



Performance Management System

FY'2023-2024



Objectives

- 1. What is PMS and why is it important?**
- 2. Year Ending performance review process**
 - FY'23-24 PMS Process flow
 - Timelines
 - Variable payout
- 3. SMART Goal setting for FY'24-25**
 - What are SMART goals?
 - Goal setting process for FY'24-25
 - Timelines

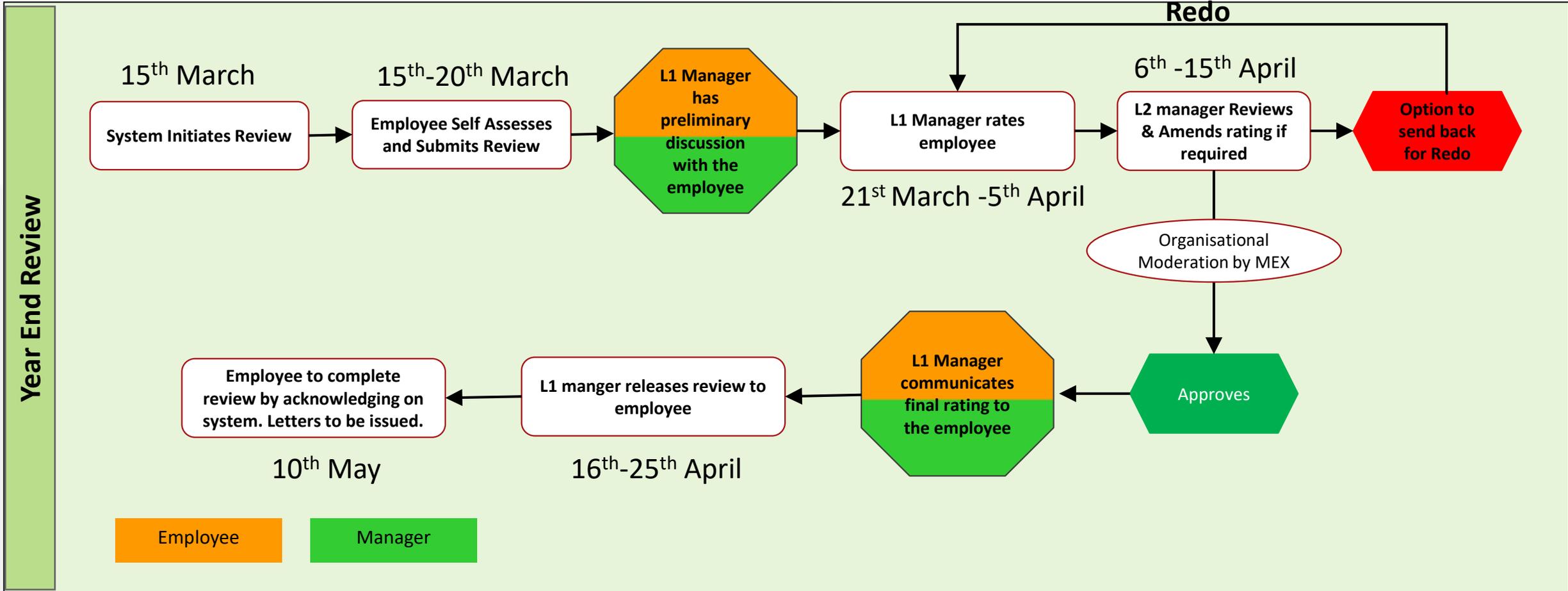
What is PMS & Why do we need PMS ?

Performance Management System-

A systematic procedure for measuring the performance of the Organisation/Team/Individual against the set KRA's.

- Reflect on Goal Accomplishments
- Feedback from manager
- Ensure alignment of the organizational objectives with individuals' personal goals
 - Fair recognition & appraisals

PMS- Year End Review for FY'23-24



All management staff

FY'24 Year-End Review Timelines



Date	Action
March 15 th 2024	<ul style="list-style-type: none">• FY'24 Year-End Review process to begin for employees in Darwinbox
March 15 th – April 5 th	<ul style="list-style-type: none">• Employee to complete Self-Assessments• Performance discussions to be conducted with 1st level manager• 1st level manager to complete the review and submit to 2nd level manager
April 6 th – April 15 th	<ul style="list-style-type: none">• 2nd level manager to complete the Review
April 16 th - May 10 th	<ul style="list-style-type: none">• L1 manager to communicate final rating to the employee.• Employee to acknowledge final rating and complete review on system.• Increment/promotion letters to be issued.
May 31 st 2024	<ul style="list-style-type: none">• Payouts

PMS Rating Scale

Performance Goals 80%

How the individual has performed against stated goals
e.g. Safety, Quality, sales, Cost, attrition etc.



Value and Behavior 20%

How the individual has demonstrated the MTL Values and Behaviors
e.g. Developed organizational capability

Rating	Description	Value	Rating	Description	Value
Demonstrated Excellence	Significantly exceeded the set targets	5	Role Model	Exemplary demonstration of the behavior, able to assist, teach or coach others and applying the behavior.	5
Exceeds Expectations	Results were above the established targets	4	Always Demonstrates	Consistently applies the behavior without assistance, guidance or coaching.	4
Meets Expectations	Met the target	3	Frequently Demonstrates	Applies the skill or behavior to adequately meet job expectations.	3
Needs Improvement	Missed the targets by a short margin	2	Rarely Demonstrates	The behavior requires additional experience, coaching or training to enhance performance	2
Far Below Expectations	Significantly missed the targets	1	Never Demonstrates	Does not exhibit the behavior or exhibits it in a negative way. Immediate improvement is essential. Coaching and training is required.	1



Final Year-End Performance Rating

The sum of goals and behavior ratings resulting in final rating scale:

Demonstrates Excellence, Exceeds Expectation, Meets Expectation, Needs Improvement, Far Below Expectation

MTL 5 Values and Behaviour

Values	Description	Examples
Integrity	Maintain and promote the highest standard of professional conduct by being fair, honest, and transparent in all actions and decisions.	Maintaining correct MIS.
People Focus	Prioritize people and spark a humane quality in the organization.	Engages in direct conversation with co-workers
Lean Mindset	Develop and maintain a continuous improvement culture with a focus on replication, scalability, and high-quality production at an optimum cost.	Takes initiatives to challenge the status quo and simplify processes.
Customer Focus	Achieve customer satisfaction by developing innovative solutions for customer problems.	Shows empathy towards customers even during crisis.
Commitment to Sustainability	Be responsible and sensitive to the environment and the communities in which we operate. Uphold the highest standard of governance	Takes initiative to minimize unsafe, unhealthy, and stressful workplace condition.

How to assess the goal?

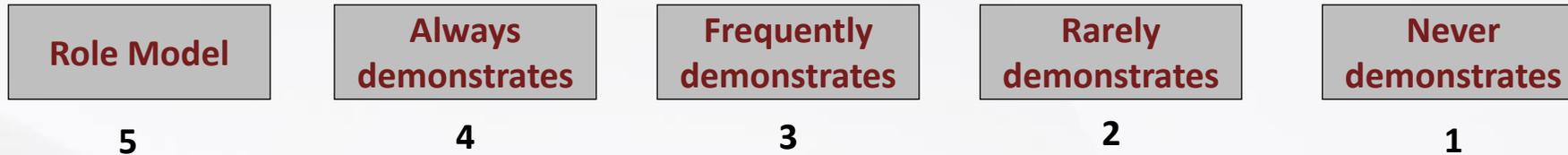
Rating scale to assess the goal vs achievement:



Goal	Description	Weightage	Results
Over the 1st quarter, to achieve a 10% cost reduction in office supplies spending by consolidating purchases with preferred suppliers and exploring bulk purchase discounts.	Cost reduction by 10% in office supplies compared to last quarter	30%	Achieved a cost reduction of 8% by strengthening purchases with preferred suppliers and focused on bulk purchase discounts up to 5%.
Increase Sales in MT	Increase Sales in MT	25%	Sales increased

How to assess Values and Behavior?

