

Performance Management Policy

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1. Revision History

Rev.	Name	Issue Date	Changes
1.0	Performance Management Policy		First Version
2.0			
3.0			
4.0			
5.0			

2. Document Number

	Information
Document No.	TIH-IoT/2022-11/HR /Policydoc/001
Issue Date	
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3. Document Properties

Document Classification	General
Issued to	Whomsoever it may concern
Issued by	TIH Foundation for IoT and IoE - IIT Bombay

4. Purpose

The purpose of this policy is to ensure that a consistent approach is followed for conducting performance planning activity, continuous development activities for employees and evaluation and comparison of employee's performance across the organization against set standards and business objectives.

5. Objectives

Few broad objectives of the policy are to:

- Maximize performance of employees
- Identify and acknowledge good performances (top performers)
- Set objectives for the next year
- Encourage employee development through training need identification

6. Eligibility Criteria

Employee must have completed his/her probation period satisfactorily and must have completed at least six months in the organization to become eligible for the performance appraisal process. All employees of TIH-IoT are employed on a contractual basis. The contracts will be renewed on the expiry of the contract period. The performance of employees judged during the appraisal cycle will form the basis of their contract renewal. However, all compensation decisions will be conjoined with the appraisal cycle and will be effected only from 01st April of the successive year from the date of joining for employees who have spent at least six months in the organization. For all those with less than six-month period, their appraisal will be taken up in the next year and they will be eligible for a pro-rated hike for the whole period of assessment since joining. Exceptional cases, if any, will be taken up for an off-cycle increment only after an explicit approval from the Professor-In-Charge(PIC).

7. Roles and Responsibilities

Role/s	Responsibilities
Individual (appraisee)	<ul style="list-style-type: none"> • Take initiative and reach out proactively to Manager for getting constant evaluation and feedback. • Carry out the self-appraisal activities • Provide feedback on appraisal discussions to the Manager and HR
Manager/Immediate Supervisor (Appraiser)	<ul style="list-style-type: none"> • Provide regular feedback on the performance. TIH-IoT strongly recommends constant evaluation and feedback for employees and the Manager must play an active part in enforcing it. • Provide guidance in individual development plans • Identify problems and raise the PIPs (Performance Improvement Plans), wherever applicable. As a rule, PIP should be for 4 weeks. The Manager can extend it by another 4 weeks.
Second level Reviewer/Function head	<ul style="list-style-type: none"> • Act as a reviewer for the performance management activities carried out by the managers thereby ensuring objectivity of the appraisals
HR Head	<ul style="list-style-type: none"> • Reviews the performance management activities across the organization • Handle performance management disagreements
PMS Committee (Includes representatives from HR, Functions, and the CEO)	<ul style="list-style-type: none"> • Define, Review and Approve OKRs across various roles in the organization • Update OKRs on time to time (need basis).
Human Resources Business Partner	<ul style="list-style-type: none"> • Initiates & facilitates performance appraisal activities • Communicates information to various stakeholders regarding performance appraisal activities • Analysis of feedback for parity, standardization across - functions, roles & levels • Drive adherence to timelines.

8. Process Activities

Responsibility	Description	Artifacts
Human Resource Business Partner, PMS Committee (Includes representatives from HR, Functions, and the CEO)	<i>OKRs settings</i> <ul style="list-style-type: none">● PMS committee identifies OKRs for various roles available in the organization in the 'Appraisal form' (Roles vary across the Function and Designation)● Goals mentioned in the 'Appraisal form' are periodically reviewed and approved by PMS committee members (including respective Functional Heads), for their appropriateness basis the business/project scenarios.● HRBP drives the performance management activities by documenting/updating the goals (performance objectives) or individuals in the 'Appraisal form'.	Appraisal form (PMS updates)

