

Let's have a 'potential review'

A long-term development plan for each employee will be built into an effective performance management model

ALOK KUMAR

An annual performance review is a testing time for both the employee and the organisation. In recent times, many companies are moving away from year-end ratings that don't take potential into consideration.

Balanced review

To ensure a balanced performance review, discussions should kick off much earlier. Last year, telecom company Nokia introduced what is called a "1-in-90" dialogue. It's a hour-long dialogue that takes place every 90 days between a frontline manager and each of his team members. In this approach, the company brings all its employees under the scope of long-term personal development planning, with an up-to-date personal development plan.

Two-tier system

Another aspect of any progressive performance management is keeping performance and potential reviews separate. While the perform-



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ance-review meetings can decide the employee's bonus and appraisal, the potential review will be about career planning and promotion decisions.

Feedback mechanism

At Kestone, we retain the four-point rating system (unacceptable, needs major improvement, meets expectation and exceeds expectation) but have in-

creased the frequency to quarterly feedback sessions.

Regular conversations and feedback mechanism keep an employee well-informed about the ratings they will receive by the end of the year. Development plans are also shared with new joinees during quarterly reviews which helps them get over their weaknesses.

This definite structure ensures transparency and ob-

jectivity in the system. Kestone also has a buddy programme under which every new joinee gets a colleague to help him learn on the job for the first three months.

Even later, if someone is seen to be not doing well, targeted coaching and mentoring is arranged to help improve performance.

(Alok Kumar is Head, HR at Kestone IMS Pvt. Ltd.)