

1. SCOPE

The performance management system takes care of the following:

- Performance Planning.
- Input for Performance based pay
- Addressing Skill Issues.

The system also forms an input for considering the person for

- Higher responsibilities
- Confirmation on Job
- Salary increments

2. OBJECTIVE

The objective of this policy is to establish a system to provide regular structured feedback to employees for improving his/her performance and productivity, which will help the organization deliver better results.

3. RESPONSIBILITY

The Human Resource department will be the process owner and will respond to queries arising out of the policy and will put up recommendations for approval.

4. PROCEDURE

Appraisals need to happen on regular basis depending upon the frequency of target/goal setting and review (quarterly, half yearly, yearly etc.) This information to be maintained by HOD's and need to be communicated to Appraisee, indicating the strength and areas of opportunities on regular basis followed by individual development plan.

GOAL SETTING

- The goal-setting process starts from the top and cascades downwards. During the first week of March the Management will finalize the organizational goals in the format of a balance score card and share the same with HOD's. This will include the financial goals, the customer process goals, other internal business process goals as well as the people goals in terms of engagement and development.
- During the 3rd week of March the HOD's share the organizational goals with their department. This enables the individuals to write their goals aligned with organizational goals.
- During the 4th week of March employees fill up their individual goals in the SMARTS way in the PMS form and submit the same to their supervisor.
- Wherever the cycle time for a particular process runs beyond the appraisal period, the appraiser is requested to split the process into smaller process steps so that some of the milestones/results which are the subsets of the larger process still can be accomplished within the appraisal period.

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- The supervisor agrees/adds/amends the goals and shares the same with the concerned employee, after which the supervisor sends a copy of all his department employee forms to the HR (this ensures compliance and also serves as a standby copy)
- The discussion between the supervisor and appraise will also focus on the Key Development Areas on which the employee has to focus and the same is recorded in the PMS.

REVIEW

- One of the objectives of the PMS is to ensure zero surprises at the end of the year and hence a quarterly review becomes essential.
- During the first week of the first month of every quarter the supervisor and the employee have a quick discussion which would include review of the goals/results so far, feedback on the results/processes and employee capabilities and behavior. The brief summary of the discussion would be captured in the form under the title “Quarterly Review”. The discussion would sometimes include a change of a goal due to reasons beyond the control of the employee OR as a result of change in business plan and the same will also be recorded.
- The interactive review process is repeated every quarter and the updates are also sent to the HR through a single line mail to ensure the compliance. The supervisor or the employee has the option to get HR involved in specific cases where ever either one of them feels it appropriate.
- The appraisal is kept with the supervisor during the appraisal period with access to the employee whenever he requires a review or a discussion. At the end of the appraisal period the form is sent to HR.
- Upon completion of the review if employee performance is below the required standards or unsatisfactory, he / she may be advised to go on Performance Improvement Plan (PIP). The manager / supervisor may decide on the duration of the plan based on the criticality of the skill set or behavioral improvement required.
- There would be a regular reviews conducted on the time of PIP. If found no improvement / unsatisfactory on the coping up with the performance during or by completion of PIP period, employee PIP period may be extended or may be employment agreement be cancelled.

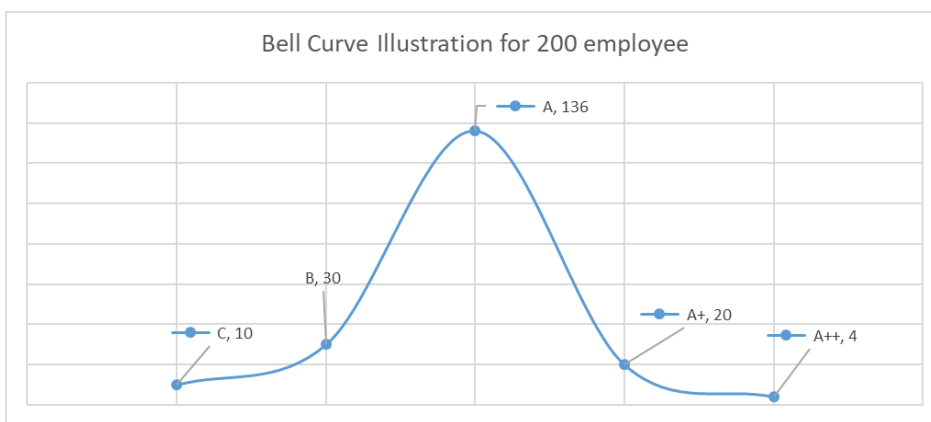
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RATINGS

- The performance rating will primarily be based on RESULTS (WHAT an employee accomplishes) and VALUES (“HOW” he/she executes the same).
- Results and values get a weightage distribution in the ratio of 70:30 in arriving at the final PMS rating.
- Goals are supported by actual and quantifiable results, while values are supported by behavioral exhibits.

