

The road to creating an effective workforce

Standard yearly appraisals don't provide 'insightful' feedback to employees in the digital age

VIJAYAKRISHNAN R

IN A WORLD where change is the only constant, it is imperative for organisations to focus on talent engagement strategies that address a range of requirements. At times, performance management is confused with the annual appraisal meeting. But performance management is not just about preparing for that appraisal meet, neither is it self-evaluation. Deloitte's recent report *'The Rise of the Social Enterprise'* points out that while companies understand that effective reward programmes require personal relationship with each employee, few are making the transition successfully. It highlights that even though 75% have reinvented performance management processes to be timelier, 91% of companies still follow the conventional practice of conducting merely a salary review once a year.

Millennials who grew up using technology and who are accustomed to receiving quick feedback expect a similar mechanism at workplace. Workforce across the globe now demands a more qualitative approach to receiving feedback in order to improve productivity and efficiency. For a performance management system to be

effective, organisations need to clearly define, measure and reward performance as equitable, competitive and appropriate.

Why choose a performance management solution?

A performance management solution should be used for creating a work environment where the workforce is enabled to perform to the best of its abilities. Experts have concluded that standard yearly appraisals don't provide enough insightful feedback to employees in the digital age. A modern performance management solution must provide continuous feedback up to the annual appraisal meeting. Reviews shouldn't only focus on quantitative data, but also focus on qualitative data on how employees have gone about performing their tasks. With continuous feedback and 360-degree reviews, an organisation can hold a fair appraisal process. Organisations can also easily track employees' performance across geographies, projects and cross-teamwork. This gives complete picture into an employee's true worth. It is imperative organisations identify areas where an employee needs improvement and address issues by providing adequate options for self-improvement. Performance management solutions are adept at achieving this as they can pinpoint gaps that would normally pass unnoticed and highlight key training areas for individual employees based on their competencies and strengths. With technological advances, paper records have become passé. Digitisation of perfor-



For the digital employee who works remotely, conducts meetings via always-on platforms, and delivers projects across traditional barriers, performance appraisals need not be bound by routine face-to-face meet

mance review reporting has become the new norm and there is no better way to achieve this than through effective performance management systems.

How to choose the right performance management tool?

Organisations must first identify the issues they want to solve. Then evaluate how they want to go about conducting performance reviews and the hindrances they would face to streamline the process. This needs to be done keeping in mind the budget allocated to restructure the performance management process; organisations then need to set goals that they want to achieve. Deploying software such as Zoho or OpenProject can help manage and achieve these goals—both short-term and long-term. The former could be to ensure higher participation rates in reviews, tracking the performance and feedback of each individual employee or reduce the burden of paperwork by mov-

ing to cloud. Long-term goals could be to solve core HR challenges on increasing employee engagement indices, improving employee retention levels or improving productivity levels. It is equally important to understand the core features of the performance management tool an organisation would like to deploy. Organisations must ask the vendor about the tool's web and mobile capabilities, integration with the organisation's current processes and legal and security issues. The right performance management tool should be easy-to-use, and organisations must select one with a user-friendly interface.

Many organisations such as Microsoft, Accenture and GE have already started to approach performance management differently and many are realising that it cannot be defined as just a comprehensive tool but rather an organisational change of mindset and a comprehensive system that begins when a job is defined and ends when the employee leaves the organisation. It is becoming obvious that it is not an option any more but has become a necessity in order to prepare an effective workforce. After all, for the digital employee who works remotely, conducts meetings through always-on platforms, and can deliver projects across traditional barriers, performance appraisals need not be bound by traditional and routine face-to-face meetings; they need to be evaluated on significantly different levels.

The author is general manager, People Management, i-exceed