

TWO DAY WORKSHOP ON PERFORMANCE MANAGEMENT WITH A BALANCED SCORECARD FOR IMPROVED ORGANIZATIONAL PERFORMANCE AND ALIGNMENT WITH DPE GUIDELINES FOR CENTRAL PUBLIC SECTOR ENTERPRISES

A Good Performance Management System (PMS) is crucial for business organizations for several reasons:

1. Alignment with Strategic Goals
 - Ensures Alignment: PMS helps align employees' activities and objectives with the organisation's strategic goals.
 - Strategic Execution: By setting clear goals and regularly reviewing performance, employees understand how their work contributes to the organization's success.
2. Enhanced Employee Performance
 - Clear Expectations: Employees clearly understand what is expected from them.
 - Regular Feedback: Ongoing feedback helps employees improve continuously.
 - Training and Development: Identifies training needs, enabling targeted development programs to enhance skills.
3. Increased Employee Engagement
 - Motivation: Regular performance appraisals and recognition keep employees motivated.
 - Engagement: Involvement in the goal-setting process increases engagement and commitment.
 - Career Development: Clear pathways for advancement and professional growth are established.

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4. Objective Performance Measurement
 - Standardized Metrics: Provides standardized methods to measure performance objectively.
 - Fair Evaluations: Reduces biases in performance evaluations, leading to fairer assessments.
5. Improved Organizational Performance
 - Enhanced Productivity: Higher individual performance leads to improved overall organizational productivity.
6. Identifying and Managing Underperformance
 - Early Detection: Early identification of performance issues allows for timely intervention.
7. Employee Satisfaction
 - Recognition and Rewards: Regular recognition and appropriate rewards contribute to job satisfaction.
8. Legal and Compliance Benefits
 - Documentation: Provides documentation of performance reviews, which can be important in legal and compliance matters.
9. Supports Change Management
 - Adapting to Change: Helps organizations manage and adapt to change by setting new goals and

DPE (Govt of India) has stressed the criticality of a robust Performance Management System and has issued mandates from time to time. Some such mandates are brought out in the following pages under - Business Case

Business Case- for PMS and BSC (know-how) in executives

No. 3(11)/2011-DPE (MoU)
 Government of India
 Ministry of Heavy Industries & Public Enterprises
 Department of Public Enterprises
 (MoU Division)
 Web-site: <http://dpemou.nic.in/>
 E-mail: mou-dpe@nic.in

Public Enterprises Bhavan,
 Block No. 14, 3rd Floor,
 CGO Complex, Lodhi Road,
 New Delhi -110 003
 Dated: 31st October, 2011

OFFICE MEMORANDUM

Subject: Guidelines for Memorandum of Understanding (MoU) between CPSE and Government Department /Ministry for the year 2012-13.

Please find attached a copy of the Guidelines for drafting of MoU for the Financial Year 2012-13.. Please note the following key features:

1.1 Applicability: All CPSEs (Holding as well as Subsidiaries), without exception, are required to sign MoUs ; while the Apex/Holding companies are mandated to sign MoUs with their administrative Ministries/Departments, the Subsidiary companies are to sign MoUs with their respective Apex/Holding companies on the same lines as MoU signed between a CPSE and Government of India. The MoU formats for all CPSEs, including the Subsidiaries, are as attached. Those CPSEs who do not adhere to DPE's schedule for signing of MoU will have their MoU performance rated as "Poor".

1.2 Financial Targets (Static parameters): The basic targets of Gross Sales, Turnover, Gross Margin, Net Profit, Net Worth should be determined on the basis of (i) projection based on last five years' actuals (ii) reference to sectoral as well as industrial growth (iii) forecast of growth outlook for the ensuing year (iv) benchmarking with peer Companies at national and global level , subject to the condition that they are not less than the expected achievement in the previous year 2011-12. Financial Parameters should be fixed using DPE's definitions as appearing in these guidelines (Annexure-I). Some common definitional errors (Annexure- II) should be avoided.

