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DEPARTMENT	OEC-HR-009	ISSUE DATE	REVISION #
		2015-04-01	1.0
HR	**PERFORMANCE APPRAISAL POLICY**	PAGES	
			1 of 9

The appraisal process is an integral part of the OEC performance management system. The purpose of this policy is to ensure that the OEC has a clear, consistent and fair approach to appraisal.

PURPOSE

The objective of Performance Management System is to drive individual performance, facilitate employees' personal and career development, training needs, promotions, managing poor performance, transfers, and disciplinarily actions.

SCOPE

This policy covers the rules, standards and guidelines that govern the OEC philosophy of managing performance of individuals, providing performance feedback and planning personal development. Performance Management Policy is applicable for all employees across OEC

REFERENCE

KRA – Key Result Areas.
KPI – Key Performance Indicator.

RESPONSIBILITY

Employees Responsibility - Self rating

Reporting Manager Responsibility - Rate their team members

HODs Responsibility - Review the rating

HR Responsibility - Collate the data, data analysis and send it to the management for the closure.

PROCEDURE / DESCRIPTION OF ACTIVITIES

1. OEC uses performance management as a powerful tool to translate its business plans into actions and to develop the organization culture necessary for realization of the business strategy and objectives. The performance assessment system will cover all the employees across OEC.

2. Reporting Managers / Heads of Departments have an obligation to set performance goals to their employees including new joinee in light of the position's critical job accountabilities, competencies and performance.

3. Reporting Manager / Heads of Departments discuss and explain their objectives, performance factors, competencies, measures with their employees.

4. Heads of Departments have the ultimate responsibility to ensure that the development of employee's goals and measures are well tied to the overall OEC and departmental goals.

5. Reporting Managers / Heads of Departments monitor performance and communicate openly with their employees throughout the performance cycle.

6. Employee performance shall be assessed on ongoing basis and the overall performance must be consolidated at the end of the year.

7. Performance appraisal should be carried out in an open, fair, frank and orderly manner and be seen as a positive experience for the employee being assessed as well as for the reviewer.

8. If an employee worked under the supervision of more than one manager, feedback should be sought and consolidated from multiple sources and ratings will be prorated in accordance with time spent with each manager.

9. Stakeholders and Human Resources Department should ensure that performance goals and targets are aligned with OEC targets and expectations.

10. Both the manager and the employee should sign the performance appraisal form.

11. The performance appraisal system should be continually reviewed, monitored and enhanced by the Human Department and Head of Department to meet the demands and requirements of the OEC business plans and goals.

The Performance Appraisal Cycle

Each year, Managers will be required to conduct performance reviews of their employees twice. Manager and employee both are responsible for closing accurate appraisal on time.

HR would be responsible for maintaining and carrying out the complete Performance Appraisal Process on time as per Appraisal Process Timeline (attached below).

Appraisal period mentioned below:

1. April to September
2. October to March

Appraisal for new joinee:

New Joinee first performance appraisal will be done only after six months to confirm his/her employment in the organisation. There will be no salary revision at the time of employee confirmation.

Any salary revision for new employee will be done only after completion of one year in the OEC organisation as per the appraisal period whichever is nearest after completion of one year on pro-rata basis.

Next salary revision will be done in April only on pro-rata to bring in April to March salary revision cycle.

OEC Records Management Company Pvt. Ltd　　　　www.oecrecords.com

DEPARTMENT		ISSUE DATE	REVISION #
	OEC-HR-009	**2015-04-01**	**1.0**
HR	**PERFORMANCE APPRAISAL POLICY**	PAGES	
		3 of 9	

Salary Revision

Being a performance driven organisation any salary revision will be based on individual performance, market condition, market benchmark and business growth/performance etc.

No salary revision will be done in the mid of financial year.

OEC Performance Appraisal System is a combination of following two methods.

Performance Objectives:

a. Describe job specification / Job tasks / Job Responsibilities (KRA's)

b. Measurable actions (KPI)

c. Timelines

Competencies:

a. Knowledge

b. Skills

c. Abilities & Behaviours, necessary to perform a job effectively. Employee's competencies are assessed simply in terms of the displayed level of competencies in carrying their job tasks and responsibilities.