NORMALIZING OF RATINGS

- At the year end the organizational results are first accessed based on the goals set on the balance score card and the same is communicated to the YIND Management.
- Subsequent to this the departmental rating (and also for the sub teams within the department) are finalized and in the same way.
- Each supervisor rates all his direct reportees in such a way the aggregate of all such ratings match with the team/departmental rating.
- In case of any intervention required in the normalizing process the HR acts as the facilitator while the MD takes the final decision.
- **HR ensures the normalizing process results in the bell curve for ratings at organization level.**



A++	0~2%
A+	5~10%
A	50~68%
B	5~15%
C	0~5%

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VARIABLE PAY

- Each employees variable pay will be influenced by the results achieved by his own self, the team to which he belongs to as a member and the organization at large as per the variable pay matrix.

PMS BELIEFS

- Appraisal is the primary responsibility of the appraisee with the full support of the appraiser and the reviewer.
- PMS recognizes and reinforces the results and the organizational values. Hence the appraisal discussion will focus on enabling organizational process and people skills, while rewarding the contribution to the organizational results

5. VALIDITY & CHANGE

The policy will be reviewed as when required will be approved by President & CEO, Management reserves the rights to change as and when required.

6. RELATED DOCUMENTS

- YASKAWA India PMS Form
- YIND Promotion Policy

7. REVISION HISOTRY

Date	Rev	Reason for Revision

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Annexure – I

CALENDAR OF ACTIVITIES

Month	Week	Activity	Responsibility
March	1 st	Goals set for the organization in BSC format and shared with the Management.	MD
	2 nd	Sharing of the organizational and functional goals with the respective departments.	MD
	3 rd	Discussion with the supervisors on the individual goals and their alignment to the organizational goals.	EMPLOYEE
	4 th	Filing of the SMARTS goals in the PMS and submit to the supervisor.	EMPLOYEE
		Discussion and amendment if required on goals set by the employees and also on the development plan for the year, and submission of the same to the departmental head.	SUPERVISOR
		Review and Submission to Management.	HOD
		Review the alignment of individual goals with that of the organization and submit a copy to HR by keeping the original with self.	HOD
April	1 st	Journey starts towards the goals. Leaders coach the employees on process compliance and goal achievement.	EMPLOYEE & SUPERVISORS
June,	1 st	Quarterly review with supervisor on accuracy of direction and speed in achieving the goals. Discussion also covers process compliance skills, attitudes and developmental plans.	EMPLOYEE & SUPERVISOR
Sept,	2 nd	Updating the summary of the discussion in the PMS with joint signatures.	SUPERVISOR & EMPLOYEE
Nov	2 nd	Sending one line mail to HR on compliance	MD
	2 nd	Involving HR as an option employee / supervisor	SUPERVISOR & EMPLOYEE
Feb	3 rd	Completion of <ul style="list-style-type: none"> - PMS form with results and rating supporting the goals, behavior supporting the values and training supporting the personal development. - Self-recommendation promotion form. 	EMPLOYEE
March	2 nd	Completion of PMS form <ul style="list-style-type: none"> - One to one meeting with employee, review the rating and result given by employee. Provide rating, result against goals, personal development plan and recommendation for promotion with detail justification. 	SUPERVISOR
March	2 nd	Completion of <ul style="list-style-type: none"> - Adding of comments by reviewer. 	REVIEWER

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March	3 rd	Completion of - Normalizing of the performance rating across company. - Submission of all promotion recommendation (include self-recommendation) to committee for review.	HR
March	4 th	Completion of - The appraisal form with the normalized rating and promotion recommendation review by committee. - Final promotion list is produced.	Committee
April	1 st	Final review from President on the Performance Appraisal	MD
	1 st	Announcement of promotion in Kick-off meeting	MD
	3 rd	Signing of the appraisal after reading all contents.	EMPLOYEE
Sending all forms to HR for records, future reference and training co-ordination.		HOD	
April	4 th	Compliance report to be sent to MD .	HR

ROLES

EMPLOYEE - Process owner of the PMS to represent the individual desires /career ambitions, possible value additions through job responsibility and development areas.

MANAGER/SUPERVISOR – Co-owner to ensure that he develops and coaches the employees to increase their process understanding and the delivery skills so that both the employee and the organization benefits.

REVIEWER - Additional reviewer for performance evaluation and additional mentor for developmental activities

MD - The prime mover to set the organizational goals so that PMS accelerates the achievement of the same and rewards the contributors to organizational results.