1.3 Non-financial Targets: The non-financial targets should be SMART (Specific, Measurable, Attainable, Results-oriented, Tangible). Targets should be included to

DPE circular on MOUs and Need for Financial and Non Financial Targets

2. PERFORMANCE ASSESSMENT TARGETS AND THEIR DETERMINATION

2.1.1 Performance evaluation is based on the 'Balanced Score Card' approach and includes both "financial" and "non-financial parameters" having equal weights of 50% each. However, in the case of syndicate groups "Sick and Loss Making CPSEs" and "Section 25 CPSEs" the weights for financial and non-financial parameters are 40% and 60% respectively.

DPE Circular 31st October 2011 mandating use of Balanced Scorecard Approach

6. Assessment of the achievements made against the targets. (This assessment should rate the officer vis-à-vis his peers and not the general population. Grades should be assigned on a scale of 1-10, in maximum of 2 decimal numbers, with 10 referring to the best grade and 1 to the lowest grade. Weightage to this Section will be 75%).

Particulars	Weightage	Reporting Authority		Reviewing Authority		Initials of Reviewing Authority
		Absolute Grade	Weighted Grade	Absolute Grade	Weighted Grade	
	(a)	(b)	(c = a x b)/100	(d)	(e = a x d)/100	
I - MOU Targets	**1	**2				
II Other Key assigned tasks flowing from KPI						
i)						
ii)						
iii)						
iv)						
v)						
Total (i to v)	**3					
Grand Total I & II	75					

Weighted grade is to be computed by multiplying the absolute grade by the weight. Overall grading is to be computed by summing up the weighted grade and rounding off to 2 decimals.

DPE circular on MOU Targets and Other Key Assigned Tasks for Assessment

Feedback and Transparency- PMS CPSEs

2. The issue of communication of entries in the APR has been considered by Supreme Court in the case of *Shri Dev Dutt Vs. Union of India* (Civil Appeal No.7631 of 2002). In their judgement dated 12.5.2008, the Supreme Court has observed that "when the entry is communicated to him the public servant should have a right to make a representation against the entry to the concerned authority, and the concerned authority must decide the representation in a fair manner and within a reasonable period. We also hold that the representation must be decided by an authority higher than the one who gave the entry, otherwise the likelihood is that the representation will be summarily rejected without adequate consideration as it would be an appeal from Caesar to Caesar. All this would be conducive to fairness and transparency in public administration, and would result in fairness to public servants. The State must be a model employer, and must act fairly towards its employees. Only then would good governance be possible." It has been further mentioned in the judgement that the above directions will, inter alia, be applicable to the employees of Public Sector Corporations.

3. In compliance of the above referred judgement of Supreme Court, the Government has issued instructions to the effect that full Annual Performance Appraisal Report (APAR) including the overall grade shall be communicated to the concerned officer. It has also been provided that the concerned officer shall be given the opportunity to make any representation against the entries and final grading given in the report. A copy of the O.M. dated 14.5.2009 issued by Department of Personnel & Training in this regard is enclosed.

4. Keeping in view the directions of the Supreme Court and the decision of the Government to make the Performance Appraisal system more consultative and transparent, it has been decided that the above instructions issued by DOPT shall be made applicable for CPSEs also. Para 6 of the DPE O.M. dated 18.10.2005 will deem to have been amended to that extent.

5. All Administrative Ministries/Departments are, therefore, requested to take note of the contents of the DOPT O.M. dated 14.5.2009 and ensure all CPSEs under their respective administrative control comply with the provisions of the afore-mentioned O.M. issued by DOPT.