Rating scale to assess the values and behavior for an individual:



Values & Behavior	Weightage	Scenario
Customer focus	20%	CS executive has timely responsiveness, is proactive in solving problems, seeks continuous feedback to improve customer-centric values and inspires, motivates team mates to build rapport with their customers.
Lean mindset	20%	Employee mostly shows resistance to adopting new tools, sticking to familiar methods

Calculation of ratings for Goals, Values & Behavior

COMPONENT DELIVERABLES				COMPONENT VALUE	
GOALS	WEIGHT %	RATING	RATING LABEL	WEIGHTED SCORE	ADJUSTED VALUE
Goal 1:	30	4	EXCEEDS EXPECTATIONS	1.20	0.96
Goal 2:	10	3	MEETS EXPECTATIONS	0.30	0.24
Goal 3:	10	2	NEEDS IMPROVEMENT	0.20	0.16
Goal 4:	20	1	FAR BELOW EXPECTATIONS	0.20	0.16
Goal 5:	10	5	DEMONSTRATES EXCELLENCE	0.50	0.40
Goal 6:	20	3	MEETS EXPECTATIONS	0.60	0.48
				0.00	0.00
				0.00	0.00
				0.00	0.00
				0.00	0.00
WEIGHT TOTAL MUST EQUAL TO 100%	100	TOTAL WEIGHTED SCORE IS MULTIPLIED BY 80% TO CALCULATE ADJUSTED VALUE		3.00	2.40

VALUES & BEHAVIORS	Equal weightage on 5 point scale	RATING	RATING LABEL	WEIGHTED SCORE	ADJUSTED VALUE
Integrity		2	RARELY DEMONSTRATES	0.40	0.08
People Focus		5	ROLE MODEL	1.00	0.20
Lean Mindset		2	RARELY DEMONSTRATES	0.40	0.08
Customer Focus		5	ROLE MODEL	1.00	0.20
Commitment to Sustainability		4	FULLY DEMONSTRATES	0.80	0.16
TOTAL MEASURED BEHAVIORS	5	TOTAL WEIGHTED SCORE IS MULTIPLIED BY 20% TO CALCULATE ADJUSTED VALUE		3.60	0.72

Rating * weightage

Weighted score*80%

Weighted score*20%

Manager rating on goals

+ Manager rating on values and behavior

Final rating= 3.12

Final Rating Scale

Final rating- 3.12

LOW	HIGH	RATING	Description
0.00	1.50	FAR BELOW EXPECTATIONS	Significant performance deficiencies with immediate corrective action in order to meet role expectations
1.51	2.50	NEEDS IMPROVEMENT	Inconsistent performance with gaps to cover. Needed improvement to meet role expectations
2.51	3.50	MEETS EXPECTATIONS	Demonstrated effectiveness with strong contribution to the job through fully satisfactory performance in this area
3.51	4.50	EXCEEDS EXPECTATIONS	Exceeded expectations from the role, demonstrating good performance and overcoming challenges on the job
4.51	5.00	DEMONSTRATES EXCELLENCE	Performed as a model of excellence. Performance is exemplary under challenging conditions, surpassing all expectations to a degree deserving special recognition

Overall Year-End Rating Scale

Rating	Description
Demonstrates Excellence	<ul style="list-style-type: none"> • Exceeds goals and expectations; performance results were significantly above and beyond what was expected. Highest performance level that is rarely achieved and not typically demonstrated. • Has made outstanding contributions within their organizational role that have <u>significantly</u> impacted the overall performance of his/her business or function. • Proactively implements an unusually high level of innovative solutions in order to achieve goals and remove barriers. • Has demonstrated exceptional behaviors and is a role model in most areas.
Exceeds Expectation	<ul style="list-style-type: none"> • Met all goals and exceeded some; performance results were well above what was expected. • Consistently demonstrates a high level of performance execution relative to all assignments and objectives. • Has made many strong contributions to the business and is a highly valued contributor. • A strong driver of performance and proactive change. • Fully demonstrates behaviors and is a role model in several areas.
Meets Expectation	<ul style="list-style-type: none"> • Met most/all goals; demonstrates successful performance on all major assignments and objectives and consistently meets expectations in most areas. • Contributed many positive results to the business/function; a solid driver of performance and a valued contributor. • Fully demonstrates several behaviors.
Needs Improvement	<ul style="list-style-type: none"> • Met some goals but overall performance contributions fell short of expectations. • Performance is not consistent and lacking in some aspects. Contributed some results to the business but is not a proactive driver of performance. • Would benefit from development or needs significant improvement in several behaviors.
Far Below Expectation	<ul style="list-style-type: none"> • Failed to meet many of his/her goals and expectations and does not meet overall performance expectations. Performance was often below job requirements. • Does not consistently demonstrate the behaviors needed to be successful in his/her role. Needs significant improvement in several behaviors. • Considerable and immediate improvements are necessary. A Performance Improvement Plan should be implemented immediately.

Common Mistakes Managers Make

Error	Definition
Halo/Horns Effect	Inappropriate generalizations from one aspect of an individual's performance to all areas of that person's performance.
High Potential Error	Confusing an individual's future potential with his current performance.
Past Performance Error	Permitting an individual's poor (or excellent) performance in a previous rating period to color the manager's judgment about her performance in this rating period.
Similar-to-me Effect	The tendency of individuals to rate people who think and act like themselves higher than they rate others.

Error	Definition
Central Tendency	The inclination to rate people in the middle of the scale even when their performance clearly warrants a substantially higher or lower rating.
First Impression Error	The tendency of a manager to make an initial positive or negative judgment of an employee and allow that first impression to color or distort later information.
Recency Effect	The tendency for minor events that have happened recently to have more influence on the rating than major events of many months ago.
Stereotyping	The tendency to generalize across groups and ignore individual differences.
Boss told me to do it	The tendency to take boss's name as a reason for downward rating instead of the immediate manager owning the rating.

