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An Initiative of Association for Voluntary Action (AVA)

# Annual Performance Review and Career Development Policy



### Annual Performance Review and Career Development Policy

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## 1 Introduction & Purpose

This Annual Performance Review and Career Development Policy is applicable to all Associates/staff, on the rolls of Association For Voluntary Action (“**AVA**” or the “**Organization**”). The purpose of this Annual Performance Review and Career Development Policy (“this Policy”) is to ensure that a consistent approach is followed for conducting Annual Performance Reviews (“APR”), and that job-related skills, knowledge, competencies and behaviors are evaluated and compared against set standards and Organization’s objectives.

## 2 Scope

This Annual Performance Review and Career Development Policy is applicable to all Associates/staff, on the rolls of AVA (“**Associates**”).

## 3 Definitions

**KRA's** are the **key responsibility areas** of a job. The KRAs are the 'what' the job is supposed to accomplish with specific objectives being attached to each **KRA** (the 'how')

**KPI's (key performance indicators)**, is the criteria by which accomplishment of KRA’s are measured

## 4 Objectives of Policy

- 4.1 To provide a framework for systematic planning of performance objectives;
- 4.2 To ensure that individual objectives are aligned to the Organization’s goals;
- 4.3 To ensure a systematic evaluation of Associate’s performance;
- 4.4 To identify gaps in performance and take necessary actions to ensure the achievement of Organizational and individual goals;
- 4.5 To define a proper career planning process; and
- 4.6 To provide inputs for determining the Compensation, Rewards & Recognition.

## 5 Eligibility Criteria

All the Associates who have joined on or before 30<sup>th</sup> September of the preceding financial year would be eligible for Annual performance review cycle in the subsequent year.

Individuals involved in the process shall follow the Organization's policies and values in letter and in spirit to ensure that it is fair, transparent, objective and meritocratic. The Annual performance management process shall comprise the following steps (not necessarily in the same order)

## **6 Policy Framework**

This Policy covers the following important parameters of the performance evaluation system:

- 1 Defining Goals**
- 2 Performance Rating and Measurement**
- 3 360 Degree Performance Feedback**
- 4 Calibration Meetings**
- 5 Rewards and Recognition**
- 6 Procedural Fairness**
- 7 Training and Career Development**
- 8 Documentation of Associate Progress**

## **7 Defining Goals**

### **7.1 Information & Refresher session**

At the beginning of each financial year (in April), Human Resources team shall conduct a refresher information session on the performance appraisal process. This session shall include information on the entire appraisal and performance evaluation process, any changes to the process or Policy that may have been put in place.

### **7.2 Launching the APR process**

APR Process shall be formally launched through an email to all Associates with relevant information.

### **7.3 Annual Objective Setting Process**

Setting outcomes (KRA) and Key Performance Indicators (KPIs): The financial year (in April) shall begin with an Organization-wide outcomes and KPI setting exercise. An outcome is a statement defining a goal for the year and a KPI is an indicator to measure the outcome. (**Annexure A- 2: Setting SMART Goals**) Reporting managers and Associates should develop an action plan to achieve the outcomes and measure KPIs. Each Associate shall sign-off on their KPI's, which shall be part of HR Records.

## 8 Performance Rating and Measurement

### 8.1 Mid-Year Reviews

Upon completion of the first 2 quarters (Somewhere in August/September), the Associate and reporting manager shall conduct a formal mid-year review assessing the status of KPI's, outcome and any coaching, training needs identification that may be required by the Associate. It provides an opportunity to revisit the goals being set in the beginning. It is an opportunity to re-assess priorities of the team or project and make any adjustments to goals and target dates as required.

### 8.2 Annual Performance Assessment and Feedback Meetings

Annual performance appraisal is conducted in three stages:

- i. **Self-Assessment by the Associate:** Each Associate shall conduct a self-assessment against the identified/agree KPI's and fill-in the details in its assessment form.
- ii. **Appraisal by the Associate's reporting manager ("Appraiser"):** During the assessment sessions, the Appraiser should create an open and approachable environment wherein a constructive two-way feedback session is made possible with the Associate. The Associate should be receptive, willing to give and receive proper feedback during the assessment session. Performance assessment discussion should cover past year's performance, including the goals, objectives, status of KPI's, and subsequent year's objectives.
- iii. **Appraisal review by the Department head/Review Officer (Appraiser's reporting senior):** After Appraisal discussions are conducted with the Department head, the Calibration meetings are conducted to finalize the ratings by the Management Committee. The

discussion shall be based on facts, events, data and targets/projects' performance.