(DPE OM No. 5(1)/2009-GM Dated 14.5.2009)

DPE circular on transparent PMS and Feedback

MOST IMMEDIATE

F. No. 18(1)/2013-GM
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Block No.14, CGO Complex,
Lodi Road, New Delhi.
Dated the 2nd March, 2015

OFFICE MEMORANDUM

Subject:- Procedure and Guidelines for writing Annual Performance Appraisal Reports (APARs) of top management incumbents of Central Public Sector Enterprises (CPSEs)

under:

Table No.2 - Schedule of commencement and completion of PARs

S. No.	Activity	Earlier Cut-off Date	New Cut-off Date
i)	Finalization of targets and relative weights by the Reporting Authority in consultation with the officer reported upon and sending a copy thereof to the Nodal officer for record	30 th June	15 th May

DPE Circular on Timely Goal Setting and PMS Processes

7. Assessment of Personal Attributes and Functional Competencies (Grades should be assigned on a scale of 1-10, in maximum of 2 decimal numbers, with 10 referring to the best grade and 1 to the lowest grade. Weightage to this Section will be 25%)

S. No.	Particulars of Personal Attributes and Functional Competencies ^(a)	Grade by Reporting Authority	Grade by Reviewing Authority	Initials of Reviewing Authority
i	Effective communication skills			
ii	Strategic orientation and Decision making ability			
iii	Problem solving and Analytical ability			
iv ^(b)	Ability to develop and motivate team members			
v ^(b)	Ability to coordinate and develop collaborative partnerships			
vi	Innovation and change orientation			
vii	Planning and Organizing			
viii	Result orientation			
ix	Business Acumen			
x	Role based functional competency			
Total (i to x)				
Overall Grading of Personal Attributes and Functional competencies				

All the personal attributes and functional competencies (S. No. i to x) carry equal weights. Overall grading is to be computed by dividing the total grade by 4 and rounding off to 2 decimals.

a. Personal Attributes and Functional Competencies should be judged in the backdrop of Leadership ability to lead by example, particularly in challenging circumstances.

b. Item nos. (iv) and (v) on the team work should be evaluated based on the ability of the incumbent to perform as a member of a team and enhance team performance.

DPE circular on Measurement of Personal Attributes

No. 5(1)/2018-MGMT
Government of India
Ministry of Finance
Department of Public Enterprises

Public Enterprises Bhawan
Block No. 14, CGO Complex
Lodhi Road, New Delhi-110003

Dated: 9th October, 2023

OFFICE MEMORANDUM

Subject: Revised and consolidated Guidelines for writing Annual Performance Appraisal Reports (APARs) of top management incumbents of Central Public Sector Enterprises (CPSEs).

(b) Details of Training programme attended during the year

Date from	Date to	Institute	Subject

DPE circular on identification and imparting of Training for Competency Building

2.2.5 The difference in target values between "Very Good" and "Good"; "Good" and "Fair"; and "Fair" and "Poor" columns should be at least 5%.

2.2.6 The difference between "Excellent" and "Very Good" targets: For the CPSEs in Manufacturing, Mining & Metals, Contract & Consultancies, Transport & Tourism sectors etc. which are in the growth phase and operating below 100% capacity utilization, the differential of 10% between "Excellent" and "Very Good" should be maintained. In case of CPSEs operating at or above 100% capacity utilization, the Task Force may fix the differential between "Excellent" and "Very Good" targets in the range of 5% to 10%.

DPE Circular - on Differentiating Performance

2.3.11 **Human Resource Management**

Human Resource Management is key to the success of a CPSE. A CPSE must adopt best HR practices on better manpower planning, strengthening skill development, entrepreneurial culture, training, institutionalization of system of

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DPE Circular - on HR Practices, viz. manpower planning, Training and Development, etc., as mandatory

Column 1	Column 2	Column 3	Column 4		Column 5	Column 6				
Objective	Weight of Objective	Actions	Success Indicator	Unit	Weight of Success Indicator	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Objective 1		Action 1								
		Action 2								
		Action 3								
Objective 2		Action 1								
		Action 2								
		Action 3								
Objective 3		Action 1								
		Action 2								

2. PERFORMANCE ASSESSMENT TARGETS AND THEIR DETERMINATION

2.1.1 Performance evaluation is based on the ‘Balanced Score Card’ approach and includes both “financial” and “non-financial parameters” having equal weights of 50% each. However, in the case of syndicate groups “Sick and Loss Making CPSEs” and “Section 25 CPSEs” the weights for financial and non-financial parameters are 40% and 60% respectively.