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Annexure – I**Increment % Matrix**

Grade	A++	A+	A	B	C
Distribution of Headcount (Bell Curve)	2%	10%	68%	15%	5%
Score	10.0 – 9.1	9.0 – 8.1	8.0 – 7.1	7.0 – 6.1	6.0 – 5.1
% Increase [for confirmed employees]	X	X	X	X	X

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FREQUENTLY ASKED QUESTIONS (FAQ'S)**Q1: - How does the Goal setting process work?**

Ans: - Goal setting process starts from top and cascades downwards. MANAGEMENT finalizes the organizational goals in the format of Balance Score Card and share the same with the HOD's. This will include the financial goals, the customer process goals, other business process goals as well as the people goals in the terms of engagement and development.

Q2: - How will I align my goals with Organization?

Ans: - By ensuring discussion with your immediate supervisor/ HOD prior to your goal setting, you can ensure the alignment.

Q3: - What if a particular process runs beyond the appraisal period?

Ans: - If a particular process runs beyond the appraisal period, the appraisee is requested to split the process into smaller process steps so that some of the milestones/ results which are subsets of the larger process can be accomplished within the appraisal period.

Q4: - What is Quarterly Review?

Ans: - During the first week of the first month of every quarter the supervisor and the employee have a quick discussion which would include review of the goals/results so far, feedback on the results/processes and employee capabilities and behavior. The brief summary of the discussion would be captured in the form under the title "Quarterly Review". The discussion would sometimes include a change of a goal due to reasons beyond the control of the employee OR as a result of change in business plan and the same will also be recorded.

Q5: - What is the base for the Performance Rating?

Ans: - The performance rating would primarily be based on RESULTS (WHAT an employee accomplishes) and VALUE (HOW he/she executes the same) in the ratio of 70:30 [depends grade/level].

Q6: - If I worked for two supervisors during the past year, who will complete my performance appraisal, and does my performance in the previous position, contribute to my evaluation?

Ans: - Your appraisal should reflect your performance during the entire year. Current supervisor is expected to contact your former supervisor to seek feedback about your performance of your major responsibilities and goals in your previous position and incorporate it in the appraisal. However, if you have been recently promoted, your performance rating may become lower than the previous year, which is reasonable considering that you are still learning the new job.

Q7: - I joined in the middle of the appraisal cycle. Does the PMS review process still apply to me?

Ans: - Yes. In cases where employees have joined in the middle of the PMS review process, the performance will be evaluated for only the remaining months of the PMS review cycle. However, this will happen only when you have completed minimum of 3 months during the appraisal period.

Q8: - How will I know that my rating does not suffer because I have a strict supervisor compared to someone who has a lenient one?

Ans: - Refer to point 4 in the PMS document on normalization of ratings.

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Q9: - What are factors influencing the individual variable pay?

Ans: - Each employees variable pay will be influenced by the results achieved by his own self, the team to which he belongs to as a member and the organization at large. Further refer to Variable Pay Matrix.

Q10: - When are my KRA's communicated to me?

Ans: - When you fill your KRA's in beginning of the year and discuss with your supervisor, his approval (with or without amendment) confirms your KRA.

Q11: - What is rating scale used for appraising my performance?

Ans: -

RATINGS (Results)

Grade	Perf. Slab (Goal)	Rating	Results
A++	>120%	9.1 – 10.0	Far Exceed / Out Standing
A+	101 – 120%	8.1 – 9.0	Exceed Expectation / Very Good
A	81 to 100%	7.1 – 8.0	Meet expectation / Good
B	61 to 80%	6.1 – 7.0	Need Improvement / Average
C	<60%	5.1 – 6.0	Don't Meet / Poor

VALUES AND DEMONSTRATION OF BEHAVIOUR

- 5: Always (100%) demonstrates behaviors supporting these values and is a role model.
- 4: Most of the times (80%-100%) demonstrates behaviors supporting these values.
- 3: normally (60%-80%) demonstrates the behaviors supporting these values.
- 2: Behaviors normally not supporting these values (40-60%)
- 1: works in opposite direction of values (<40 % compliance)

Q12: - How is overall rating for the person calculated?

Ans: - The final rating is the combination of the ratings received for results and values in the ratio 70:30. In addition to this, the employee's performance is also analyzed in the results vs. Values matrix. While high scoring on results recognizes your current performance, high score on values recognizes your potential for taking additional responsibility.

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Q13: - Are there any deadlines in terms of dates for finishing the entire process? And who monitors the same?

Ans: - Refer to Calendar of Activities. HR is the custodian to ensure process compliance and any deviation has to be approved by the MD

Q14: - If my appraisal is not done on time, whom should I approach?

Ans: - First contact point should be your supervisor and then the HOD. If nothing works you are free to contact either the HR manager or the MD

Q15: - Who is authorized to make amendment in the goals and the development plan for employees?

Ans: - Supervisor in joint discussion with Employee

Q16: - What is the most appropriate overall rating for a newly hired or newly promoted employee?

Ans: - In most case, the Meet the expectations rating best describes a newly hired or newly promoted employee's performance because the duration of the appraisal period is too short to make any judgments.

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