1. **Objective**

The objective of this policy is to review the performance of each employee in a formal process and to realign the individual goals and objectives to Organisation’s goals and objectives

1. **Scope & Applicability**

All employees on the rolls of (company name) will be covered under this policy whose probation got completed and obtained confirmation. Any employee under different employment engagement to get covered under this policy, need to get approval from the Head HR

1. **Definitions**

**Appraisee** – An individual whose work performance will be assessed and who gets appraised is an appraisee. Every employee of the organisation, including Managers, will be appraised for each appraisal cycle, and will be an appraisee

**Appraiser** – The Manager who appraises the work performance of an individual is an appraiser for that individual. The primary line manager to whom the individual reports, is typically the appraiser for that individual. Every manager who manages a team or group will be an appraiser for all individuals who directly reports.

An individual who works with multiple managers will have appraiser and additional appraisers. The primary line manager will be the appraiser and the other managers with whom the individual works will be the additional appraisers.

1. **Appraisal Cycle**

The appraisal cycle is 12 months across the company is divided into two sub cycles (i.e 6 months each). Thus, the performance evaluation or Performance review will be conducted for all employees half yearly and performance appraisal will be done annually.

1. **Goals & Objectives / Key Result Areas (KRAs’)**

Key Result Areas (KRAs) are the important or critical categories of functions to be performed by the appraisee during a given period. Each KRA/Goal & Objective will have a weightage based on its relevance to the role, measure and target against which his/her performance is measured. These will be specified in a prescribed format

1. **Dimension of KRAs (The 3E Model)**

Each KRA will have 3 dimensions Effort, Efficiency & Effectiveness to mark the performance objectively for

**Effort:** Making a Determined attempt within desired Time frame

**Efficiency:** Application of relevant Skills/Knowledge to complete the task

**Effectiveness:** Obtaining the result/Completing the task in time with desired quality

1. **Rating Scale**

|  |  |
| --- | --- |
| **Rating** | **Description** |
| 5 – Exceeds expectations in all goals | · Coaches, mentors, and trains others (brings others along) |
| · Sees and acts toward accomplishing the larger goal / Sees the “ big picture”. |
| · Higher results sustained over time |
| · Obvious “go to” person that sets the standard for others. |
| 4 – Exceeds expectations in some goals, Meets in all | · Mediates issues with successful results (not with just long hours) |
| · Picks up extra initiative outside of assigned tasks |
| · Able to transfer knowledge from previous assignments to new and different situations |
| 3- Meets expectations in all goals | · Understand tasks and processes and regularly produces them successfully |
| · Corrects own behavior/outcomes with little or no coaching |
| · Always able to transfer knowledge from assignment to assignment |
| 2- Meets expectations in some goals | · Needs follow up but then gets it right |
| · Needs to be coached to reach an acceptable level of outcome |
| · Sometimes able to transfer knowledge from assignment to assignment |
| 1- Missed objectives and goals | · No improvement in behaviour and outcome even after coaching |
| · Work needs to be checked and corrected |

|  |  |  |
| --- | --- | --- |
| **Grade** | **Performance Category** | **Productivity Index (PI)** |
| C | Poor Performer | 1.00 - 1.99 |
| B | Average Performer | 2.00 - 2.99 |
| A | Good Performer | 3.00 - 3.99 |
| A+ | Star Performer | 4.00 - 4.49 |
| A++ | Super Star Performer | 4.50 - 5.00 |

1. **Categories of Performers**
2. **Performance Appraisal Process**
3. **KRA sheets**

At the beginning of the process, HR team will ensure to have clearly laid KRAs for each individual role across the organisation in the prescribed format

1. **Appraisal / Review process communication**

HR team will announce the appraisal or review process for those who falls into that particular appraisal cycle through an email

1. **Performance Evaluation Forms sharing**

HR Team will circulate Performance Evaluation Form to all the employees individually who are concerned as well their appraiser the similar one. This Performance Evaluation Form is a self-explanatory with all instructions on how to fill. This form contains all KRAs and weightage which are prefixed for each individual job role

1. **Appraisee and Appraiser forms filling**

Once this form is filled by the employee this needs to be submitted to HR Department. Same way, once the appraiser (immediate reporting authority) fills his team members’ appraisal sheets and share them back to HR team

1. **Appraisal discussion & Feedback**

HR Team then will arrange a one to one appraisal discussion with appraiser and appraisee. During the appraisal discussion, feedback on appraisee’s work objectively to be given by the appraiser.

1. **Fixing KRAs for next appraisal cycle**

In concurrence with the management, appraiser will prepare the development plan for the appraisee. It describes competencies that the appraisee will learn or apply and enhance and how this development will occur to achieve the future objectives in the new KRAs Sheet for the next appraisal cycle

1. **Performance Index (PI) calculation**

HR Personnel will collate all the appraisee and appraiser final scores and will prepare the Performance Index sheet (Objective performance scoring sheet) for individuals and collate that to team performance curve

1. **Management Report**

HR Team will share the overall performance of different teams to management in a specified format which can provide the details of different categories of performers in each team. This is useful for decisions like increments and promotions