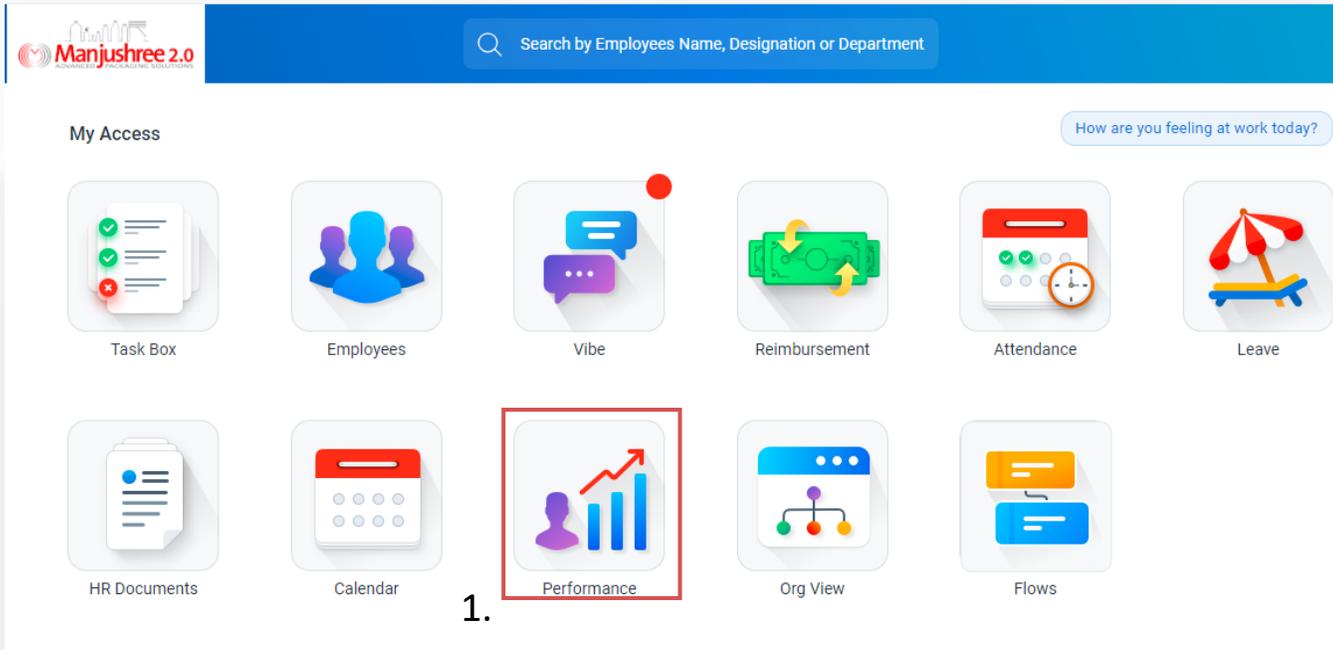
Variable Pay-out FY'23-24



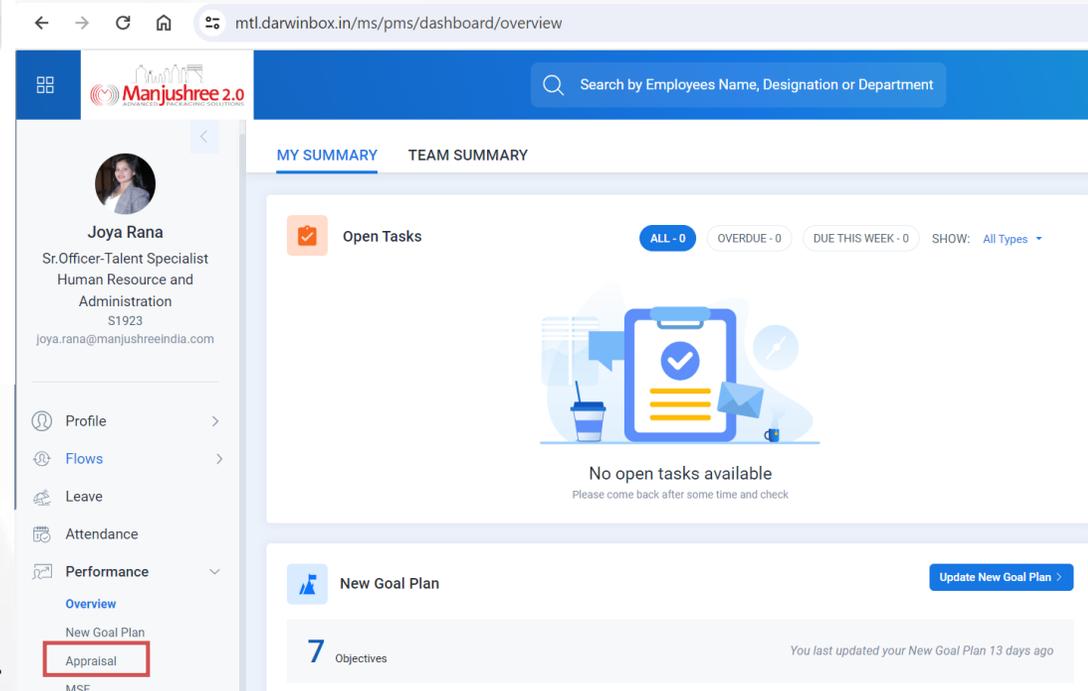
Category	Organization score weightage	Individual Score	FY 23-24	FY 24'25 Organizational Goals
		Weightage	Organizational Goals	
AGM and Above	70%	30%		
Below AGM	30%	70%		

Darwinbox Process

Step 1: Login to Darwinbox > Performance > Appraisal



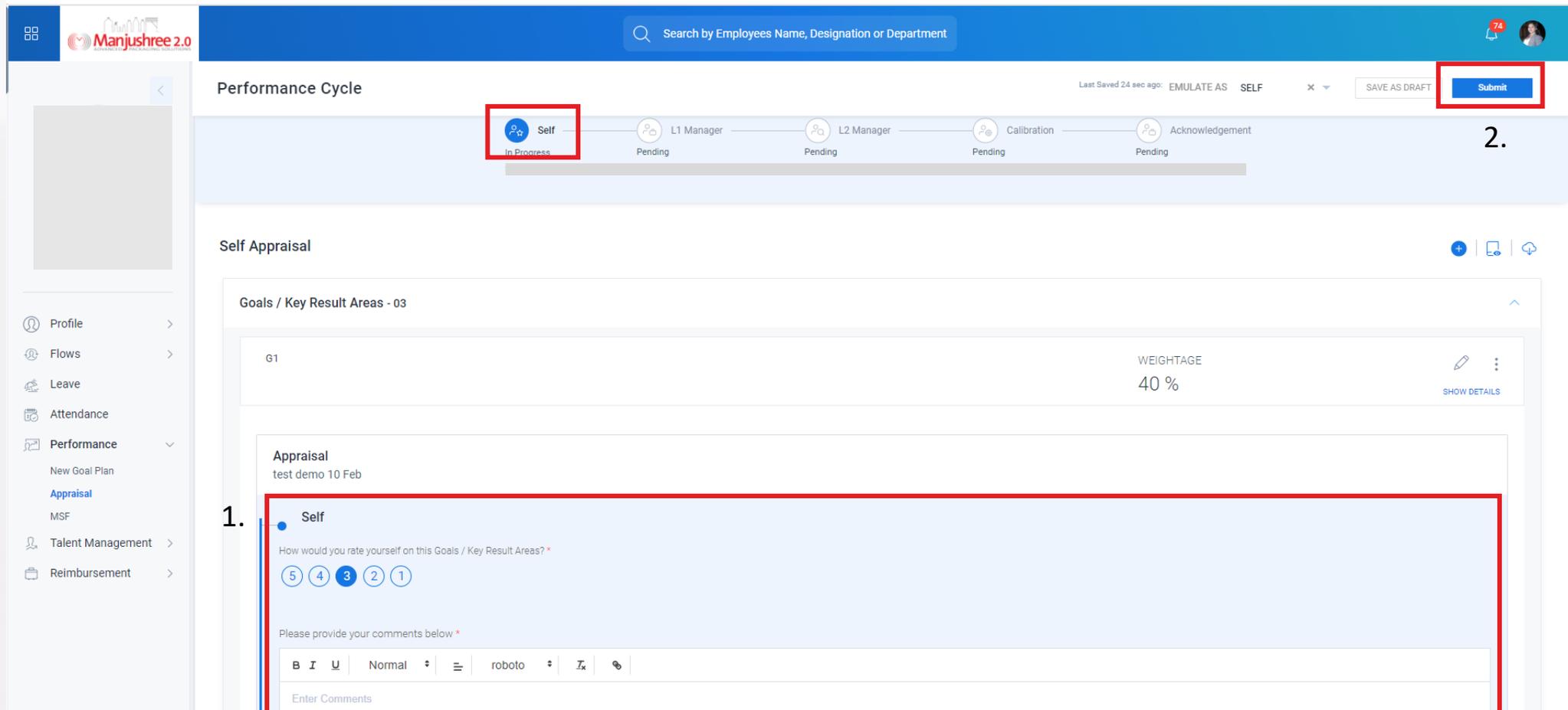
The screenshot shows the Darwinbox dashboard home page. At the top left is the Manjushree 2.0 logo. A search bar at the top center contains the text "Search by Employees Name, Designation or Department". Below the search bar is a "My Access" section with a "How are you feeling at work today?" prompt. There are two rows of icons representing different modules: Task Box, Employees, Vibe, Reimbursement, Attendance, Leave, HR Documents, Calendar, Performance (highlighted with a red box and a red '1.' next to it), Org View, and Flows.



The screenshot shows the Darwinbox dashboard overview page for a user named Joya Rana. The browser address bar shows "mtl.darwinbox.in/ms/pms/dashboard/overview". The page has a blue header with the Manjushree 2.0 logo and a search bar. Below the header is a navigation menu with "MY SUMMARY" and "TEAM SUMMARY" tabs. The main content area shows "Open Tasks" with a status of "ALL - 0" and "OVERDUE - 0". Below this is a "New Goal Plan" section with a status of "7 Objectives" and a button to "Update New Goal Plan". The left sidebar shows a navigation menu with "Profile", "Flows", "Leave", "Attendance", "Performance", and "Appraisal" (highlighted with a red box and a red '2.' next to it).

Darwinbox Process

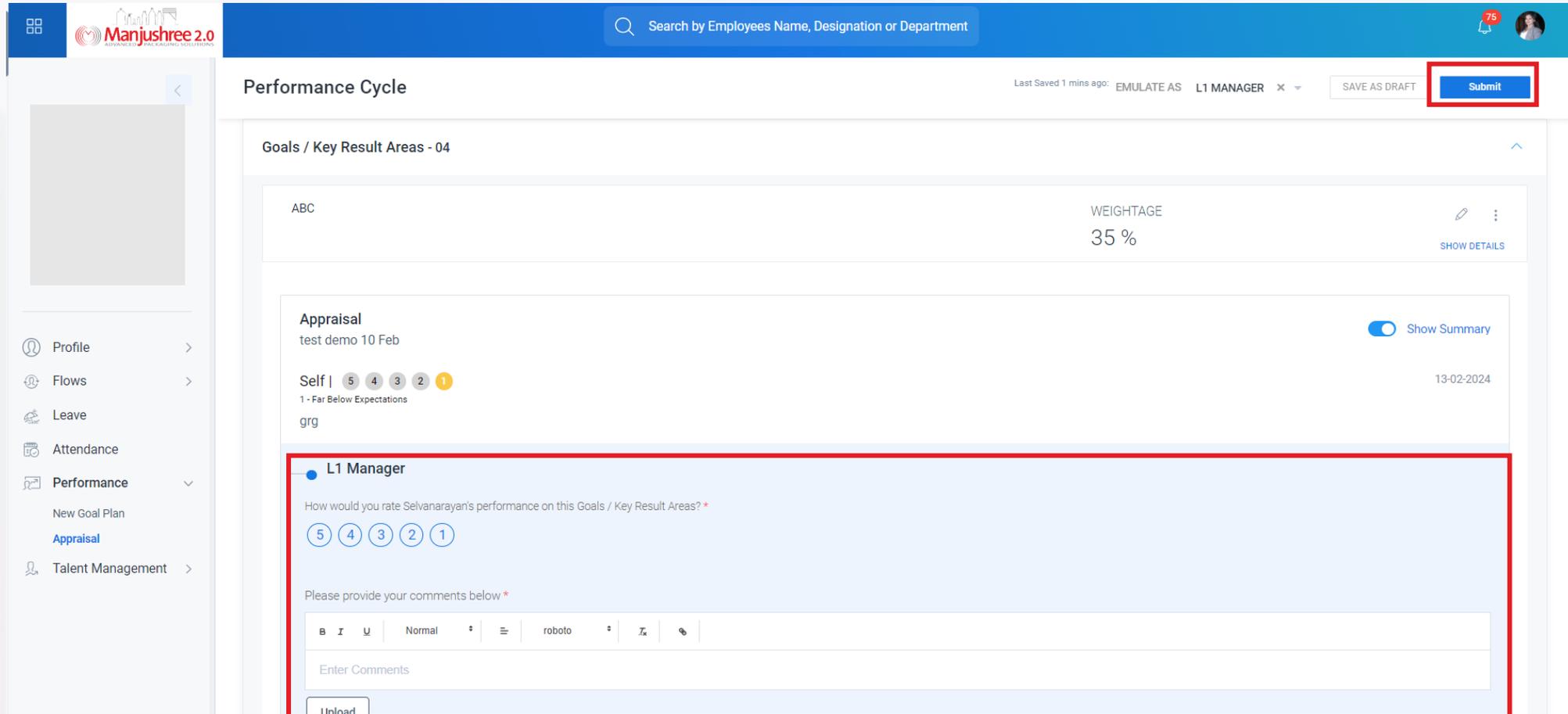
Step 2: Self Review against Each goal, Values and behaviors through Rating (1-5), comments and necessary files (wherever required)



