

PERFORMANCE APPRAISAL

'Meets Requirement' employees are valuable

De-criticalising performance management process could be a step in right direction

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PUBLIC sector enterprises (PSEs) need to switch to a performance management system (PMS) that not only celebrates tangible performance but also pays equal importance to intangibles like sustainability.

HR schools of 'excellence' have educated droves of human resource professionals who advocate the American hand-me-down PMS. Common terms that are bandied are High Performers, High Potentials and the Fast Trackers. Weeding out the bottom 10% like an organisational mine sweep is a practice in vogue in many of the 'work hard, party harder' organisations. All this is done with fairly moronic insensitivity. The forced distribution—the bell curve that tolls for the lesser of the equals—is a perverse solution garbed in statistical propriety.

It is unfortunate that our PSEs in pursuit of a mirage of 'excellence' have aped this model of performance management. As incongruous as elephants in dancing shoes, PSEs have adopted a system that is designed for culturally distinct private sector organisations whose nature of work and definition of performance in many cases are vastly different from their own. PSEs business in essence requires shop floor cooperation, dependence and reliability are tying themselves in knots trying to differentiate performers on degrees of 'individual excellence'—an irrelevant measure for such organisations.

The biblical winnowing to separate the chaff from the grain, from which our performance management systems take a cue, is presumptuous in assuming that there exists the chaff and the grain in an organisation. It's better to work with the whole grain; there are sustainable and mature organisations that work with the whole person to create an employee workforce and an organisation of character and strength.

Sacrificed at the altar of performance is often organisational sustainability. Fundamental requirements of performance indicators (reflected in the pedestrian acronym SMAC—specific, measurable, achievable, and challenging and its variants) are two things: tangibility and measurement. Anything that needs to be measured needs to be tangible and not inert. Much like the army general's penchant for paint—anything stationary, doesn't matter if it is a tree or a gate, must be painted and numbered. So too the management axiom, if it is performance it needs to be tangible and measurable. As performance needs to be measured (and sustainability can't), the horizon of the measure is hardly beyond the tip of the nose.

Sustainability is unfortunately

not as linear as performance indicators would like them to be. Sustainability is a result of a dynamic labyrinth of interconnectedness. A web that serves as a trampoline or a safety net that helps an organisation to survive well today and tomorrow. Performance is built on stretch, hunger and reward. Sustainability is built on resilience, sharing and sustenance. Performance celebrates the performers, sustainability respects the perpetuators. If performance leads, then growth is the driver, often at the exclusion of sustainability. In contrast, if sustainability guides an organisation, performance is woven in.

In the madness of performance and growth of India's last two decades, sustainability has paid the price. Cities bursting at their seams with cars and no roads, consumption bordering on perversion, education in 'schools of excellence' re-

Requirements'. Much like a trampoline, it is not expected of the gymnast to be perpetually airborne in a state of suspended animation. Rather, the acrobat bounces gently on the trampoline only to throw himself up again to perform a spectacular movement.

Organisations in India have over the last two decades skewed towards driving performance rather than sustainability. This has resulted often in growth in what has been relatively good times but have inherently built organisational vulnerability in terms of long-term organisational sustainability. The PMS in vogue drives individual performance but has little emphasis on sustainability. The drive for objective measure compromises performance to a measure of the tangibles. This leaves many intangible parameters that are organisation-critical unaddressed and unmeasured.



Illustration: SHYAM

duced to levels of decadence and organisations that exploit people, destroy natural resources, yet their captains are our business knights in shining armour.

Quy Huy, in the article *In Praise of Middle Managers* (Harvard Business Review), drives home the point. Organisations require the stars but are sustained on the vast majority of loyal and committed middle managers who together very often create high performing organisations. There is much that can be said for an organisation that celebrates the 'Meets Requirement' performers. These organisations know that the middling performers will rise to the occasion with performance that 'Far Exceeds' requirements when the situation demands. These organisations sensibly do not expect their employees to be in a perpetual stretch state, but expects them to return to the steady state of 'Meets

It is important that organisations reconsider their performance management and reward strategy. De-criticalising the performance management process maybe a step in the right direction for many organisations. Emphasis to be placed on the stable middle ground, the steady state performers with less emphasis on employee differentiation based on nuanced and vague degrees of excellence. This will encourage a far more wholesome work environment and far less time spent on wasted speculation and angst over performance ratings. This will create an organization that reposes confidence in its employees—all its employees; and does not celebrate merely the stratified ilk of superior performers. Excellence, then, is in the repertoire of all, drawn on as often as required.

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