculties across these institutions are experts in their respective fields. Their aim is to assess the learning ability of the students and differentiate between a hard working and not so hard working student. Nowadays faculties have institutional norms to conform to, and even if they grade students on the bell curve, the purpose is never to fail them.

Differentiating excellent performers from average performers constitutes several continuous processes. The need for uniformity in practices is even appreciated by students. While it may not be practical to have a system that is absolutely perfect, Professors do have their own practices and understandings when it comes to grading. Eventually what matters is that they all endeavor to be fair, unbiased and promote a quest for knowledge. After all, any and every system of grading is tuned in to rewarding hard work, scope of coverage, originality and class participation. This is what matters.

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A Report Card for Teachers...

Evaluating teacher performance



During our schooldays, we have all had favorite teachers. The reasons for liking a particular teacher varied from “She never takes surprise tests” to “He shows us videos of different animals and places, so that we can learn about them.”

The reasons vary. But the concept underlying these reasons is the one of **“EVALUATION”** or **“ASSESSMENT”**.

Unintentionally, the students are evaluating or analyzing their teachers. They compare each of the teachers and then rank or rate them depending on the kind of qualities they think are important for being a good and effective teacher.

So, unknowingly we have been doing a **“PERFORMANCE ASSESSMENT”** for our teachers for all these years while we always thought that it is them who are responsible for evaluating our performance.

We all will agree-that a positive school climate starts with the teachers. Teachers set the tone for everything that a child experiences during his initial years of schooling.

A good teacher can do wonders for a child’s learning and growth while a bad teacher can mar his/her interest. So, it is highly essential that school’s regularly evaluate and assess the teachers.

But, is the filling of a form a good idea to evaluate teachers? Is this how schools measure teacher performance?

The answer is **NO**.

As Mrs. Kiran Sethi, a renowned educationist and founder of the Riverside school says “At Riverside, we do not call it a Performance Evaluation but we call it **“Performance Reflection.”**

I believe that while assessing the performance of a teacher, it is essential for both the individual and the management to understand the activities and challenges which determine the final performance in a given situation. This process of reflection is an assessment not only of the individual person but it is also a learning experience for us at Riverside, as it helps the management understand the needs of the teachers and helps us support them better.”

All schools want **GREAT** Teachers but very few schools understand that it takes time and effort from both the school and the teacher to achieve that level of greatness.

Lot of schools, essentially focus on the student development- which is not wrong per say. But the problem arises when they overlook the teacher development aspect.

“By improving teacher quality, schools will definitely improve student quality too.



Himanshi Shah, is a Computer Engineering graduate with an MBA from Nirma University, Ahmedabad. She has worked with companies like Infosys and Cadila Pharmaceuticals as an HR Business Partner. She is currently working as a Manager at TVRLS. She has independently handled Corporate Training Workshops for companies like Vodafone, Motif, Cadila, Vedanata and others. She is an author of fiction books and an avid blogger.

You can reach her at himi.shah@gmail.com

It's a simple equation that a better input will provide a better output" quotes Kiran.

She goes on to add that continuous growth, learning and development of the teachers, the management and the students are the most important factors for the school to succeed.

When asked, if there are any defined parameters or performance evaluation criteria on which teacher's should be evaluated? Kiran says that at Riverside, they have a few formal parameters for teacher evaluation but a majority of the evaluation that happens is on-going and informal. "We evaluate our teachers on defined criteria like student's academic excellence, number of classes conducted, activities or trips planned during the academic year, trainings undergone etc. But we stress a lot on the continuous assessment and have regular teacher observations during the classes by senior teachers or administrators. Each teacher necessarily undergoes one observation every week. The administrators again are evaluated on the frequency of observations undertaken by them. This ensures that both the teachers and the administrators perform their duties diligently."

"Apart from the observations, we have a mandate for all teachers to attend a minimum of 60 hours of in-house training during the academic year.

These trainings are imparted to keep the teachers updated about the latest happenings in the schooling world and also to familiarize them with new concepts and technologies like virtual classrooms, science laboratories etc." she adds.