Subsequent to performance discussions and communication of the ratings, Associate and Appraiser shall sign-off the APR form which shall then be placed in HR records.

### 8.3 APR Closure – Preceding Year

S. No.	Activity	Timelines
1.	Performance Review	Annual
2.	Kick Off Date	On or before 10 <sup>th</sup> January
3.	Self-Assessment by the Associate	Latest by 20 <sup>th</sup> January
4.	Appraisal by the Associate's reporting manager	10 <sup>th</sup> February
5.	Approval and finalization of the appraisal by the Human Resource and CEO/Managing Trustee	25 <sup>th</sup> February
6.	Documentation & Paperwork by HR on APR closure process	First week of March

45-days deadline: The entire process of writing, reviewing and accepting the APAR must be completed within 45 days from the 15<sup>th</sup> December of the reporting year.

### 8.4 APR Launch – Subsequent Year

S. No.	Activity	Timelines
1.	Information and refresher session- Goal Setting	20 <sup>th</sup> January
2.	Sign-off on Annual Objectives and KPI's	10 <sup>th</sup> February

### 8.5 Evaluation Parameters

The APR format shall be used, which seeks qualitative and quantitative information on the following parameters:

<b>Parameters for Evaluation</b>	<b>Weightage (out of 100)</b>
Tasks achieved according to Key Performance Indicators	20
Willingness to shoulder additional responsibilities and take initiatives	10
Innovation leading to furthering the Organization's mission	20
Ethics, Integrity and compliance with all Policies and the Code of Conduct	10
Professional development opportunities leveraged	10
Attention to detail, accuracy and discipline	15
Ability to work in a team and form productive professional relationships	15

## **9 360 Degree Performance Feedback**

HR shall facilitate a survey of team members to provide them with a comprehensive and holistic feedback on the leadership and team management skills of the Function Director/Head. The same protocol shall be adopted for the CEO, up to the level of Project Coordinator. This information shall be shared with the Board members directly.

This survey will be facilitated by third party.

## **10 Calibration Meetings**

A performance review calibration meeting is set up with senior leadership, and an HR representative as a facilitator. This group reviews the employee appraisals and performance ratings to ensure that everybody was measured using the same standards.

## 11 Rewards and Recognition

### 11.1 Rewards

- Rewards can be either monetary or non-monetary;
- Non-Monetary rewards are the awards, recognition that the Associate receives for his performance. Monetary rewards are the salary increments of each Associate;
- The quantum of increment provided to each Associate shall depend on their annual performance ratings and performance in the preceding calendar year;
- Annual increments are granted to account for inflation and as a monetary recognition, the Associate's performance and hard work;
- The availability of a position/designation to which an Associate can be promoted shall be driven by the Organization's need;
- Promotions will also be based on the performance rating and the potential for leveraging to the next level. The Associate must demonstrate requisite knowledge, skills and competencies for the promoted role;
- The Associate's behavior, attitude and work must reflect belief in the values and mission of Organization.

The mean score of the APR scores collected in the APR will be used to grade the Associate's annual performance and determine their suitability for promotion. The following table explains the grading criteria:

Score Range	Rating	Increment and Promotions Eligibility
Greater than 80	Outstanding	Suitable for Increment and promotion
Greater than 60 & upto 80	Very good	Suitable for Increment and promotion
Greater than 40 and upto 60	Good	Suitable for increment and not suitable for promotion
40 and below 40	Poor Performer	To proceed with separation formalities

### 11.2 On Cycle Annual Increments

Associates will be eligible for increment basis the ratings received after the Annual Performance Review.

### 11.3 Recognitions

The Organization is performance driven and feels pride in recognizing high-performing Associates for their special efforts, support in achieving Organizational values and goals. This may involve a comprehensive scaling of job description, display of exemplary work, excellent performance in a project, special recognition by the external stakeholders etc.

## 11.4 Promotions

### 11.4.1 On Cycle Promotions

In order to be eligible for on cycle promotions, Associate must have:

- Completed 24 months of confirmed service with the Organization.
- Received a grade of 'very good' or above on 2 out of previous 3 APR's

Effective Date of Annual Increments and Promotions	1 <sup>st</sup> April
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### 11.4.2 Out -of-Cycle Promotions

Out-of-Cycle promotion is awarded and approved by the Board Members for exemplary performance of the Associate that leveraged in achievement of Organizational goals. The reason for such out-of-turn promotions must be recorded in detail and filed in the Associate's records. Effective date of out of cycle promotion and increment thereof will be decided by Board.

