

KNOWLEDGE BEANS



THIS MONTH

OD CONNOISSEURS' ORATE



Harjeet Singh Khanduja emphasizes on creating effective performance measures.

OD ENTHUSIAST'S ORATE



Vishal Vasnik deliberates on art and science of KPA and KRA.

FOUNDER'S ARTICLE



Niket Karajagi shares thoughts on managing performance through KPI and KRA.

ZEN of Leadership Excellence
In the challenging times of business scenarios, who can be a leader

2 Hr Conversation
with Niket Karajagi
Founder, Director - Atyaasaa

TAO of Business Excellence
Creating empowered organizations



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OD CONNOISSEURS' ORATE | Harjeet Singh Khanduja

CREATING EFFECTIVE PERFORMANCE MEASURES

Performance Management is a science because it is deeply rooted with financial statements of the company. At the same time, it is an art because it deals with human psychology and emotions. Three basic principles that enable art and science to create magic and make performance measures effective, are . . . next page ►►

Harjeet Singh Khanduja is a HR leader, writer, speaker and a national poet. He is an alumnus of IIT Roorkee and INSEAD. He is currently working as Vice President HR at a leading telecom conglomerate. Harjeet is awarded for his "Outstanding Contribution to Global Learning" by World HRD Congress and received the HR Leadership Award by Asia HRD Congress. Harjeet is a SAP HCM solution consultant, Six Sigma Green Belt, White Belt in Executive Coaching, Assessor for Predictive Index and a visiting faculty at NMIMS.



THE EDITOR'S MESSAGE

The theme for this month focusses on 'Creating Effective Performance Measures – Art and Science of KPA and KRA'. The elementary objective of performance management is to encourage and enhance employee efficacy. It is a relentless process where managers and employees work together to plan, monitor and review an employee's work goal and one's overall contribution to the organization. We shall deliberate upon systems and processes which organizations design to develop high performance teams and individuals.

The topic for next month is 'Moving from calendar based tick mark trainings to Rol based business interventions'. Organizations have relied on training to enhance the performance of their workforce. The training or learning and development intervention, gives an impetus to embrace innovative management practices which offer tangible benefits. As a matter of fact, only when the benefits are tangible, there is a stronger likelihood for the new intervention to stick.

If you share a passion for the topic, have a flair for writing and would like to share your views, you can send us a 300 word article with your brief profile along with your photograph in jpeg format to atyaasaaeditor@atyaasaa.com

◀ from previous page | **CREATING EFFECTIVE PERFORMANCE MEASURES** - Harjeet Singh Khanduja

Keep it Simple

It is not about measuring everything. More measures mean more complexity. Complexity creates confusion. People lose focus and direction. Since most of the measures are interlinked, one must derive a single most important measure to be effective. For example, GDP growth rate is used as a measure of economic growth for a country. Other measures are cascaded from this key measure to identify areas of attention. Different organizations pick different measures based on their objectives, environment and maturity stage.



Create Cultural Sensitivity to Measures

Just defining measures do not make them effective until management owns them. It is very important to involve leadership team in defining the single most important key measure for the organization. This brings ownership and they understand interlinks of various measures. Also they start speaking the same language. Then one must involve middle management in cascading measures using KPA (Kya Pareshani Aapki – What is your problem?). Middle management balances management and employee perspectives and brings the trust factor which is much needed for culture building.

Employee Ownership

Measures are delivered by employees. Hence, employees need to be educated on measures. Education must answer - What is in it for employees? KRA (Kyon Rakhen Aapko – Why are you here?) answers the question, if properly articulated. Rewards and recognitions, whether monetary or non-monetary are additional positive reinforcements.

Finally, each employee must receive feedback on improving one's own performance on measures. This art makes the science of performance measurement effective. **E**

OD ENTHUSIAST'S ORATE | Vishal Vasnik

ART AND SCIENCE OF KPA AND KRA

Vishal Vasnik, is a Civil Engineer with supervisory skill in civil construction project management. He is currently working as a Senior Manager at a leading infrastructure corporation and has contributed in diverse project segments like residential, commercial, industrial and infrastructure projects.



Performance measure is a powerful tool to help us understand, manage and improve what our organizations do. It is a quantifiable expression of the amount, cost, or result of activities that indicate how much, how well, and at what level, products or services are provided to the client/contractor during a given time period.

The challenge for organization's today is how to match and align performance measures with business strategy, structures and corporate culture, the type and number of measures to use, the balance between the merits and costs of introducing these measures, and how to deploy the measures so that the results are used and acted upon.

The adage "What gets measured, gets done," is true. Work that is not measured or assessed cannot be managed because there is no objective information to determine its value. Few of the good performance measures which can be used in almost every kind of performance audit are: Relevant, Understandable, Timely, Comparable, Replicable and Cost Effective.

