



Performance Appraisal Policy

VERSION 1.0

Objective

Providing DMites with comprehensive feedback and direction is essential for realizing Decision Minds' vision and mission. It is also a very effective mechanism for guiding DMites in their growth and development and engaging them in the success of the company.

Performance appraisal eligibility:

All the active, full time DMites who are on Decision Minds' payroll on or before 31st December of preceding fiscal year are eligible for appraisal. The increment will be given on pro-rata basis.

Eg. – Let's say we have two DMites 'A' and 'B' with joining date of 1st April 2021 and 1st December 2021. If A's annual increment as per framework is X%, and B's annual increment as per framework is Y% then actual increment given would be:

$$A's \text{ Increment} = \frac{X}{365} \times 365 \text{ (tenure of A in appraisal cycle)} = X\%$$
$$B's \text{ Increment} = \frac{Y}{365} \times 120 \text{ (tenure of B in appraisal cycle)} = 0.3288 \times Y\%$$

Exceptions to this eligibility will only be considered for significant business reasons and will be granted on a limited basis. Any exception must be approved in advance by the reporting manager and the functional head.

DMites joining after 31st December will be included in the next year's appraisal process and the appraisal will be done on the pro-rata basis.

Timeframe for performance evaluation

The timeframe for the evaluation cycle would be 1st April to 31st March every annual year.

Timeline for the Performance Appraisal process

The annual performance appraisal process will run in three waves starting 1st week of April and finishing by May 31st every year. The process will start with DMites self-appraisal followed by manager's assessment. After manager's assessment the reviews and rating by managers and DMite will be put in the performance appraisal framework to derive Cumulative Performance Score and Minimum Compa Ratio. Post appraisal process, Wave 4 will begin with setting up and finalization of individual goal/ OKR for the next year.

Process	Stage	Activity	week	Owners
Performance evaluation	Wave 1	Self-Appraisal	1st- 2nd week of April	DMites
	Wave 2	Manager's Assessment	2nd-4th week of April	Reporting Manager (RM)
	Wave 3	Calibration Meetings	1st- 4th week of May	HRBP, RM's and Leadership
Goal Setting for next cycle	Wave 4	Setting the Individual Goals	1st week of June	DMites
		Finalization of Goals and related KRAs	2nd week of June	RM's and DMites

Wave 1: Self-Appraisal

Self-appraisal is the process where DMites review their own performance. It gives them an opportunity to scrutinize their own performance in the appraisal cycle and list down their accomplishments, improvement areas, strengths, and weaknesses. The self-appraisal is done through Keta.

(Keta: navigate to Appraisals --> Self Appraisal and complete your "Self-Appraisal". Once you are done, click on "Send to L1 Manager".)

The self-appraisal has been made objective and has been divided into the following 4 categories:

1. Delivery and Quality

- Utilization/Billing – Total billing in the period April to March
- Recognitions – Number of recognitions received from Customer or Decision Minds
- Timelines and policy adherence – Number of missed timelines and/or Policy Breach

2. Organization Growth Contribution

- Interviews/Onboarding help – Number of interviews taken and/or number of times help provided for onboarding a colleague
- Practice contributions – Any contributions directly towards a practice Whitepapers, Development etc
- Case studies – Number of case studies published for Decision Minds
- Proposals – Number of proposals contributed on
- Trainings conducted – Number of trainings conducted

3. Self -Development

- Skills upgrade – Number of skills upgraded
- Trainings attended – Number of trainings attended and completed
- Certifications completed – Number of certifications successfully completed

4. Future Career Interests & Alignment

- Current skillset
- Current career track
- Future interest
- Future career track
- Willingness to commit

Wave 2: Manager's Assessment

Post self-appraisal, reporting managers assess the performance of their direct reportees. There are five attributes finalised for evaluating DMite's performance. Reporting managers also consider self-appraisal rating given by the DMite.

1. **Performance Rating** – This indicates overall performance of a DMite during performance evaluation cycle. Reporting managers will provide remarks and justification for their ratings in Keta. Ranging from 1-5; 5 being Outstanding, 1 being Needs Improvement
2. **Superhighway Alignment** – This indicates employee's current performance and potential. This should be 'Low', 'Medium' or 'High'. 'Low' indicating weak alignment and 'High' indicating strong alignment
3. **Retention Risk** – This indicates risk of attrition of an employee. Should be 'Low', 'Medium' or 'High'
4. **Impact of Loss** – This indicates the impact an employee's attrition will cause to the business. Should be 'Low', 'Medium' or 'High'
5. **Engagement Level** – This indicates the level of engagement of an employee on work and other company/team wide initiatives like trainings, on-boarding, referrals etc. Should be 'Low', 'Medium' or 'High'.

Additionally, People Function provides input on the following two attributes

1. **Tenure in Company** – This indicates commitment/loyalty. Categorised into following bucket. 1-1.5 years, 1.5-2 years, >2 years.
2. **Gross Margin**- This is an indicator of business impact.

Performance Appraisal Framework

Performance appraisal framework then calculates Cumulative Performance Score and Minimum Compa Ratio based on above mentioned seven attributes for each eligible DMite and thus provides recommendation on their increment and promotion eligibility.