<p>Manager; Individuals; Function Head (Second level reviewer); HR Head; HRBP</p>	<p>Appraisal</p> <ul style="list-style-type: none"> • Individuals (appraisee) rates themselves in the Appraisal form in PMS, basis his/her own performance against the OKRs. If an individual has worked under more than one Supervisor, then the appraisee needs to bring it out in the Self-Appraisal. • Manager review's & rates the performance of the individuals to discuss on the accomplishments against the performance objectives and provides feedback in the Manager's Appraisal form. If the appraisee has worked under more than one Supervisor, then the Manager needs to reach out to the other Supervisors and obtain feedback for the appraisee in writing. The Manager needs to give due credit to appraisee's work under other Supervisors whilst capturing the appraisee's performance in the Manager's Appraisal Form. • The output/rating/feedback of these discussions are submitted to HR for recording/documenting in the PMS • Agenda for the discussions includes: <ul style="list-style-type: none"> • Performance accomplishment against individual's OKRs • Opportunities for improvement • Individual's contribution(s) • Roadblocks in achieving those objectives • Issues and aspirations from individuals • Knowledge and skill needs - Training needs (if any) • Career growth plan • A second-level review of the Manager's feedback is carried out by the function head to: <ul style="list-style-type: none"> • Provide feedback on performance management activities carried out by appraiser including development needs • The performance feedback & rating is provided to the 	<p>PMS updates; MOMs (if any)</p>
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	<p>individuals during appraisal.</p> <ul style="list-style-type: none">• The actions identified above activities include:<ul style="list-style-type: none">• Follow-up actions for unsatisfactory performance• Opportunities to enhance performance.• Relevant development needs get updated in the individual's form.	
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HR Head; HRBP; Function head (Second level reviewer)	<i>Rating agreement/disagreement</i> <ul style="list-style-type: none"> • Ratings are finalized and shared with the individuals • In case individual is not satisfied with the rating provided, disagreement can be raised by providing feedback or raising grievance through the appropriate channel • Such cases are analyzed by the HRBP and handled on a case-to-case basis. 	Rating in PMS; Feedback (in PMS);Email notification
Manager; Identified resource(s)	<i>Handling performance issues</i> <ul style="list-style-type: none"> • A formal discussion concerning performance's issues is held with an individual by Manager • Performance problem and actions for resolving the performance problem are identified, agreed upon and documented in the 'PIP plan' • Progress against PIP plan is regularly monitored and results gets documented throughout the lifecycle • In cases where there is still a significant deviation, corrective action is discussed. 	Performance Improvement Plan(PIP), PIP Tracking
HR Team; Manager	<i>Revision of Compensation and Promotions</i> <p>The appraisal rating is also linked to the compensation and promotion related activities.</p>	Revised compensation; Appraisal/promo tion letter
Manager; HR Team	<i>Trainings to individuals performing Performance management activities</i> <ul style="list-style-type: none"> • Adequate training/orientation is provided on time-to-time basis to the team performing performance management activities. The team includes HRBP, PMS Committee and Managers. 	Training Results; Important Emails

9. Configuration management activities

Following records are managed as part of Performance management activities:

- Performance improvement plan (PIP)
- Appraisal forms
- Training Needs

10. Measurements:

- Service Level Agreement (SLA) adherence for completion of performance management activities
- Percentage of workforce with performance problems
- Progress against performance improvement plans
- Number of individuals or groups whose outstanding performances were recognized.

11. OKR Form Template (To be used by HR Head, Function Head & the Manager)

Objectives	Measures	Key Results	Weightage	Target Date
	>	>		
	>	>		
	>	>		

12. Guidelines for Rating (To be used by the Manager or Skip Level Manager)

Rating Label	Numeric Rating	Rating Descriptor
Consistently Exceeds Expectations	5	The employee consistently surpasses performance expectations and goals and achieves beyond their assigned role in all areas throughout the performance cycle.
		Is a role model and surpasses boundaries to extend help within and outside the immediate team to achieve overall organizational objectives .
		The employee is self -driven and is able to independently plan, anticipate problems, and take appropriate action.
Exceeds Expectations	4	Demonstrates a clear understanding of the “big picture” and thinks beyond the details of the current role/ project/ assignment at hand
		Builds organizational capabilities for meeting future business requirements / growth
		Work is done independently and completed on schedule with a high degree of accuracy and independence.
		Exhibits good judgment in decision making and is open to correction.
		Performance is characterized by high achievement; the employee shows initiative and consistently surpasses role expectations
		Exhibits fair amount of self- reliance and can be depended on for result with minimum supervision.
Meets Expectations	3	The employee meets role performance standards in all areas.
		The employee is reliable in attaining expected results, and is timely and efficient.
		Outputs are consistently demonstrated, and the employee is capable and knowledgeable in all aspects of her/his work.
		In certain instances employee contributes at a higher level than role expectation but not consistently
Below Expectations	2	Meets standards and established performance expectations as defined for the role but stretch required to move to exceptional performance level
		Performance just about meets the work requirements
		Outcomes and results are achieved through follow up and push efforts in few instances
		Skill proficiency levels need to be upgraded to reduce supervision requirements
Needs Improvement	1	There is no demonstration of stretch to exceed role expectations
		The employee does not adequately demonstrate knowledge or ability to perform the majority of assigned duties as per role requirement.
		The employee must show significant improvement toward threshold achievement levels
		The employee requires excessive supervision, direction, and follow-up and even after the same may fail to deliver desired output
		The employee does not demonstrate keenness to learn to grow to higher levels of performance

13. Incentives/Bonus

Incentives/Bonus at TIH-IoT are primary related to the revenue generated by the Organization. Any Bonus or Incentive, that is announced based on the revenue generated at TIH-IoT, will be solely based on the performance ratings arrived due to the Appraisal process. These are not to be construed as a part of the regular remuneration that is paid to an employee or as a constituent of the Cost-to-Company (CTC) for an employee. These are to be viewed as contingent, event-based allowances.

ANNEXURE

These are the guidelines for deciding Increment percentages based on ratings. All approvals for compensation changes should be made effective only after the explicit approval of the PIC.

Rating	Description	Increment Hike(%)
5	Consistently Exceeds Expectations	12%
4	Exceeds Expectations	10%
3	Meets Expectations	7%
< 3	Below Expectations & Needs Improvement	0