The screenshot displays the Darwinbox Performance Cycle interface. At the top, there is a search bar and a navigation menu. The main content area shows the 'Performance Cycle' progress bar with stages: Self (In Progress), L1 Manager (Pending), L2 Manager (Pending), Calibration (Pending), and Acknowledgement (Pending). A 'Submit' button is highlighted in red. Below this, the 'Self Appraisal' section is visible, showing a goal 'G1' with a weightage of 40%. The appraisal form is titled 'Appraisal test demo 10 Feb' and includes a rating scale from 1 to 5, with '3' selected. A text area for comments is also present, with a 'Submit' button highlighted in red. A red box labeled '1.' highlights the rating and comment section.

Darwinbox Process

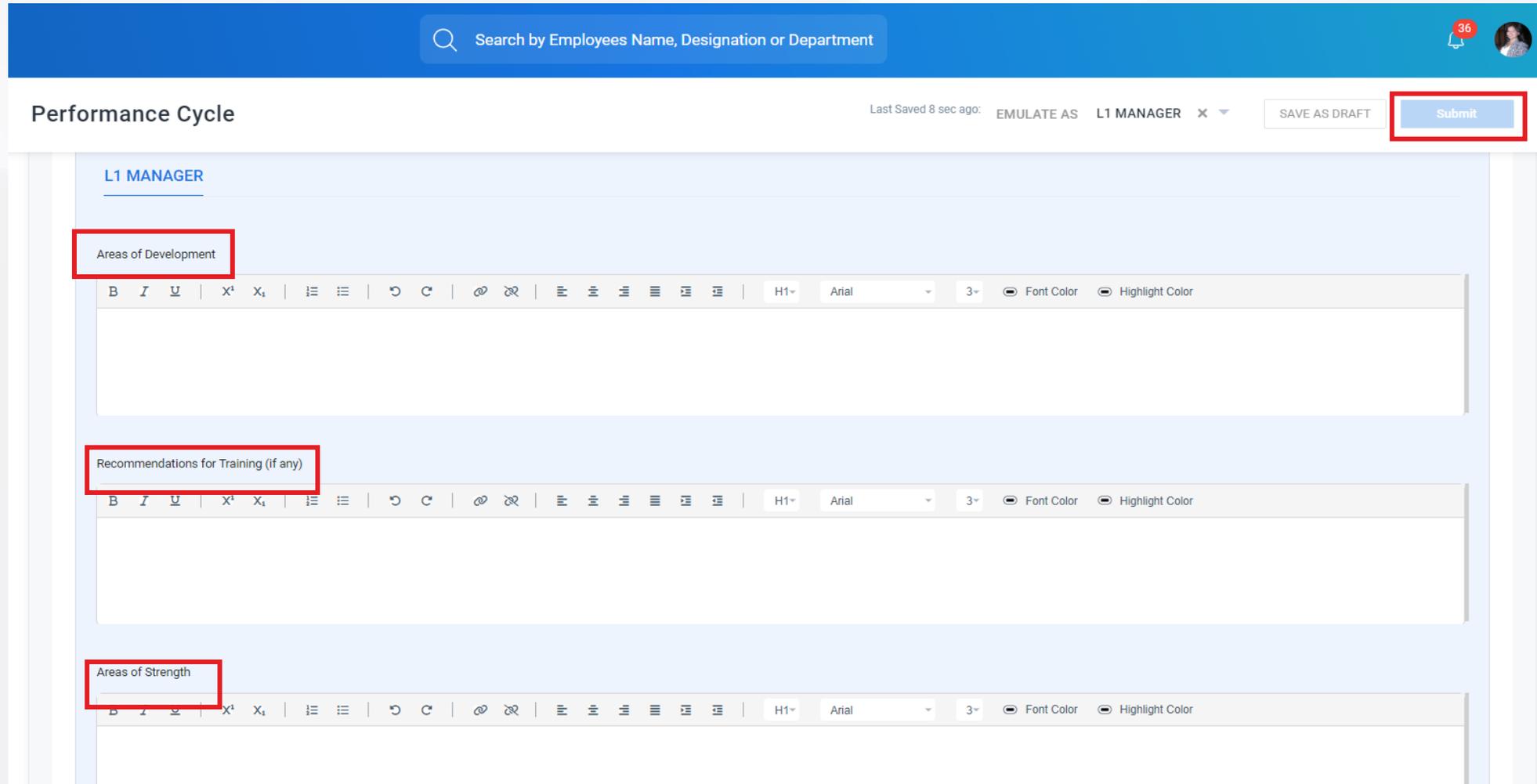
Step 3: **L1 Manager** to review each goal, Values and behaviors and add his Rating (1-5) and comments.



The screenshot displays the Darwinbox Performance Cycle interface. At the top, there is a search bar for employees and a 'Submit' button highlighted with a red box. The main content area shows a goal titled 'Goals / Key Result Areas - 04' with a weightage of 35%. Below this, an appraisal section for 'test demo 10 Feb' shows a self-rating of 1 (Far Below Expectations) and a date of 13-02-2024. The 'L1 Manager' section is highlighted with a red box, containing a rating scale (5 to 1) and a text area for comments with a rich text editor toolbar.