Performance Evaluation Method in OEC:

Rating scales consists of several numerical scales representing job related performance standard such as dependability, initiative, output, attendance, attitude etc. Each scale ranges from excellent to poor.

All employees are rated on a scale of 1 to 5, 5 being highest.
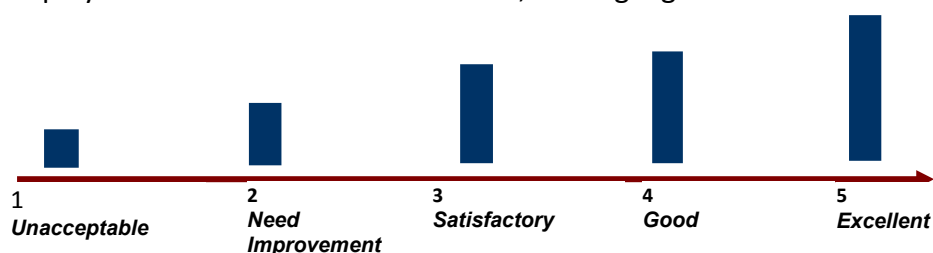
1	2	3	4	5
Unacceptable	*Need Improvement*	*Satisfactory*	*Good*	*Excellent*

OEC Records Management Company Pvt. Ltd		www.oecrecords.com	

DEPARTMENT		ISSUE DATE	REVISION #
HR	**OEC-HR-009**	**2015-04-01**	**1.0**
	PERFORMANCE APPRAISAL POLICY	PAGES **4** of 9	

Appraisal Procedure:

1. Employees must complete their self assessment portion of the Performance Appraisal form based on their achievements during the entire performance appraisal period.

2. Reporting Manager also has to complete the assessment of their subordinates as per defined roles and responsibilities and discuss the final rating and feedback with the team member. For all training needs that may be required for upgrading the skills of the employee or to full fill the gap between business expectations and deliverables, Reporting Manager must put the training needs requirements in the appraisal prescribed form and the duration of training period.

3. Performance ratings will be reviewed by the next higher authority with an objective of ensuring fairness and uniformity of evaluation standards.

4. Reporting Manager should submit their subordinates' assessment ratings in Human Resources as per the timeline.

Human Resources Department is responsible for:

1. Providing appraisal advice, support and training to managers.

2. Helping managers to identify and overcome the barriers which prevent appraisal taking place.

3. Human Resources Department is responsible to collate employee's performance rating from all the departments and share the final working with the Management.

Grievance procedure

1. Employees have the right to voice performance grievances through the grievance process.

2. If an employee disagrees with his/her performance appraisal rating and cannot resolve the disagreement with his/her immediate supervisor, the employee may initiate a grievance with Human Resources Department in writing via e-mail or written application.

3. Human Resources department will gather all such grievances and raise it in the Grievance team with the facts or details.

DEPARTMENT	OEC-HR-009	ISSUE DATE	REVISION #
HR		**2015-04-01**	**1.0**
	PERFORMANCE APPRAISAL POLICY	PAGES	
		5 of 9	

4. No employee shall suffer from any unfair treatment because of the fact that he/she has presented a grievance or complaint under the provisions of this policy.

Development Plan

1. Immediate Superior of the concerned employee is accountable for ensuring that the personal development plan is defined as part of the performance dialogue.

2. Personal development plans should highlight employee's strength as well as areas for improvement.

3. If an employee worked under the supervision of more than one superior, personal development plans will be consolidated from multiple sources.