Key Result Area and Key Performance Area, though the terms hold different meaning, they are often used interchangeably and more or less assumed to have same applicability. The art and science of the data captured through them and their interpretation holds the key to performance measurement. In relation to a job role, KRA defines the outcome of the end result expected to be delivered, while KPA defines the scope of all the activities, not always result oriented, an individual has to perform while being on a job.



Finally, it is important that the performance measures used by managers be continually reviewed and revised as the business environment and economy changes. Failure to make the necessary modifications can inhibit the ability of the organization to register high performance to be an effective and efficient global competitor. **E**

FOUNDER'S ARTICLE | Niket Karajagi

MANAGING PERFORMANCE THROUGH KPI AND KRA

Niket Karajagi is the Founder Director of Atyaasaa which contributes to the top corporate brands globally. He is a business psychologist, a coach and an organization transformation facilitator with niche areas of expertise and contributions. Niket is an authority on creativity and innovation, emotional intelligence and statistical methodologies apart from his operations background in understanding management processes.



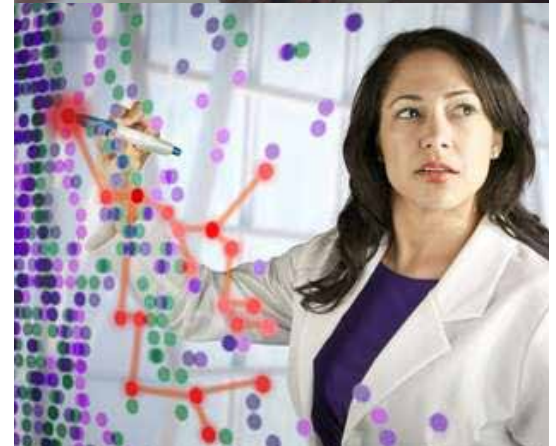
Performance management around KPI and KRA is the key to any organization's success. Measuring performance and creating a development plan would be a random process without these parameters. It is eventually the performance of its people that crafts or fractures the organization. Collective performance of people is ultimately the final performance of the organization.

Suggestive steps to help members to become productive and engaged at all times would be as under:

1. Calibrate specific goals of the organization for the year based on its Vision and its current operative priorities. The Annual Operative Plan is thus mandatory to set accurate performance goals for each function since it gives a direction and enthuse teams for a better future.
2. Re-evaluate the job descriptions and check the correctness and validity of the same based on the contribution you would like the role to deliver. This process is mostly compromised, leading to fault lines across the organization. It is the responsibility of the functional heads to direct supervising managers to ensure exactness of the job description in consultation with the employees.
3. Once the job descriptions are re-evaluated and made relevant, it is important to set KRAs to bring out precisely what you wish that role to do. Weightages must also get assigned to each KRA, so that prioritization is set based on the organizational objectives.
4. These KRAs are then made measurable through performance indicators, which must be clear numbers. Often we loosely define KRAs and put no metrics in place for the same. Thus KPIs have to be relevant to expected performance.
5. It is important to set and unfold a development plan for imbibing skill sets and competencies for achieving KRAs and KPIs. This plan must be mutually discussed and agreed with employees. Calendar trainings are history. Focussed interventions to achieve KPIs is the need of the hour which ensures the much desired Rol.
6. Coaching at work and review with feedbacks based on KRAs and KPIs help the individual connect the inputs with the work at hand. This also removes the subjectivity of feedbacks. Thus, coaching must find an important place in the culture of the organization. Periodic review also helps the employee remain focussed.
7. By year end, results accomplished in line with weightages, and the intensity and frequency of competencies help the organization bring objectivity in the appraisal process. Appraisals must be fair, thus final ratings must measure target achievement as well as leadership competencies demonstrated. Mere numbers makes the appraisal process lame.

It is immaterial how small or large an organization is. Spend time through workouts to define the right result areas and performance indicators. Simply cutting and pasting earlier years KRA will just not enhance productivity.

It is thus important to recognize that mere ideas and strategies don't work. Alignment of performance with key goals is imperative for organizational success. **E**



ABOUT ATYAASAA

Atyaasaa Consulting Private Limited is a leading Human Resource Training & Consulting Organization partnering with some of the best brands in the country and overseas. Atyaasaa has been a catalyst and a contributor in their quest for people development and business excellence. The core differentiator of Atyaasaa process is continual innovation, unique customization and use of state of the art technology tools. These are implemented through ethical and experienced operations and human resource facilitators having contribution as their core value.



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BEANSTATEMENT

Expecting performance without defining measures is like trying to cross a river in a boat with no oars.