Darwinbox Process

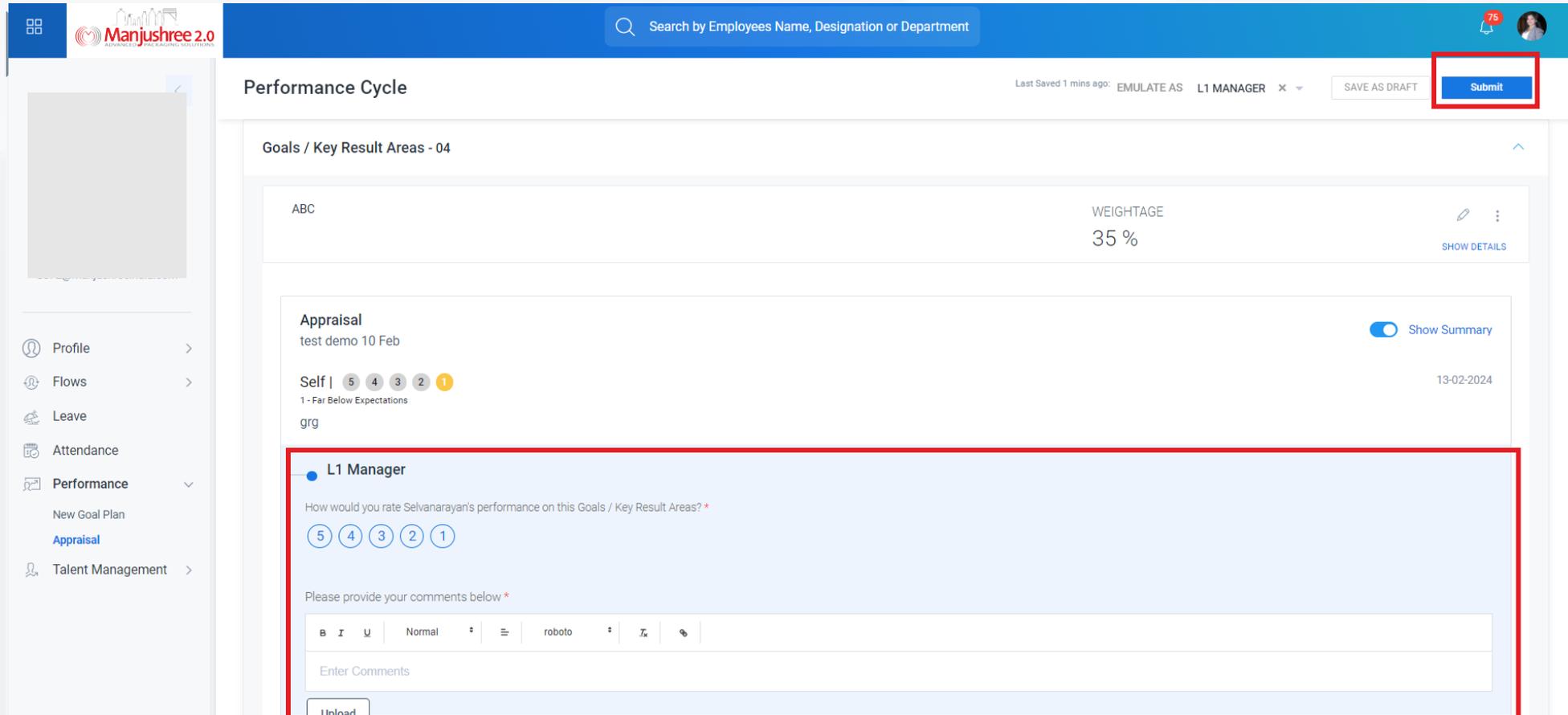
Step 4: L1 Manager can further share areas of development & strength for the employee. Then click on submit to send for further L2 manager assessment



The screenshot shows the Darwinbox Performance Cycle interface. At the top, there is a search bar with the text "Search by Employees Name, Designation or Department". To the right of the search bar, there is a notification icon with the number "36" and a user profile picture. Below the search bar, the page title "Performance Cycle" is displayed. To the right of the title, there is a status bar showing "Last Saved 8 sec ago:", "EMULATE AS", "L1 MANAGER", and a close button. Below the status bar, there are two buttons: "SAVE AS DRAFT" and "Submit". The "Submit" button is highlighted with a red box. The main content area is titled "L1 MANAGER" and contains three text input fields, each with a red box around its title: "Areas of Development", "Recommendations for Training (if any)", and "Areas of Strength". Each text input field has a rich text editor toolbar above it, including options for bold, italic, underline, text color, background color, bulleted list, numbered list, link, unlink, indent, outdent, and font size. The font size is currently set to 3. The font color and highlight color options are also visible.

Darwinbox Process

Step 4: **L2 Manager** to review L1's rating and comments. He can further: make changes in the ratings or re-assign to L1 for re-do or can close L1 manager's rating as it is.

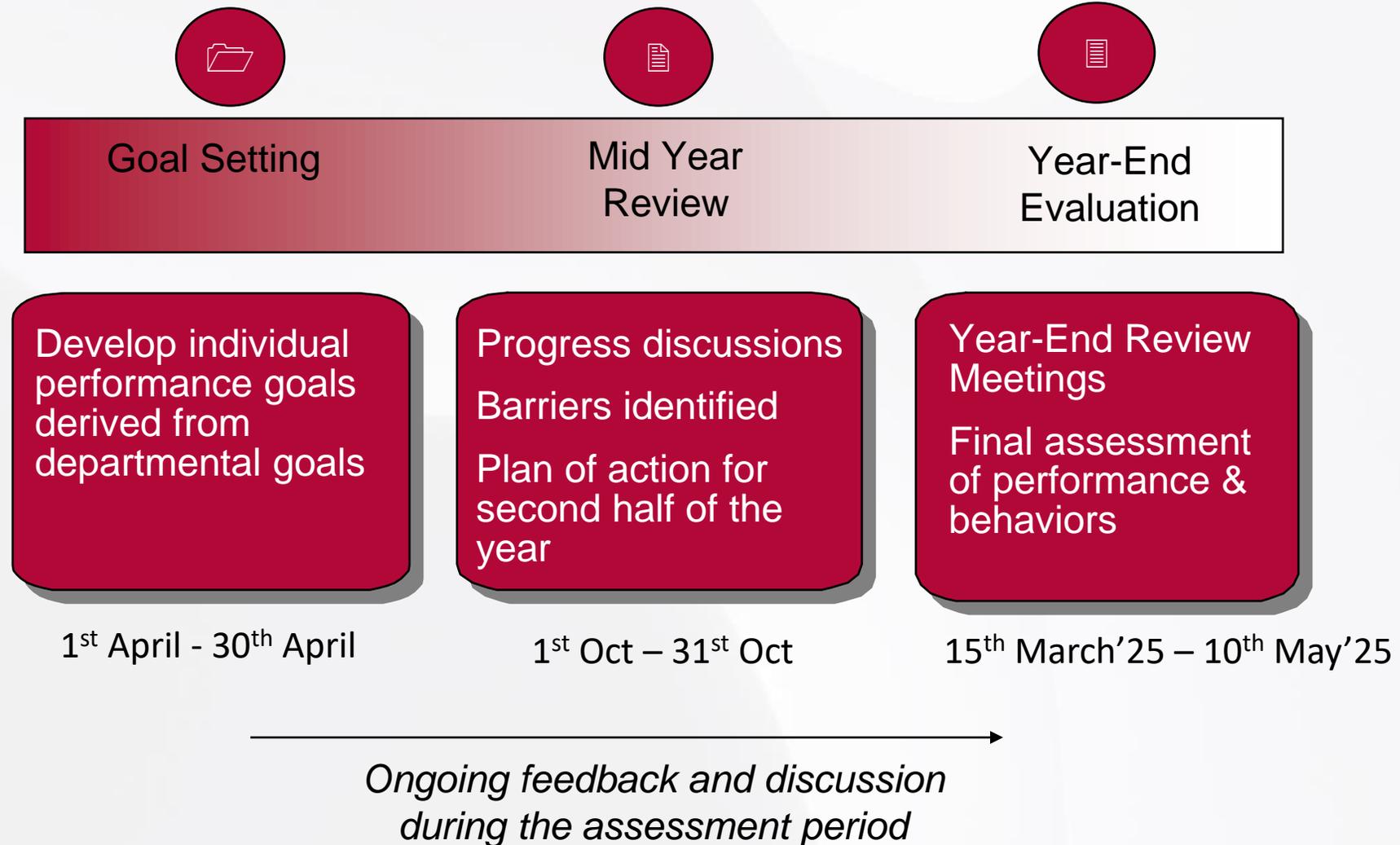


The screenshot shows the Darwinbox Performance Cycle interface. At the top, there is a search bar and a 'Submit' button highlighted with a red box. Below this, the 'Performance Cycle' section is visible, showing 'Goals / Key Result Areas - 04'. A goal named 'ABC' is listed with a weightage of 35%. The 'Appraisal' section shows a rating of 1 (Far Below Expectations) for 'Self' on 13-02-2024. The 'L1 Manager' section is highlighted with a red box, showing a rating of 1 and a comment field with the text 'Enter Comments'.

L2 Manager review will be considered as the final rating for employee

Process for FY'24-25

3 Phases of PMS- FY'25



Goal Setting

Everyone is responsible for supporting the organizational goals.



What is your role?

- Understand how the work you do aligns to the bigger picture company goals
- Create SMART goals that bring meaningful results
- Measure results vs. activity at year-end
- Demonstrate our values and behaviors
- Be accountable for achieving a high-performance culture

SMART Goal Setting for FY'24-25

Definitions		Questions to ask
S pecific	Clear specific/particular statement of what you want to achieve. Define the action to be taken.	Does the goal specify: <ul style="list-style-type: none"> • Who is doing what • When, how, and what is being done • An end result
M easurable	Defines measurable evidence and results expected (quantity, quality, cost, time); goal achievement. Defines how to differentiate performance: Demonstrate excellence, Exceeds expectation, Meet expectation, Needs improvement, Below Expectation.	Does goal define: <ul style="list-style-type: none"> • Concrete measurements used to evaluate results? • Verifiable criteria to demonstrate achievement?
A chievable	Is the goal realistic? <u>Achievable</u> goals assess the practicality of goal attainment and describe the practical tasks to be performed.	Do you know/have: <ul style="list-style-type: none"> •Who's responsible for goal •Resources and skills required •Cooperation from others involved in goal achievement •Roadblocks or challenges affecting result/completion
R esults-focused	Meaningful results align to the company/business/ department goal achievement and focus on actionable outcomes not just the supporting activities.	<ul style="list-style-type: none"> • What are the key results expected with each objective? • Do results align to the company? • How will the goal contribute to the business/team? • Are the results meaningful?
T ime-bound	<u>Time</u> frame/deadlines for goal completion help organize what needs to happen and when.	<ul style="list-style-type: none"> • Does the goal state timelines and deadlines for achievement? • When should the goal be met?