[DPE Circular 31st October 2011 mandating use of Balanced Scorecard Approach for CPSEs](#)

Business Case

The Important points from the circulars listed in pages 2-5 are as follows:

1) DOPT/DPE, on behalf of the Government of India, has mandated a robust, transparent and effective PMS system for all CPSEs.

2) DPE's rules and circulars have consistently focused on timely submissions of Goals and Appraisals, transparency in rating and feedback, result focus, and differentiating high performers.

3)The Government of India is working on the Result Framework Document (RFD) and using its principles for the MOU.

4)The DPE Circulars mandate the use of Balanced Scorecard Principles in Performance Management Systems (PMS) for ensuring result and process focus and also alignment with MOU Objectives

5)The DPE Circular mandates the use of Balanced Scorecard Principles for Performance Evaluation

6) The Human Resource Department has been entrusted as the key to company success. It is tasked with ensuring the best HR Practices, including training, succession planning, manpower planning, performance management, etc. The effectiveness of HR will be measured using these parameters.

Findings and Recommendations: *Gaps between the desired and present state of PMS is often a reality in most CPSEs, creating loss of value and compliance issues*

Credentials of Dr Ashis Sen from ASCC

1)The Certificate -Kaplan Norton Balanced Scorecard(BSC) Certification Boot Camp is enclosed on the next page, which is considered the Gold Standard in BSC.

2)Dr Ashis Sen from Ashis Sen Consulting and Coaching (ASCC) has helped many organizations with the balanced scorecard and Performance Management in CPSEs. Some appreciation letters from companies are enclosed as a seperate annexure

3) Dr Robert Kaplan, an HBS Professor, expressed his happiness with Dr Sen's BSC work. An excerpt of his email is included as an exhibit on page 8

4) Dr Ashis Sen receiving the Hall of Fame award from Dr. David Norton is on Page 9 (Photograph)

5) Dr Ashis Sen, in a panel discussion with Dr Robert Kaplan Professor HBS and co-originator of BSC (photograph), is on Page 9

Kaplan & Norton Balanced Scorecard Certification Boot Camp

This Certificate Is Presented to Mr. Ashis Sen

For Successfully Completing Kaplan - Norton Balanced Scorecard Certification Boot Camp Training

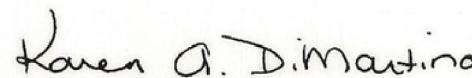
Field of Study Strategy Management

Date 8 – 12 October 2012 Number of CPE Credits 35 Delivery Method Group Live

Program Location Mumbai, India

National Registry of CPE Sponsors ID Number 108495

Signature of individual responsible for administration of continuing education



Karen A. DiMartino, Director of Training
Palladium Group, Inc.

In accordance with the standards of the National Registry of CPE Sponsors, CPE Credits have been granted based on a 50-minute hour.

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Dr Sen is Certified on Balanced Scorecard in Kaplan Norton -Boot Camp, the Gold Standard in BSC

] Hindustan Petroleum - Balanced Scorecard Story - Initiatives with Palladium - Meeting with you at Harvard in Nov

Ashis Sen <senashis@gmail.com>
To: "Kaplan, Robert" <rkaplan@hbs.edu>

Sat, Nov 5, 2016 at 1:57 AM

Sir,

It is wonderful to reconnect with you.

On Wed, Sep 21, 2011 at 6:40 PM, Kaplan, Robert <rkaplan@hbs.edu> wrote:

Ashis:

I am pleased to learn of your progress in extending the BSC at Hindustan Petroleum and at other major Indian

Email from Dr Robert Kaplan expressing his pleasure at the work done on BSC and Other Companies by me.