## 12 Performance Improvement Plan

All Associates who score below 40 in their APR's shall be graded as 'Needs Improvement' performers. The reporting manager of the Associate, with support from the Management Committee and HR, shall counsel, support and coach the Associate through the Performance Improvement Plan (PIP). A PIP is a formal written plan used by the manager/supervisor as a final attempt to resolve a serious issue that has not been addressed by the Associate after verbal warning(s) and/or written warning(s) have been given.

The PIP is given for a specified time period, usually 30, 60 or 90 days. The reporting Manager shall, along-with HR, and respective Department head use reasonable judgment to decide the tenure of PIP and the conclusion thereof. PIP tenure includes

the notice period of Associate, in the event the associate fails to improve his/her performance.

PIP should include key information about the issue, including data on prior verbal counseling(s) and written warning(s), the work performance and/or behavior issue that must be addressed and corrected during the PIP period, and the review dates.

The manager/supervisor should meet privately with the Associate to discuss the issue and to provide the PIP to the Associate. Prior to conclusion of the meeting, the Associate should be asked to sign the PIP indicating that he/she has read and understands it. If the Associate refuses to sign the PIP, the manager/supervisor should note this on the PIP document, duly dated. The original PIP should be placed in the Associate's personal file and a copy thereof being provided to the Associate. PIP form is attached as **Annexure A – 3** of this Policy.

The intent of a PIP, as it is in all other progressive discipline steps, is successful resolution of the issue. Even if the Associate successfully meets the terms of a PIP, he/she can again be subject PIP, in addition to disciplinary action in case the same or other performance and/behavior issues arise in the future. If a serious incident occurs while an Associate is on a PIP, the Associate may be subject to termination of employment.

PIP Form and minutes of meeting after each session, should be duly signed by the reporting Manager, HR, Function Head and concerned Associate.

## 13 Procedural Fairness

While conducting APR and PIP, consultation with Associates and preparation of all documentation associated with the process is mandatory. Associates must adhere to procedural fairness at all times. These principles include:

- a. right to be heard and treated fairly and without any bias;
- b. right to a reasoned order/conclusion;
- c. to request the attendance of an HR representative at any meeting. The role of HR representative is to assist the parties in performance and development discussions and clarify concerns on review process; as and when required.

## **14 Training and Career Development**

A progressive training and development program shall be implemented by HR that shall enable Organization in assessing the strengths and weakness of Associates in the areas of work, their key skills to execute different tasks, their attitude and current performance. In order to achieve this, the Organization shall use data/inputs from:

- a. the Performance Review exercise;
- b. using development strategies like training, coaching, mentoring, job rotation & job enlargement; and
- c. Areas for development needs identified with focus on the current as well as future job responsibilities of the Associate

## **15 Documentation of Associate Progress**

Managers need to document Associate performance, opportunities, counselling and coaching modules etc. They need to document the Associate's performance concerns and manager's feedback thereon. The documentation should be unambiguous and gets the facts straight. One need to document any agreements made during the conversation, goals set, improvements required and expected, and the timeline for improvement. Documentation should also contain commitments that the manager makes to assist the Associate.

## **16. Exceptions and Review of Policy**

- 16.1** Any deviations from this Policy require approval from the Management Committee;
- 16.2** The Organization reserves the right to modify and/or review the provisions of this Policy from time to time, in order to comply with applicable legal requirements or internal policies, to the extent necessary.

## ANNEXURE A-2

### Definition- Smart Goals

Goals are part of every aspect of business; by setting goals, you are providing yourself with a target to aim for. A SMART goal is used to help guide goal setting. SMART is an acronym that stands for Specific, Measurable, Achievable, Realistic, and Timely. Therefore, a SMART goal incorporates all of these criteria to help focus your efforts and increase the chances of achieving your goal.

### Principles of Goal-Setting

- **Clarity:** Goals need to be clear and easily understood in order for them to be most effective.
- **Challenge:** Good goals have a high enough level of difficulty that you actually have to push yourself in order to achieve them.
- **Commitment:** Without a high level of commitment, it's difficult to achieve any goal, especially those that are somewhat challenging.
- **Feedback:** You need to be able to receive information about how well you are progressing toward your goal. This information can be used as a motivator, or it may signal that your goal is either too easy or too challenging and needs to be adjusted.
- **Task Complexity:** The more complex a goal is; the more time you need to give yourself to achieve it. Good goals don't have to be complex, but understanding how complex your goals are is an important part of planning how you will achieve them.

