

The Right Time For A Review

BY DR. SHAMEEM S



A Gallup study found that eight out of ten employees feel that the traditional system of performance review does not function as a factor of motivation to them. Performance management practices adapted by some of the leading companies in the world have been illustrated below: -

1. Google

“We need people to know how they’re doing, and we’ve evolved what might at first seem like a zany complex system that shows them where they stand. Along the way, we learned some startling stuff. We’re still working on it, as you’ll see, but I feel pretty confident we’re headed in the right direction. And with any luck I can save you some of the headaches and missteps we had along the way.”

– Laszlo Bock, SVP, People Operations, Google.

Ranking and sticking to an annual timeline have never been a part of Google’s technique. Instead, they focus on goal-setting and motivating employees to meet those goals, all the while looking at specific Objectives and Key Results (OKRs).

2. General Electric

“It existed in more or less the same form since I started at the company in 1979. But we think over many years it had become more a ritual than moving the company upwards and forwards.”

–Susan Peters, Head of Human Resources, GE.

There is a purpose to the meeting between GE’s Managers and employees of held once a year - employee’s future goals. The company has also launched an app to help with regular feedback, and, is being used by more than 80,000 people.

3. Cargill

Cargill utilised constructive feedback to ensure that the workforce identified the wrongs so that they could handle the situation in a

better manner in the future. The company enforced the suggested process in writing to assess the situation and the proposed solution in the right manner.

4. Eli Lilly

Eli Lilly is one among the world’s leading pharmaceutical companies for a reason. The performance management process is amazing since the company has remained big on best practices, and, stuck to implementing progressive benefits and perks by encompassing the theme of employee trust and empowerment.

5. Adobe

Adobe utilises a process that is aimed at inculcating employee and supervisor conversations towards engagement and empowerment. The practice which is in vogue since 2012, includes setting priorities,



understanding the role of HR and providing resources, and, has resulted in a ten percent jump in employees indicating that the prevailing system of feedback aids their performance.

That performance reviews are no longer a one-time event, and, a system of continuous feedback works to enhance employees' performance has been derived from global giants such as Airbnb, Facebook, Google etc. With such a premise to performance, leading companies in India have completely steered away from Bell Curve since force-fitting employee performance has gained significance. These companies have started making use of quarterly feedbacks and real time performance monitoring to assess employee performance.

Ideally, performance management should happen every day. Maybe we will not like it if our boss waits until the time of appraisal to point out our flaws, which may well have been communicated to us a lot earlier on a timely basis, and, could have benefitted both the organisation and the employee. It was estimated by Josh Bersin, Principal, Bersin by Deloitte, that 70% of MNCs are moving away from the outdated approach of annual reviews to manage performance. Many technology firms such as Dell, Microsoft and Adobe are leading the way. Even GE has decided to drop the bell curve and use some real time performance management tools. The research has identified that an estimated 52% companies

conduct annual performance reviews.

On a fine Thursday around 3.00 P.M., there is a knock on the Manager's door-

Zoya: May I come in?

Manager: Hi Zoya. How are you?

Zoya: I am doing great, but to be honest, I'm a little tense and nervous at the moment!

Manager: (Smiles) I understand Zoya, That's absolutely normal. I get tense before my reviews too. Zoya, we highly appreciate the contributions you have made so far- the way you handle our customers have been well applauded. You were able to handle customers in a variety of situations. And, you also ensure that the work environment is good, and the office a good place to work.

Zoya: I am glad to hear this. Thank you.

Manager: I appreciate your performance all through the year. You have performed well in some areas, but, there are a few areas which need improvement. Overall, I am pleased to acknowledge that it has been satisfactory.

Zoya: Satisfactory? You said that the customer surveys indicate customers are very happy with my service!

Manager: Yes, absolutely! You truly deserve a lot for getting amazing results on customer surveys! Your ability in handling customers not only reflect your skills, it is also a motivating factor to your team members.

Zoya: Then why is my performance considered as only satisfactory?

Manager: Though the quality of customer service is very high, the cost incurred by your department is way over budget, indicating a fall in efficiency.

Zoya: Yes, I agree that we are slightly over budget, but, we have to keep our customers happy, right?