1. **Cumulative Performance Score (CPS)**: The score indicates the level of achievement of performance goal(s) set forth for the performance period applicable to target appraisal and promotion opportunities. It ranges from 70 to 100%
2. **Minimum Compa Ratio**: This indicates employee's current salary as a percentage of market rate and org wide salary midpoints range for similar skill and experience. The intent is to maintain pay parity within the organisation and industry by giving some correction, if needed. The score ranges from 0.4 to 1.2.

Below is the weightage for all the attributes:

Performance Rating Weightage		Tenure in Company Weightage		Gross Margin Weightage		Superhighway Alignment Weightage		Retention Risk Weightage		Impact of Loss Weightage		Engagement Level Weightage	
5	1.2	>2 years	1	>50%	1.05	High	1.05	High	1	High	1	High	1
4	1	1.5-2 years	0.95	30%-50%	1	Medium	0.95	Medium	0.95	Medium	0.95	Medium	0.95
3	0.8	>1 year	0.9	<30%	0.9	Low	0.9	Low	0.9	Low	0.9	Low	0.9

$$\text{Cumulative Performance Score} = \frac{\text{Sum of all weights for an individual}}{\text{Sum of maximum weights}}$$

$$\text{Minimum Compa Ratio} = \text{Product of all weights for an individual}$$

Illustration:

Let's say a DMite 'X' joined Decision Minds on 10th March 2019. As on 1st April 2022, he completed 3 years 21 days. Let her performance measures be as below:

- Performance Rating – 3 (weightage 0.8)
- Tenure in the Company – More than 2 years (weightage 1.0)
- Gross Margin – >50% (weightage 1.05)
- Superhighway Alignment- High (weightage 1.05)
- Retention Risk- High (weightage 1.0)
- Impact of Loss- High (weightage 1.0)
- Engagement Level- High (weightage 1.0)

$$\text{Minimum Compa Ratio} =$$

$$\text{Performance Rating weightage} \times \text{Tenure in the Company weightage} \times \\ \text{Gross Margin weightage} \times \text{Superhighway Alignment Weightage} \times \\ \text{Retention Risk weightage} \times \text{Impact of Loss weightage} \times \text{Engagement level weightage}$$

Hence,

$$\text{Minimum Compa ratio} = 0.8 \times 1.0 \times 1.05 \times 1.05 \times 1 \times 1 \times 1 \\ = 0.882$$

Cumulative Performance Score =

$$\frac{\text{Performance Rating weightage} + \text{Tenure in the Company weightage} + \text{Gross Margin weightage} \\ + \text{Superhighway Alignment Weightage} + \text{Retention Risk weightage} + \\ \text{Impact of Loss weightage} + \text{engagement level weightage}}{\text{Maximum Performance Rating weightage} + \text{Maximum Tenure in the Company weightage} + \text{Gross Margin weightage} \\ + \text{Maximum Superhighway Alignment Weightage} + \text{Maximum Retention Risk weightage} + \\ \text{Maximum Impact of Loss weightage} + \text{Maximum Engagement level weightage}}$$

Hence,

$$\text{Cumulative Performance Score} = \frac{0.8 + 1.0 + 1.05 + 1.05 + 1 + 1 + 1}{1.2 + 1.0 + 1.05 + 1.05 + 1 + 1 + 1} \\ = 94.52$$

Promotion Eligibility

Decision Minds rewards exemplary performance. DMites with minimum 1 year tenure at Decision Minds can be considered for promotion based on below general guideline:

Level	Tenure at Decision Minds	Total Experience	CPS	New Role Readiness	Superhighway Alignment	Decision
L1	1 year	3+ years	A minimum of 95%	High	High	Eligible for promotion
	1.5 Years	3+ years				Eligible for promotion
L2	1.5 Years	6+ years				Eligible for promotion based on role availability
	2 years	6+ years				
L3	2.5 years	10+ years				
	3 years	10+ years				
L4	2.5 years	10+ years				
	4 years	10+ years				

Wave 3: Calibration Meetings

Based on Cumulative Performance Score and Minimum Compa ratio, the framework suggests minimum and the maximum percentage increment for each eligible DMite. Calibration meeting are then conducted to conclude the final increment numbers. The participants of calibration meetings are Reporting Manager, HRBP and Functional Heads. The final number are frozen post leadership's approval.

Wave 4: Individual Goal Setting

This is a process of establishing goals/OKR to be achieved over a performance evaluation period. It is the performance criteria DMites will be evaluated against. Performance goals for individual DMite should ideally align with Decision Minds (Company) goals.

Good to know guidelines

- DMites should be on Decision Minds payroll for at least 90 days excluding loss of pay to be eligible for the annual appraisal
- For DMites joining in the month of January to March of the preceding fiscal year, the number of loss of Pay (LOP) should be less than 07 days. For LOP more than 7 days the pro-rata calculation will be done on 12 months.
- Increment letters will be shared in the 1st week of June and increment will be effective from 1st April.
- Any DMite with a performance rating of 1 or 2 given by the reporting manager will not be eligible for any increment /promotion and will be subjected to Performance Improvement Plan.
- DMite serving notice period and PIP will not be eligible for the annual appraisal process.

Do you still have a question?

If yes, please write to hr-ind@decisionminds.com

Document Version Control

VERSION	DATE	AUTHOR	ACTION ON DOCUMENT
Version 1.0	March 2022	Dr Swapnilsony Singh	Drafted Decision Minds Performance Appraisal Policy