Goals vs. Activities

Activities	Goals
<ul style="list-style-type: none">• Actions, tasks that enable the goal• Day to day tasks	<ul style="list-style-type: none">• Critical end results that influence company/ business/team success• Measurable• Focuses on achievement
<i>Examples</i>	
<ol style="list-style-type: none">1. Track department spending2. Schedule training classes	<ol style="list-style-type: none">1. Reduce department budget by 10% in Q12. Train all department members on Soft skills (20 total in one department) by Q3

How the goal is set at the beginning of the year factors how performance is measured and assessed at year-end

What are the expected RESULTS?

SMART Goals Examples

Department	Activity Based Goals	SMART Goals
Finance	Improve past due receivables at two of the plants.	Improve receivable days from 45 to 39 by year end in Bommasandra & Silvassa.
Materials	Review freight routings to reduce cost. Use lower cost option for premium freight. Maintain premium freight records.	Reduce freight cost by 10% in FY23-24
Operations	Conduct regular employee involvement meetings to drive productivity improvements in our department.	Improve overall productivity in Kanpur by 3% by Q3.
Quality	Effective administration of Internal Audits and month-end reporting.	Perform 100% of internal audits on or before the dates set on the Audit schedule.

What are the expected RESULTS?

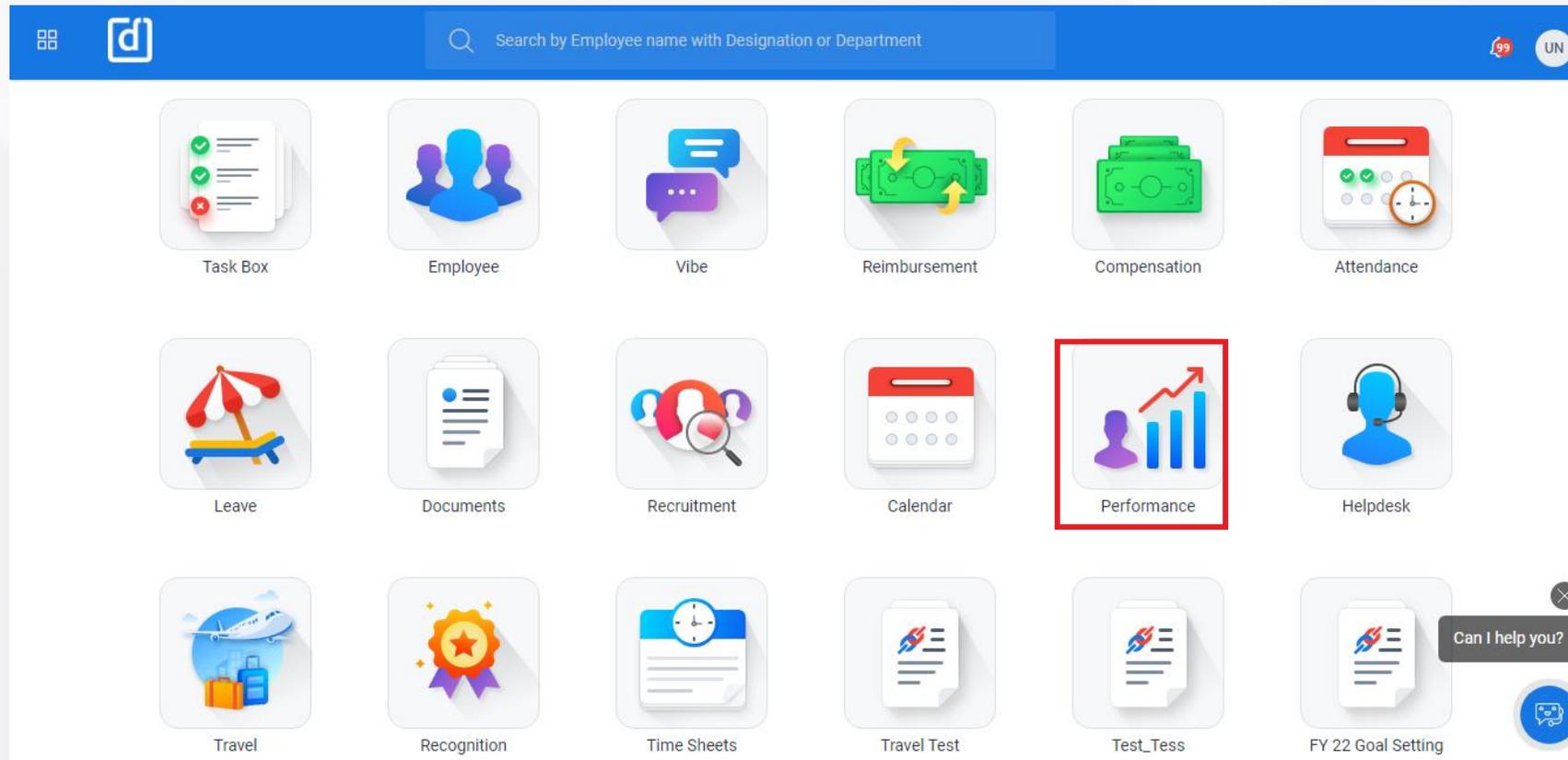
FY'24-25 Goal Setting Timeline

Date	Role	Action
1 st April – 30 th April	Appraiser (Leader)	<ul style="list-style-type: none"> Establishes individual and team goals Documents individual goals in New PMS format <i>Org goals and BU/Departmental goals to be finalized before March 31st 2024.</i>
	Appraisee (Team Member)	<ul style="list-style-type: none"> Meets with Leader to plan goal alignment Documents goals in New PMS format Submits Goal Plan to Leader in New PMS format
	Appraiser (Leader)	<ul style="list-style-type: none"> Approves Goal Plan in New PMS format and signed off by both leader and team member

The key to the cascading process is for managers to create their department goals before the employee creates theirs.