Manager: Of course, Zoya. I understand what you are saying, but, we also have to keep a check on the costs incurred. Even the average calls handled by the customer service personnel has fallen from 13 last year to 8 this year. You

should also tell your team about the quantity of calls handled.

Zoya: I don't understand. I am working as hard as I can, and, I just don't see how I can do any better.

Manager: If you wish, I am happy to sit with you and try to find out ways to save costs in addition to maintaining service quality.

Zoya: In that case, may I also know the hike you have decided for my performance?

Manager: Effective immediately, we are jouncing up your pay by 6 percent.

Zoya: I think I deserve more. I really expected more.

Manager: You are really capable. We will certainly think of a good hike the next time, meanwhile, you can concentrate on how to improve the quality of calls with cost effectiveness.

Zoya: Well, I will do whatever I can. But, you could have told this much before instead of waiting for my appraisal.

Manager: Thank you, Zoya. I appreciate that. I do appreciate your work. I appreciate having you working with us.

The meeting ended. However, the Manager was really worried for having waited until the time of appraisal to communicate employee performance. He was asking himself as to what went wrong, and, whether he should have told this well before time, and, if the goals were not set by him clearly. **HC**

About the Author

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Analysis by Rohit Hasteer

The appraisal is being implemented as a Performance Evaluation Process a lack of understanding of how to manage performance, and, being unable to see the tangible outcome. Performance Management is a robust and consistent effort that involves coaching, support, feedback, to drive superlative performance. Performance management is the complete process of setting relevant and objective goals that are aligned with organisational goals, measuring the achievement on those goals periodically to ascertain progress and making amends.

Zoya's disappointment seems fair. Her manager's views on increased cost for the year, even though it came at a higher customer satisfaction rate should have been communicated within the first few months itself so that Zoya had the time for improving cost efficiencies.

Course correction is crucial to managing performance. Considering that the average per person calls had reduced from 13 to 8, the manager should have stepped in and recommended solutions on cost reduction, or, sought recommendations. Many managers err by believing that a goal setting exercise is good for success. One cannot reiterate enough the impact of having periodic reviews or seeking feedback. Mid-year reviews, quarterly sync ups work brilliantly to gain insight on what is working well and what needs course correction.

One needs to look at the goals that were set by the manager for Zoya and her team. Did the goals clearly state the expected cost and

quality of delivery? If yes, then Zoya should have focused on working around cost efficiencies. If no/or were ambiguous, then one must review the complete goal setting exercise. It appears that Zoya knew about the increased cost, but, possibly did not give it due attention since the customer service quality was going the right way.

One of the best investments that any manager can do is help their team see the linkage between organisational and individual goals. This is possible if the leader allows individuals to see goals at departmental/ organisation levels and cascade them into their own goal sheet. In addition, providing dashboards to dot the progress at macro and micro level, the ability to calibrate one's own decisions based on data, and, a technology enabled performance process makes it more convenient, eases analysis and ensures effective real-time governance.

Zoya's reaction to the feedback on increased costs was immature, since she was agitated, and focused on the increment percentage when confronted with facts. One good option could have been going up to the manager and seek his views on the performance at the end of the month, quarter or half year.

Here are some of the key aspects that Zoya's manager can keep in mind to manage performance effectively:

- Understand that performance management is a combination of art and science. One has to operate like a surgeon that requires functional understanding and temperament.
- One has to have the right vision to set goals in a way that are aspirational, yet realistic. To find the balance between stretched and far-fetched target setting.
- Buy-in and establishing common pact. Most managers land-up reading out the goals to the team members without really knowing

their conviction or buy-in to the goals. Good Managers have a knack of driving co-create visions that get teams emotionally attached to the goals and the overall big picture.