**S.M.A.R.T. stands for specific, measurable, achievable, relevant, and time-bound.**

### Here's what you need to know about each letter in the acronym:

1. **S- Specific:** Well defined, clear, and unambiguous
2. **M- Measurable:** With specific criteria that measure your progress toward the accomplishment of the goal
3. **A-Achievable:** Attainable and not impossible to achieve
4. **R- Realistic:** Within reach, realistic, and relevant to your work

5. **T- Timely:** With a clearly defined timeline, including a starting date and a target date. The purpose is to create urgency

### **The Importance of SMART Goal Setting**

Often, individuals or businesses will set themselves up for failure by setting general and unrealistic goals such as “I want to be the best at X.” This goal is vague, with no sense of direction.

SMART goals set you up for success by making goals specific, measurable, achievable, realistic, and timely. The SMART method helps push you further, gives you a sense of direction, and helps you organize and reach your goals.

### **Explanations**

#### **SMART Goal – Specific**

Goals that are specific have a significantly greater chance of being accomplished. To make a goal specific, the five “W” questions must be considered:

Who: Who is involved in this goal?

What: What do I want to accomplish?

Where: Where is this goal to be achieved?

When: When do I want to achieve this goal?

Why: Why do I want to achieve this goal?

#### **SMART Goal – Measurable**

A SMART goal must have criteria for measuring progress. If there are no criteria, you will not be able to determine your progress and if you are on track to reach your goal.

To make a goal measurable, ask yourself:

How many/much?

How do I know if I have reached my goal?

What is my indicator of progress?

#### **SMART Goal – Achievable**

A SMART goal must be achievable and attainable. This will help you figure out ways you can realize that goal and work towards it. The achievability of the goal should be stretched to make you feel challenged, but defined well enough that you can actually achieve it. Ask yourself:

Do I have the resources and capabilities to achieve the goal? If not, what am I missing?

Have others done it successfully before?

### SMART Goal – Realistic

A SMART goal must be realistic in that the goal can be realistically achieved given the available resources and time. A SMART goal is likely realistic if you believe that it can be accomplished. Ask yourself:

Is the goal realistic and within reach?

Is the goal reachable, given the time and resources?

Are you able to commit to achieving the goal?

### SMART Goal – Timely

A SMART goal must be time-bound in that it has a start and finish date. If the goal is not time-constrained, there will be no sense of urgency and, therefore, less motivation to achieve the goal. Ask yourself:

Does my goal have a deadline?

By when do you want to achieve your goal?

Example

### Example of a Professional Development SMART goal

**Not a SMART goal:** “Get better at data science to secure my job at my company”

**A good SMART goal:** “Identify my biggest gap in growing as an individual contributor in the field of data science and grow my skills to a level that people across my nonprofit, by the end of 2021, recognize me as the subject matter expert on this topic and use me as a resource to see how data science can help them make a bigger impact”

**Why we like this goal:** This goal adds some great specificity about what it means to be an invaluable addition to a team, and to ensure that the person is developing the skills that the organization will truly need. Helpful follow up SMART goals to aid in achieving this one would include specific steps to grow data science skills, such as working towards a certificate in the field, undertaking an additional degree, or attending conferences with experts.

## ANNEXURE A-3

### PERFORMANCE IMPROVEMENT PLAN (PIP)

Employee Name:	
Employee ID:	
Reporting Manager:	
Meeting Date:	

You are receiving this plan based on performance and behavior issues. This plan gives you an opportunity to constructively address the concerns.

\*Spaces expand as you enter details

1. Reasons for Improvement Plan (Describe the concern):
  
2. Previous Disciplinary Actions, if any;
  - i. Date and brief note: -
  - ii. Date and brief note: -
  - iii. Fill in the following improvement plan: -

S. No.	Improvement (Performance Behaviors)	Areas and	Expected (Measurable) outcomes	Support Required and Dependencies

3. Review Period (Please tick the appropriate one)

A. PIP plan in effect for: -

- i. 1 Month
- ii. 2 Months
- iii. 3 Months

B. Evaluations every: -

- i. Week
- ii. 2 weeks
- iii. Month

C. Final Performance Review will be conducted on\_\_\_\_\_

**Supervisors Name and Signature:**

**I, undersigned Associate, agree that above information is true. I'm fully aware of my performance gap areas and understand that I required to show progress over the agreed-upon amount of time. I will achieve the aforementioned results by the end of the improvement plan period. If I am unwilling or unable to improve my behavior /performance in the amount of time provided; I will be subject to disciplinary action up to and including termination.**

**Associate Name and Signature:**

**Date:**





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