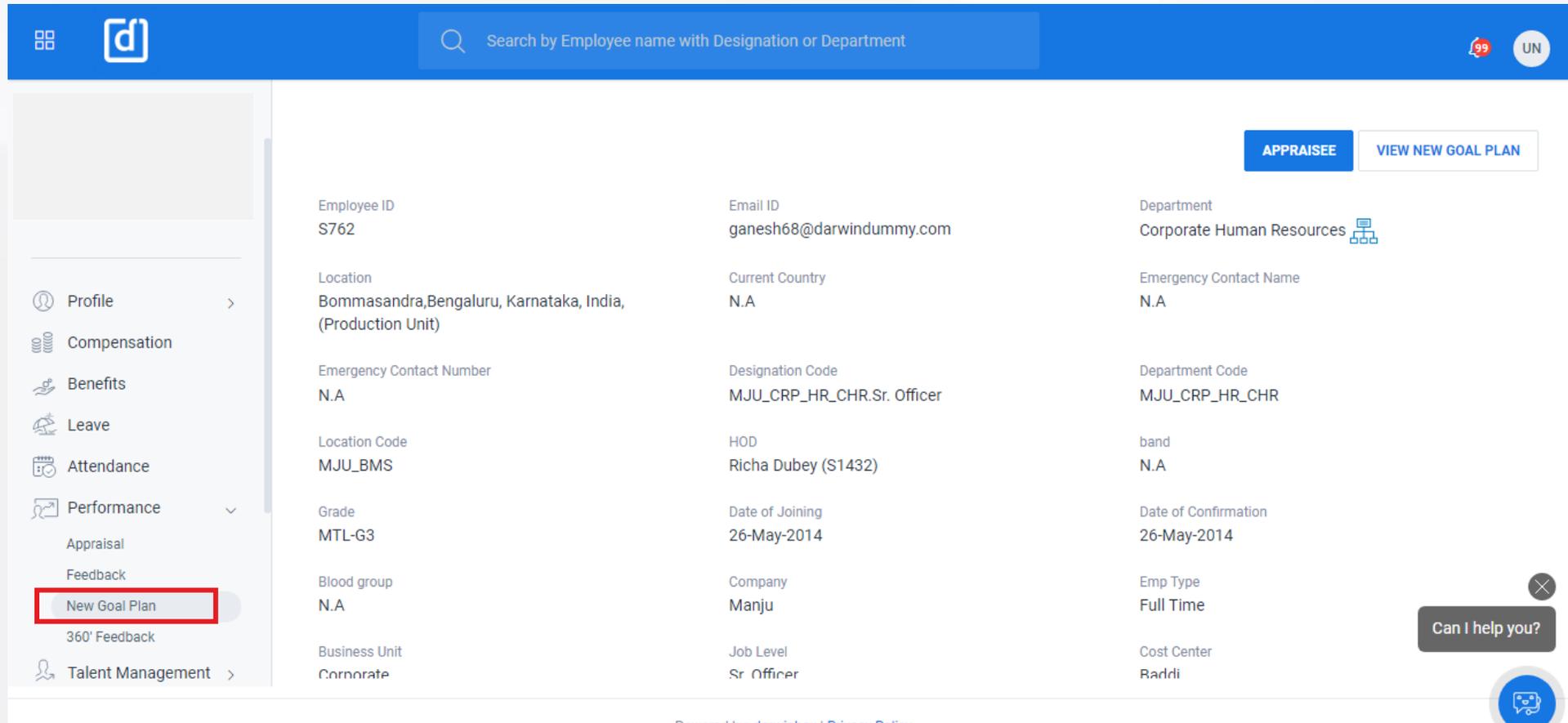
FY'24-25 Goal Setting Process

1. Click on the “Performance” tile



FY'24-25 Goal Setting Process

2. Click on “Performance>> New Goal Plan”



The screenshot shows an HR system interface. At the top, there is a blue header with a search bar containing the text "Search by Employee name with Designation or Department" and a user profile icon labeled "UN". Below the header, there are two buttons: "APPRAISE" and "VIEW NEW GOAL PLAN". The main content area displays employee details in a grid format:

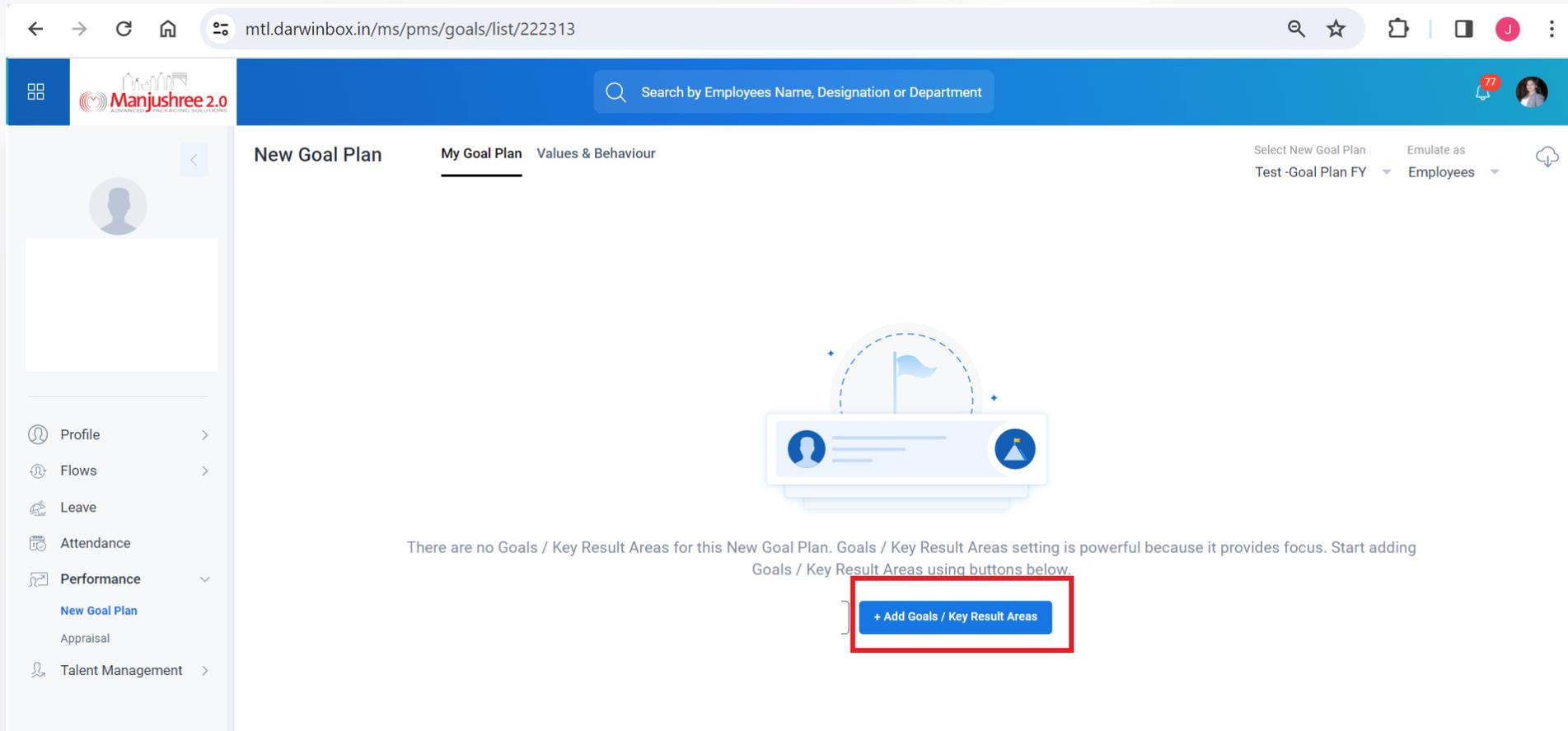
Employee ID S762	Email ID ganesh68@darwindummy.com	Department Corporate Human Resources
Location Bommasandra,Bengaluru, Karnataka, India, (Production Unit)	Current Country N.A	Emergency Contact Name N.A
Emergency Contact Number N.A	Designation Code MJU_CRP_HR_CHR.Sr. Officer	Department Code MJU_CRP_HR_CHR
Location Code MJU_BMS	HOD Richa Dubey (S1432)	band N.A
Grade MTL-G3	Date of Joining 26-May-2014	Date of Confirmation 26-May-2014
Blood group N.A	Company Manju	Emp Type Full Time
Business Unit Corporate	Job Level Sr Officer	Cost Center Rardri

On the left side, there is a sidebar menu with the following items: Profile, Compensation, Benefits, Leave, Attendance, Performance (expanded), Appraisal, Feedback, New Goal Plan (highlighted with a red box), 360° Feedback, and Talent Management.

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FY'24-25 Goal Setting Process

3. Click on “Add Goal/ Key result Areas”



The screenshot shows a web browser window with the URL `mtl.darwinbox.in/ms/pms/goals/list/222313`. The application header includes the Manjushree 2.0 logo, a search bar, and user profile information. The main content area is titled "New Goal Plan" and contains a message: "There are no Goals / Key Result Areas for this New Goal Plan. Goals / Key Result Areas setting is powerful because it provides focus. Start adding Goals / Key Result Areas using buttons below." A blue button with the text "+ Add Goals / Key Result Areas" is highlighted with a red rectangular box.