- Using the Sensei approach than the doctor approach. Managers need to understand that each individual is designed differently. Their motivation, drive, aspirations can be different and hence instead of templating a course for remedy, managers need to act like a sensei/coach and work with the individual to help them achieve their true potential. It goes beyond managing transactions and moves towards helping them understand their patterns, biases and reasons for falling short.
- Recognition for positive reinforcement - with millennials forming a large part of workforce, instant gratification is a great tool to drive performance. Managers use recognition to promote right behaviours that pushes their teams beyond the tipping point.
- Consistency - Just like working out once in a month will not result in a fit body or meditating once in 2 months will not increase your focus, similarly managing performance sporadically will not make team an efficient and robust unit. Performance management is an eco-system in its own way that requires day to day hand holding to realignment of vision of the team is moving in the wrong direction - it encompasses the broader arcs and the minor strokes. **HC**

About the Author

Rohit Hasteer is the Group CHRO for Housing.com, Prop Tiger.com and Makaan.com. He has an experience of more than 20 years in the domain on Compensation Benefits, Talent Acquisition and Talent Management, Training & Development. He has worked with companies like CITIBANK, Make My Trip, Aviva Life Insurance and UT WorldWide. He takes keen interest in building Organisation culture and People Development. He is an MBA from IMT, Ghaziabad.

Analysis by Ravi Mishra

Performance Reviews are neither literal rundowns from a script nor should they be translations from a template. A review is a real time conversation between employee and manager with clear eye contact and in sync with the heart and mind. As an employee, Zoya's astonishment is only natural after listening to the verdict to the managerial judgement over performance. It is sheer irony that the manager started the conversation by praising Zoya. Performance Management System (PMS) in total experiences a dichotomy when the process focuses on output and not the outcome.

It has been observed on umpteen occasions that though employees remain busy, at the end of the day, the delivery is empty handed on their part. For every role, we chart out certain activities leading to action to deliver output, much similar to Newton's third law of motion; for every action, there is an equal and opposite reaction. Our output stands measured and rewarded, however, it is not the outcome built up with a desired role to deliver for the organisation. The difference between the outcome of a role, and, the output of activities (performance) always questions the sanctity and purpose of the PMS system in every organisation. Managers celebrate output in contrast to the fact that the organisation looks towards the designed outcome.

The Manager has shared the brief in terms of Zoya' performance as quoted under: -

- I appreciate your performance throughout the year. In some areas you have performed well, but there are a few areas which need improvement.
- You truly deserve a lot for getting amazing results on customer surveys! Your ability in handling customers not only reflect your

skills, but also a motivating factor to your team members.

At the end of the day, the manager surmises Zoya's performance as satisfactory with reason that "the average number of calls handled by customer service has fallen from 13 last year to 8 this year which is very weak." He however did forget to explain what is more important, the number or the quality calls that contribute to the business. The other reason put forth by the manager before Zoya is cost of the calls being slightly over budget and Zoya has responded very aptly and candidly to the manager if "you could have told this well before instead of waiting for my appraisal" to correct this.

Performance Review is not a mere process of scaling activities, but, a holistic evaluation of an individual's performance in line with the Key Result Areas (KRAs). What is the role of a manager to announce the verdict without any ownership? How can a progressive organisation wait for a year for the ritual performance review in a fast changing work environment and influence internal and external factors? The other question that bothers me is that one of the basic premises of any good PMS system is to enhance the level of employee performance that contributes to the organisational goals. It is high time for organisations to redefine the purpose of their PMS system and set up a formal periodic review process basis their sector, but, it should be so in every quarter so that timely changes can be made.

PMS should not get into the process of procedure, but should address the purpose and acceptance to employee's perspectives. Zoya was equally stumbled when her manager translated her rating to a corresponding hike in salary to a mere 6 percent. We need to relook at our reward philosophy as a total reward system. I believe the time



has come for organisations to compensate employee performance with a respected increase when we expect and benchmark their performance at competitive levels and offset this amount through gains in deliverables, margins and contribution.

I do not see the Forced Ranking of rating viz. Bell Curve is a big issue, it is more of a cultural issue when employees are not sufficiently matured to understand its significance. Sometimes, a weak manager used this as a tool when he fails to explain the performance rating to employees, and, want to hide his skin under the carpet of Bell Curve. It is more important to understand the purpose and ensure a seamless implementation. 

About the Author

Ravi Mishra is the Sr Vice President / Regional HR Head - Birla Carbon, South Asia and Middle East. He has worked in diversified organisations such as UltraTech Cement, Aditya Birla Chemicals, Nova Petrochemicals, Mardia Group of Industries, and Nicholas Piramal. Ravi has good exposure of working in a cross cultural environment, with capabilities of building teams and understanding business perspectives, linkages and strategic orientation with regard to people management.