Balanced Scorecard Report

The Human Capital Factor at Hindustan Petroleum

By Janice Koch, Editor, BSR; with Ashis Sen, Chief Manager, Balanced Scorecard, Hindustan Petroleum Corporation Ltd.

Employee visioning. The learning organization. Can these indeed be the foundation of a strategic transformation? Just ask Hindustan Petroleum, India's second-largest integrated oil company. HPCL takes Motivating to Make Strategy Everyone's Job to a new level, viewing human capital development as, in the words of its chairman, "the vehicle for delivering the organization's strategic objectives." HPCL's dramatic growth and impressive accomplishments in the past five years stem from a carefully orchestrated, multipronged effort at becoming an employee-empowered, customer-focused learning

customers [through] superior understanding and fulfill their stated and latent needs with innovative products and services." The vision includes being more agile than the competition, being a "learning and innovative organization," and creating "an environment of trust, pride, and camaraderie"—all while achieving the highest possible growth rate and ROI.

But neither this vision, nor the goal of becoming a learning organization, could be achieved through management edict. Employees had to participate in defining HPCL's future. Getting

My article on BSC on Balanced Scorecard Report at Harvard Publishing



Receiving Hall of Fame Award from Dr David Norton co-creator of the Balanced Scorecard concept



In a Panel Discussion with Dr Robert Kaplan Professor Harvard Business School and co-creator of Balanced Scorecard

Building Organization-wide, PMS and Balanced Scorecard Implementation Capability Through Workshops would be a major step forward

Critical Learning Goals in PMS and BSC Workshop

- **Use the Balanced Scorecard to Set Goals and KPIs**
- **Use Strategy Maps to Communicate Strategy and Strategic Objectives**
- **Align PMS to Business Strategy**
- **Conduct Difficult Conversations and deliver harsh feedback**
- **Address Cognitive Bias of Rater to deliver impartial Performance Rating and Feedback**
- **Managers develop a Growth Mindset by identifying and implementing Learning Goals for subordinates**
- **HR is able to abide by the DPE Guidelines on Performance Management System**

This course will help your officers to execute, assess, and review performance by adopting a proactive approach.

It will equip with a workable set of tools and a framework for managing performance that can be implemented by any individual, team, or organisational environment.

If you ever have to manage and minimise the effects of poor performance, this course will dramatically increase your chances of a successful outcome.



Do you face employee resentment, demotivation and even worse on account of poor performance management?

Managers need to be trained in modern scientific methods, goal setting, feedback, KPIs, Projects and Targets. The government of India introduced the PMS in the Result Framework document. The Balanced Scorecard is used in majority of the large Private and Public Sector companies across the world



Essentials- Performance Feedback

- 1. Feedback often compels difficult conversations. Managers learn to have difficult conversations in this workshop**
- 2. Feedback must be actionable, i.e. it should encourage performance improvement.**
- 3. Feedback must be frequent.**
- 4. Feedback must focus on skill and attitudinal gaps.**
- 5. Addressing Cognitive Biases for fairness in Appraisals**
- 6. Learn the science of Growth Mindset**
- 7. Developing Rater Reliability and Using Bell Curve Principles effectively**

Key Learning Objectives

1. **Use Strategy Maps on the principles of Balanced Scorecard for Strategy Communication.**
2. **Set KPIs, Targets, Critical Success Factors and Actions/Projects as per Balanced Scorecard Principles**
3. **Design and implement a robust, Balanced Scorecard performance management process**
4. **Deliver tough feedback through difficult conversations**
5. **Identify key behaviours required for superior performance**
6. **Based on BSC principles, training needs and evaluation must be identified.**
7. **Learn to spot the warning signs of poor performance and take pre-emptive actions.**
8. **Learn the Inter-rater agreement process for improved moderation and bell curve management.**