FY'24-25 Goal Setting Process

4. Fill in the **Goal details, weightage, targets, and metrics** for each goal. Click on “Save”.

Add Goals / Key Result Areas ×

Goals / Key Result Areas Details

Goals / Key Result Areas Title *

Goals / Key Result Areas Description *

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Start Date * End Date *

Weightage % *

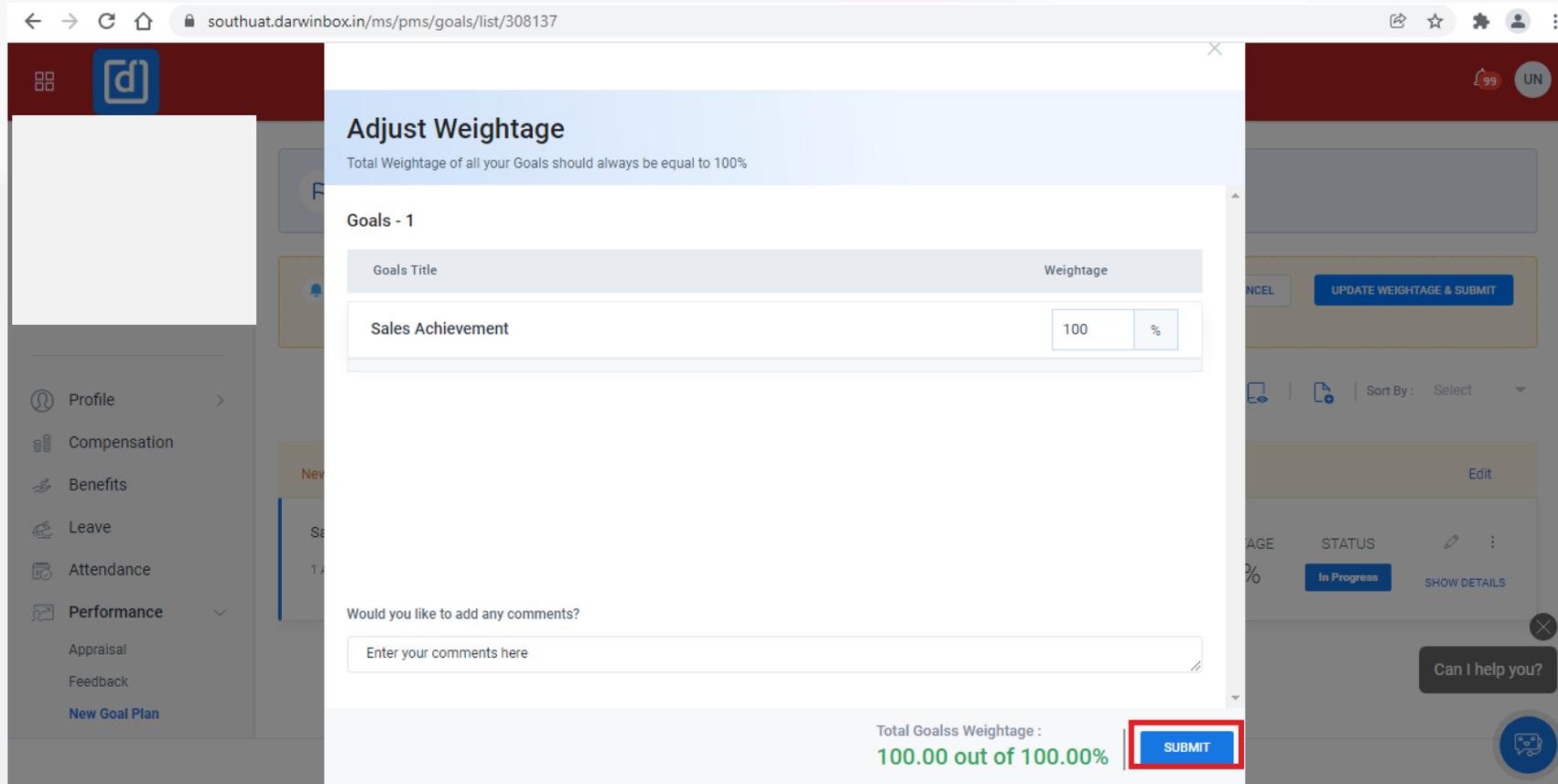
Remaining Weightage - 0 (Min:1, Max:40)

Measurements (Metric/Target) *

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FY'24-25 Goal Setting Process

5. Confirm “Weightage” of the goals and “Submit” to L1 manager for Approval



The screenshot shows a web browser window with the URL `southuat.darwinbox.in/ms/pms/goals/list/308137`. A modal dialog titled "Adjust Weightage" is open, displaying a table of goals. The table has two columns: "Goals Title" and "Weightage". One goal, "Sales Achievement", is listed with a weightage of "100 %". Below the table, there is a text input field for comments with the placeholder "Enter your comments here". At the bottom of the dialog, it shows "Total Goalss Weightage : 100.00 out of 100.00%" and a blue "SUBMIT" button highlighted with a red box. The background shows a sidebar with navigation options like Profile, Compensation, Benefits, Leave, Attendance, Performance, Appraisal, Feedback, and New Goal Plan.

Goals Title	Weightage
Sales Achievement	100 %

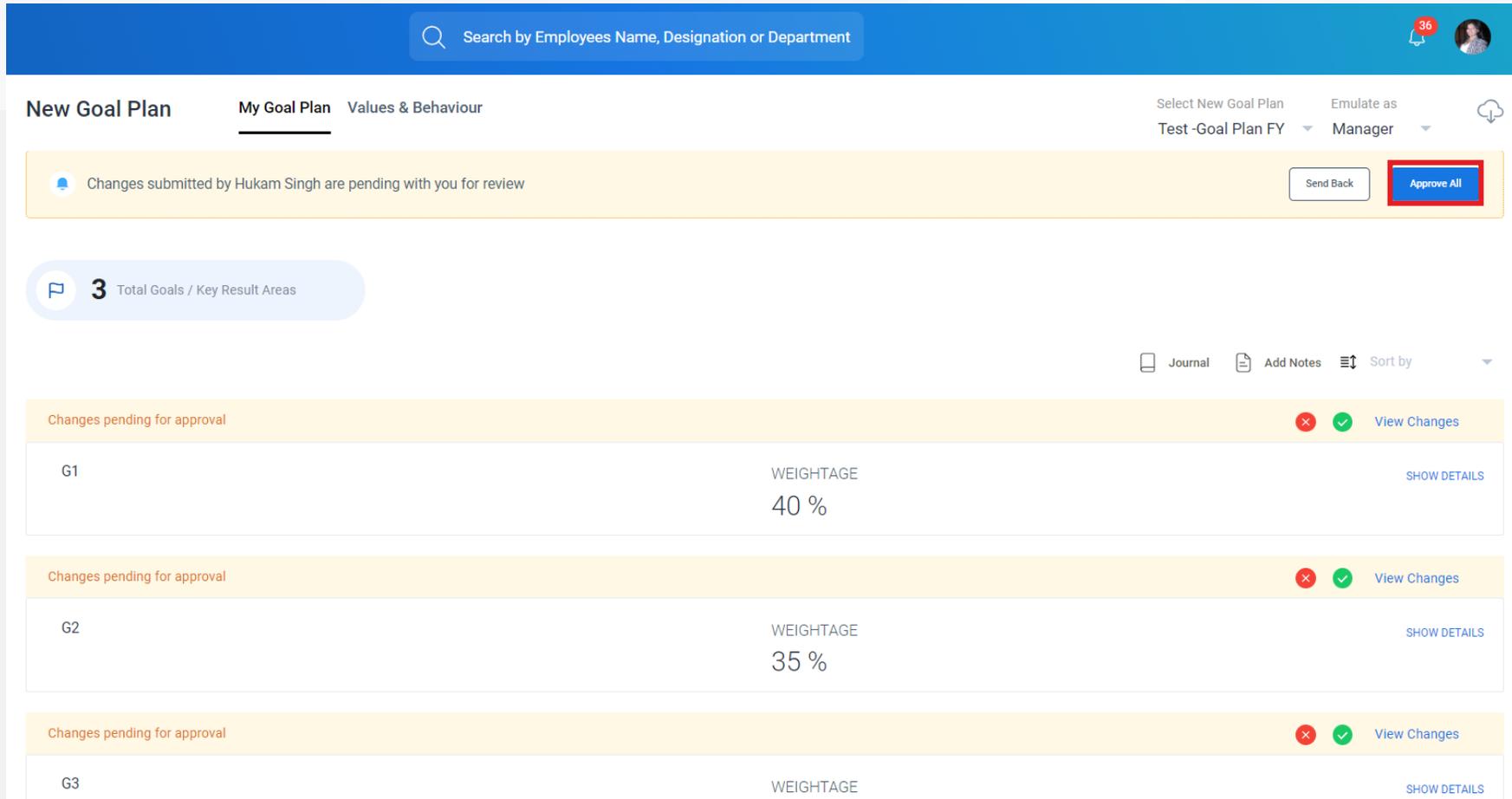
Total Goalss Weightage : 100.00 out of 100.00%

SUBMIT

Note: The total weight of all goals must add to 100%

FY'24-25 Goal Setting Process

6. L1 Manager to validate goals & targets and click on “Approve All” to close the goal-setting process.



The screenshot displays a web interface for goal management. At the top, there is a search bar and a notification bell with '36' alerts. Below the search bar, there are tabs for 'New Goal Plan', 'My Goal Plan', and 'Values & Behaviour'. On the right, there are dropdown menus for 'Select New Goal Plan' (set to 'Test -Goal Plan FY') and 'Emulate as' (set to 'Manager'). A yellow notification bar states: 'Changes submitted by Hukam Singh are pending with you for review'. Below this, a blue pill-shaped button shows '3 Total Goals / Key Result Areas'. A toolbar includes 'Journal', 'Add Notes', and 'Sort by'. The main content area lists three goals pending approval:

Goal ID	Weightage	Action
G1	40 %	View Changes
G2	35 %	View Changes
G3	WEIGHTAGE	View Changes

Mid-Year Review – FY'24-25

1. Feedback sessions to happen for all employees with their L1 Managers.
2. Employee to discuss his contribution for 1st half of the year and challenges faced.
3. Barrier identification to be done for better performance by the employee.
4. Appropriate action plan to be designed for the 2nd half of the year.

Timelines- 1st Oct - 30th Oct

Thank You!