"At Riverside, we give prime importance on a teacher's ability to not only teach effectively but her/his ability to build good relationships with peers, students and the parents. A teacher, leads by example and so we stress on the need for teachers to demonstrate good human and inter-personal skills" says Kiran.

Research suggests that **OBSERVATION** is by far the most effective tool for teacher assessment. Observations are conducted with an aim to monitor a teacher who continually promotes educational success of students. Another important part of an observation is to motivate the teacher to improve in every area of teaching.

The administrator can help by providing the right kind of feedback, guidance and make resources available for the teacher's learning and improvement.

But before beginning an observation it is essential to have a few ground rules in place. The teachers should have a clear idea of the objectives behind the observation, expectations and things you will be evaluating them on before you enter their classrooms.

It is also of prime importance, that the administrators as well as the management follow an open-door policy to ensure a two-way effective communication.

An added advantage of this is that the teachers and the administrators develop good working relations with each other in the process. This helps them to communicate better and work together towards achieving the common goal of the school, leaving behind their personal differences.

In the USA, a few schools have taken the activity of Teacher Observation to the next level to reduce the chances of personal biases or subjectivity affecting the assessment.

Teachers are shown their own classroom videos and are asked to evaluate their performance on the basis of what they see. They are asked to identify their strong areas as well as areas where they think they can improve. The teachers then meet the supervisors and discuss with them what they think they are doing well and where they think they should do things differently.

Research also suggests that an effective feedback is essential to enhance teacher performance. But under the current system in a lot of schools, teachers rely on principal/administrator visits to get a feedback. Such visits are quite inadequate as majority of the teachers receive "satisfactory" comment making this a perfunctory exercise.



It might be a good idea to have a mentor assigned to each of the teacher. A mentor is someone who possess the right kind of experience and can assess and guide the other person in his/her field. The mentor is then responsible for giving regular and constructive feedback to the mentee thereby helping the teacher grow and improve her weaknesses.

Another important factor determining a teacher's success is good management support. Teachers need appropriate tools to do their job effectively. This can be challenging, but with the advent of the internet many tools are available for the teachers. Teachers should be taught to use the internet and other technologies as an educational resource.

Good teachers will find ways to manage without resources as well. But it is the management's duty to ensure that the teachers have the right resources and professional development to utilize the resources effectively.

Does PAY-FOR-PERFORMANCE work for teachers?

An article by William Harms of University of Chicago mentions how bonus payments given to teachers at the beginning of the year led to an improvement in student grade by 10%.

The teachers were given the bonus with a condition that the money would be taken back, if there was no improvement observed.

The experiment showed that when the bonus pay was given at the beginning of the year there was a visible improvement in the student's academic performance but when the bonus pay was given at the end of the year there was no gain for the students.

A FINAL WORD:

Understanding what motivates teachers and improves performance is an ongoing challenge. Past experiments show that only extrinsic rewards are not found to be very effective. Intrinsic rewards like a sense of accomplishment, professional development and self-respect matter quite a lot.

Teachers and educationists are usually highly self-motivated individuals who derive utmost pleasure from helping young people to learn and grow.

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ABOUT T V RAO LEARNING SYSTEMS

“We are all born talented”

This talent however, needs to be continuously recognised, nurtured and developed. Work places are platforms for identifying, utilising and developing talent. Through appropriate systems, processes and practices, leadership talent should be brought out and put to use. It is precisely with this intention, TVRLS was founded on April 26th, 1996 by Prof. T.V.Rao. Headquartered in Ahmedabad, TVRLS expanded its operations by setting up its office at Bangalore, in October 2001.

The main focus of all that we do at TVRLS, is to facilitate talent discovery and its development, at an individual level and at the organisation level.



TVRLS Logo - “Lamp of Knowledge”

**Constantly burning and radiating light through
knowledge & experience sharing.**

AHMEDABAD

"PARSHWA", 603, 6th Floor, Opp.
Rajpath Club, SG Highway, Ahmedabad-380015
Ph: 079-26870312, 26872718
E-mail: tvrls@tvrao.com

BANGALORE

No. 1739, 9th Cross Road, JP Nagar,
2nd Phase, Bangalore - 560 078
Ph: 080-65975191, 26494919
E-mail: tvrlsblr@gmail.com