Continued:

- **Improve workplace climate to achieve the most from your employees**
- **Apply non-monetary rewards for superior performance**
- **Set Clear Goals and Key Performance Indicators**
- **Provide effective coaching with constructive feedback**
- **Apply principles of continuous feedback**
- **Create psychological safety during difficult conversations**

Intensive Course Outline

- **Understanding the rationale for performance management**
- **The importance of pre-empting performance issues**
- **Dealing with poor performance**
- **Implementing a performance management process**
- **Essential communication skills**
- **Motivation and performance management**
- **Applying performance management principles to the team**
- **The manager's role in maintaining high levels of performance**
- **Turning good performers into great performers**
- **Time management review**



The workshop would employ the following methodologies for effective learning and engage the executives through andragogy Principles (best suited for executive learning)

- ✓ **Articles and Case Studies from Globally Renowned High Performance Organizations**
- ✓ **Videos**
- ✓ **Practice Sessions**
- ✓ **Role Plays**
- ✓ **Lectures**
- ✓ **Group Exercises**

Major Areas of focus



Goal Setting: Based on the theory of Edwin Locke and Gary Latham who have researched goal setting in organizations for many decades and is most effective for business organisations



Balanced Scorecard Principles: for cascading and aligning objectives to initiatives and measuring progress on desired objectives

Limiting Rater Bias



Feedback Methods: The art of candid feedback in real time. Feedback is one of the most important tools in performance management but few managers know the art of feedback. Based on the best principles of neuroscience and performance management, the module is designed for equipping managers with tools and techniques of effective feedback.



Setting Learning and Developmental Goals: Setting Learning and Developmental Goals is the single most effective methods of improving people competencies and performance.



Research shows that a supervisor on more than a thousand companies show that the following three elements are critical for performance:

- **Setting Goals**
- **Providing Feedback**
- **Help Employees develop and Grow by Developmental and Learning Objectives/Goals**

Building Employee Capability by Learning Goals

- **Most supervisors do not understand the difference between learning and performance goals and therefore do not help people develop. This creates problems for the organization to have a robust succession pipeline as also mars its effectiveness for handling the uncertain future.**
- **This workshop would help executives learn the art of setting learning and developmental goals.**

Manager's Cognitive Biases can kill Fairness

Rater Bias, a distortion of information due to our mental filters, can poorly affect a Manager's quality of evaluation and judgement. The Manager's biases can tilt the appraisal favourably or unfavourably up to the extent of more than 50%

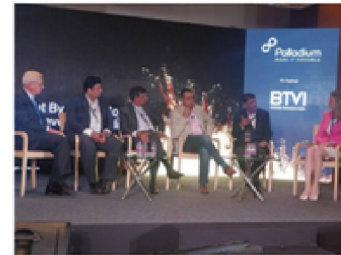
This workshop would help the participants learn to know and manage their biases.

Financials:

The workshop will be two days long, and the facilitation and training fees payable by the Client will be Rs: 3.0 lacs (Rupees three lacs only) plus GST. The client would arrange and bear the cost of travel and stay arrangements to the workshop location, and the stay of Dr Ashis Sen. Dr Sen is located in Mumbai.

The client will make all arrangements for the workshop, including the venue. The preferred audience size is 20-25 participants to maximise learning transfer.

The facilitator would provide soft copies of reading material and exercises to the client's workshop coordinator, and the client would arrange necessary print copies.



Dr Ashis Sen in some workshops or with leading academicians like Dr Richard Boyatzis of Case Western Reserve University, Dr Daniel Goleman the El Guru, Dr Darwin Nelson, Dr Gary Low from A&M University and Dr Robert Kaplan from Harvard Business School



A Recent workshop on Performance Management Systems for Senior Executives of SAIL

Contact Details

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Website: www.ascc.co.in



An Open Workshop at Hotel Meluha - The Fern (Powai) Mumbai conducted by Dr Sen