# Performance Management & Appraisal Policy

**1. Objective**

This policy outlines the organization’s approach to managing and appraising employee performance. Our goal is to **recognize individual contributions**, **enhance capabilities**, and **align performance with organizational goals**. Performance management is not a one-time event, but a **continuous process of planning, monitoring, reviewing, and rewarding** performance to drive excellence, growth, and employee engagement.

### 2. Scope and Eligibility

This policy applies to **all full-time permanent employees** of the organization. Temporary, probationary, contractual, or third-party employees are not covered under the formal annual appraisal process unless specifically mentioned in their agreement or contract.

### 3. Policy Philosophy

The organization believes that **people are its most valuable asset**. By recognizing talent, nurturing strengths, identifying development areas, and promoting accountability, we can build a performance-driven culture aligned with the company's long-term strategic vision.

Performance Management is designed to:

* Encourage **goal setting**, feedback, and communication.
* Facilitate **individual development** and **career planning**.
* Support **transparent evaluation** of performance and contributions.
* Serve as a **basis for compensation**, promotions, and learning opportunities.

### 4. Performance Management Framework

The organization adopts a **structured Performance Management System (PMS)** that operates through a **four-phase cycle**:

#### Phase 1: Planning

* At the start of the cycle, employees and their respective **Heads of Departments (HODs)** or **Learning & Development (L&D) Heads** collaboratively:  
  + Define **clear performance goals and KPIs** aligned with organizational objectives.
  + Identify **core competencies**, **behavioral expectations**, and **measurable outcomes**.
  + Document expectations and timelines within the PMS platform or official templates.

#### Phase 2: Monitoring

* Performance is tracked **continuously**.
* Managers are expected to:  
  + **Observe progress**, provide **ongoing feedback**, and offer **coaching support**.
  + Document key milestones, achievements, or issues.
  + Address concerns or blockers in real-time to keep performance on track.

#### Phase 3: Mid-Term Review (Optional but Recommended)

* A mid-year check-in may be conducted to:  
  + Review progress on goals
  + Modify objectives if business priorities have changed
  + Realign resources or support if required

#### Phase 4: Year-End Review and Appraisal

* At the end of the cycle, managers evaluate performance against:  
  + **Agreed-upon goals and KPIs**
  + **Behavioral and functional competencies**
  + **Teamwork, innovation, initiative**, and **overall contribution**
* The review is conducted through formal discussions and supported by documentation and feedback from relevant stakeholders.
* Performance ratings and outcomes influence decisions related to:  
  + Salary revisions
  + Promotions
  + Training needs
  + Role enhancements or changes

### 5. Roles and Responsibilities

#### Managers / HODs / L&D Heads

* Define and communicate clear performance goals.
* Monitor and support performance consistently.
* Document progress and provide real-time feedback.
* Ensure fairness and objectivity in the appraisal.
* Identify development needs and recommend training.

#### Employees

* Understand assigned goals and expectations.
* Seek clarity, feedback, and support where required.
* Document achievements, challenges, and self-assessments.
* Actively participate in performance reviews.

#### HR Department

* Ensure consistent implementation of the PMS.
* Provide training and tools for effective goal setting and evaluation.
* Facilitate performance review cycles and documentation.
* Review appraisal records for fairness, consistency, and alignment.

### 

### 

### 

### 6. Appraisal Review Cycle

Employees become eligible for an **annual appraisal** after **completing at least one year of continuous service**. Appraisal timing depends on the **Date of Joining (DOJ)** or **Last Appraisal Date**, and aligns with the standard **Appraisal Cycle Schedule**:

| **Joining Period** | **Appraisal Cycle** | **Appraisal Effective From** |
| --- | --- | --- |
| Jan – Feb – March | March (next year) | Date of Joining or Last Appraisal Date (whichever applicable) |
| April – May – June | June (next year) | Same as above |
| July – Aug – Sept | September (next year) | Same as above |
| Oct – Nov – Dec | December (next year) | Same as above |

* Performance is reviewed based on **12 months of contribution**, **attitude**, **team behavior**, and **individual initiative.**
* Appraisal letters and compensation revisions will be issued after final approval from the respective **HODs**, in coordination with the **HR and Finance teams**.

### 7. Written Commitments

If any **written commitment** is made at the time of hiring (through **Offer Letter, Appointment Letter, or Contract**) regarding salary revision or performance-linked review within a certain time frame (e.g., 6 months), then the organization will honor that commitment, provided:

* The employee has met all deliverables
* The relevant performance and attendance criteria are fulfilled

Such reviews will be **outside the standard cycle** but aligned to ensure consistency and parity.

### 

### 

### 

### 8. Appraisal Ethics & Conduct

All performance appraisals should be:

* **Transparent and well-documented**
* **Free from bias, favoritism, or personal prejudice**
* **Focused on facts, data, and observed behaviors**
* **Two-way conversations** encourage employee feedback and future growth

Any employee who feels their performance has not been fairly assessed may raise a query with the HR Department, which will arrange a formal discussion or review.

### 9. Conclusion

A well-executed Performance Management and Appraisal system fosters **accountability**, **growth**, and **motivation** across the organization. It helps employees align their personal aspirations with business success while continuously enhancing their capabilities.

The company is committed to maintaining an **objective, developmental, and fair performance review process**, ensuring each employee has a clear path to progress and excel.