4. The Human Resources Department is responsible for reviewing employees' development plan, defining ways of implementing employee development plan through proper training, more responsibilities, etc.
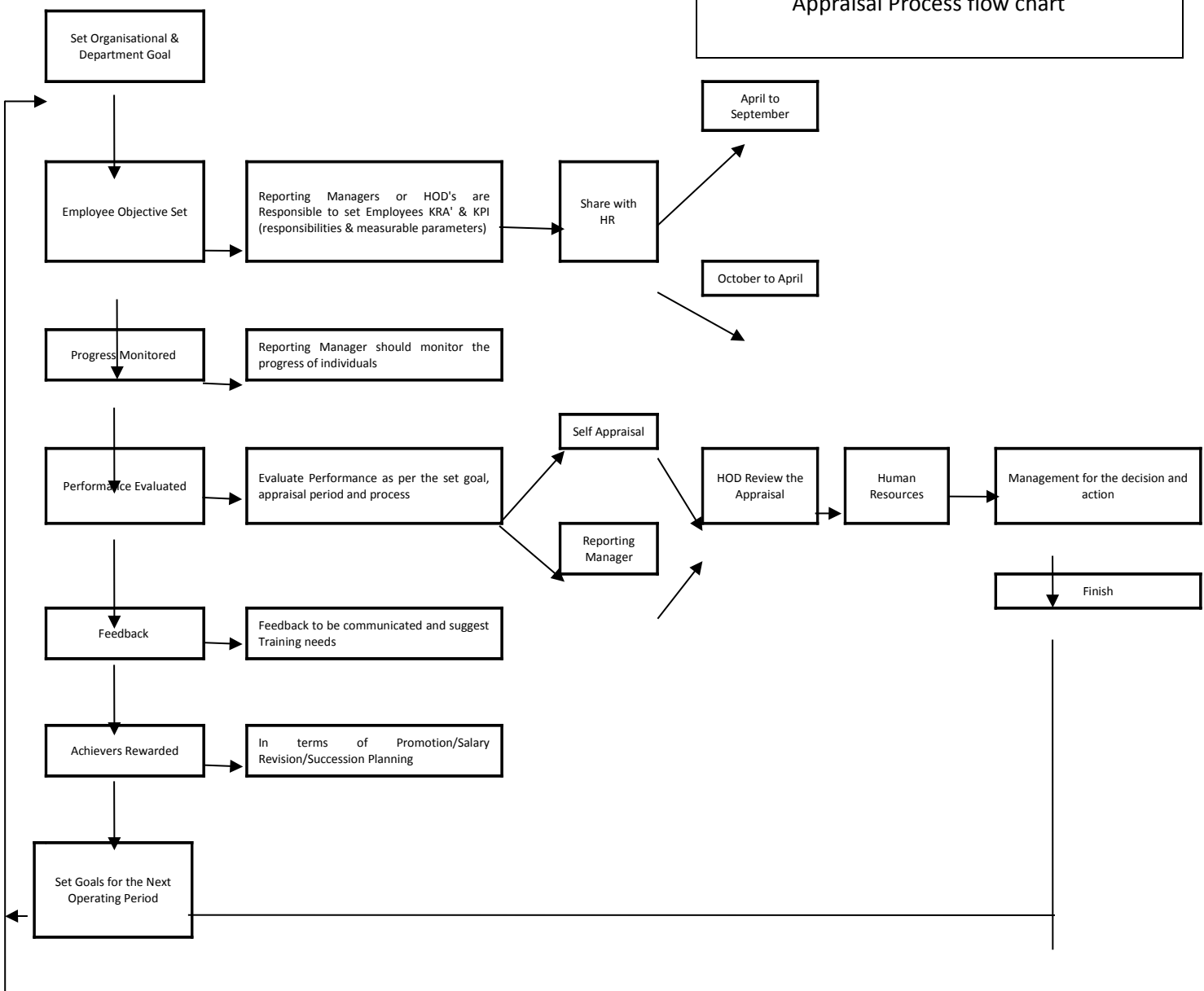
ENCLOSURES

1. Appraisal Process Flow Chart.

2. Appraisal Process Timelines.

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FORMATS / EXHIBITS

1. Appraisal Evaluation Form

DEPARTMENT		ISSUE DATE	REVISION #
HR	**OEC-HR-009**	**2015-04-01**	**1.0**
	PERFORMANCE APPRAISAL POLICY	PAGES **6 of** 9	

Appraisal Process flow chart

```
Set Organisational &
Department Goal
        │
        ▼
Employee Objective Set ──► Reporting Managers or HOD's are      ──► Share with ──► April to
                            Responsible to set Employees KRA' & KPI      HR            September
                            (responsibilities & measurable parameters)
                                                                              └──► October to April
        │
        ▼
Progress Monitored ──► Reporting Manager should monitor the
                        progress of individuals
        │
        ▼
                                                         Self Appraisal
Performance Evaluated ──► Evaluate Performance as per the set goal,  ◄──►        ──► HOD Review the ──► Human ──► Management for the decision and
                          appraisal period and process                              Appraisal       Resources    action
                                                         Reporting
                                                         Manager                                                          │
                                                                                                                         ▼
        │                                                                                                            Finish
        ▼
Feedback ──► Feedback to be communicated and suggest
             Training needs
        │
        ▼
Achievers Rewarded ──► In terms of Promotion/Salary
                       Revision/Succession Planning
        │
        ▼
Set Goals for the Next
Operating Period
```

DEPARTMENT	OEC-HR-009	ISSUE DATE	REVISION #
		2015-04-01	1.0
HR	**PERFORMANCE APPRAISAL POLICY**	PAGES	
		7 of 9	

Appraisal Process Timelines

| Appraisal Period (April to September) | → | HR will initiate the process on 27th of September with the business | → | Business has to submit all the appraisal details in HR latest by 20th October as per the policy and process | HR has to action the appraisal latest by 28th October as per the policy and process | Business has to share the new KRA's & KPI of Employees with HR in case of any changes for next appraisal period |

| Appraisal Period (October to March) | → | HR will initiate the process on 28th of March with the business | → | Business has to submit all the appraisal details in HR latest by 20th April as per the policy and process | HR has to action the appraisal latest by 28th April as per the policy and process | Business has to share the new KRA's & KPI of Employees with HR in case of any changes for next appraisal period |

			ISSUE DATE	REVISION #
DEPARTMENT	OEC-HR-009		2015-04-01	1.0
HR	PERFORMANCE APPRAISAL POLICY			PAGES
				8 of 9

OEC Records Management Company Pvt. Ltd   www.oecrecords.com

Performance Evaluation Form

The Reporting Authority of employee is normally also the evaluator. Evaluators should refer to the employee's job description when completing this form; the evaluation should focus on the employee's ability to perform the job duties listed in the job description. Employees should be evaluated after 6 months. Indicate the evaluation of the employee's job performance in the appropriate column.

Use the following scale: 1 = Unacceptable; 2 = Needs Improvement; 3= Satisfactory; 4= Good; 5= Excellent.

Appraisee Name :   Designation: Location:

Appraised by: Designation:

Assessment Period: Assessment Date:

	MAIN AREAS OF RESPONSIBILITY					
A	Key responsibilities / accountabilities (Weight should be 80%)	Key performance indicators	Weightage	Self Rating	Manager Rating	Final Rating
1		·	20			
2		·	10			
3		·	10			
4		·	20			
5		·	10			
6		·	10			
		Total (A)				
B	Behavioural factor (Weight should be 20%)	·				
1	Communication: Written & Verbal	·	3			
2	Commitment & Loyalty	·	2			
3	Attendance & Punctuality	·	5			
4	Team Building	·	5			
5	Learning	·	5			
		Total (B)				
	Total Score A+B					

	Achievement	
	Area Of Improvement	
	Manager Recommendation:	
	Any Other Comments	
	Manager Name and Signature, Date	
	Employee Name and Signature, Date	
	Any Training Need	
	Employee comment if not agreed or satisfied with the Appraisal	

Computation: Total Weightage X Final Score = Total Score

Sum of Total Score / Total Weightage = Final Score

Rating	Matrix for KRA's Payment		
1	Unacceptable	1	No pay
2	Need improvements	2	No pay
3	Satisfactory	2.5-2.9	40%
3	Satisfactory	3-3.5	60%
4	Good	3.6-3.9	75%
4	Good	4-4.5	85%
5	Excellent	4.6-4.9	95%
5	Excellent	5	100%
	Extraordinary	100 and 100 +	120%

Effective Date:

This policy will be effective from 1st April 2015.

Violation:

The company expects total compliance of this policy. Violation, if any, will be viewed seriously and may invite appropriate action.

Policy Owner:

HR would be responsible for maintaining and carrying out the complete Performance Appraisal Process, also subsequent modifications.

Revision of Policy:

Management reserves the right to revise this policy at any time and in any manner without notice. Any change or revision will be available with the Management and will be communicated appropriately.