

A grayscale background image showing a group of people in a meeting. One person is holding a pen and pointing at a document on a table. There are papers and a pen holder visible in the foreground.

PERFORMANCE IN THE NEW WORLD OF WORK

A PeopleStrong Research
Perspective On The Future Of
Performance Management



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EXECUTIVE SUMMARY

The current ongoing pandemic is undoubtedly one of the biggest global health crises the world has ever faced, and its repercussions are being felt by every human and organization. Businesses all over the world are heavily impacted, resulting in a downward fall towards uncertainty. Nevertheless, a silver lining to this whole scenario is that leaders have shifted their focus towards performance through productivity. They have started questioning



‘How can I be ready for a better future while I safeguard my current?’

As unseen and unknown adversaries have united India Inc. to rethink and rebuild all that was lost, organizations are doing everything necessary to re-evaluate aspects of their performance management system to better respond to the current situation. Performance management conversations were always a daunting experience for managers & employees even before the pandemic but now, due to lingering uncertainty, economic downturn and mounting employee stress, hinderances while evaluating an employee will only further be amplified.

This report, **Performance in the New World of Work**, highlights the challenges, trends, key insights, and best Performance Management practices organizations are expected to pick up and incorporate. So, they not only thrive, but also future-proof their business, evolve and build an employee centric performance model, by re-engineering the way productivity is measured, post Pandemic. Keeping in mind about the evolving ‘Remote Workplace’ culture, this report brings together the views and perspective shared by board members, CEOs, CHROs, Sr HR Managers across major industry sectors like Manufacturing, IT/ITES, BFSI and more.

KEY HIGHLIGHTS



80% of the survey respondents are currently unhappy with their current performance systems and are keen on upgrading them



C-level leaders are focusing more on outcomes and less on the process, while evaluating employees working from home



61% of the respondents do not get real time data on how their team members are performing



55% of the respondents feel performance reviews are highly monotonous activities



60% C-level leaders concur that lack of accountability is one of the main hurdles towards high performing work culture



59% of the respondents emphasized on continuous feedback and recognition as one of the most important elements in upcoming performance systems



Senior HR Managers are set to be a catalyst for disruptive changes



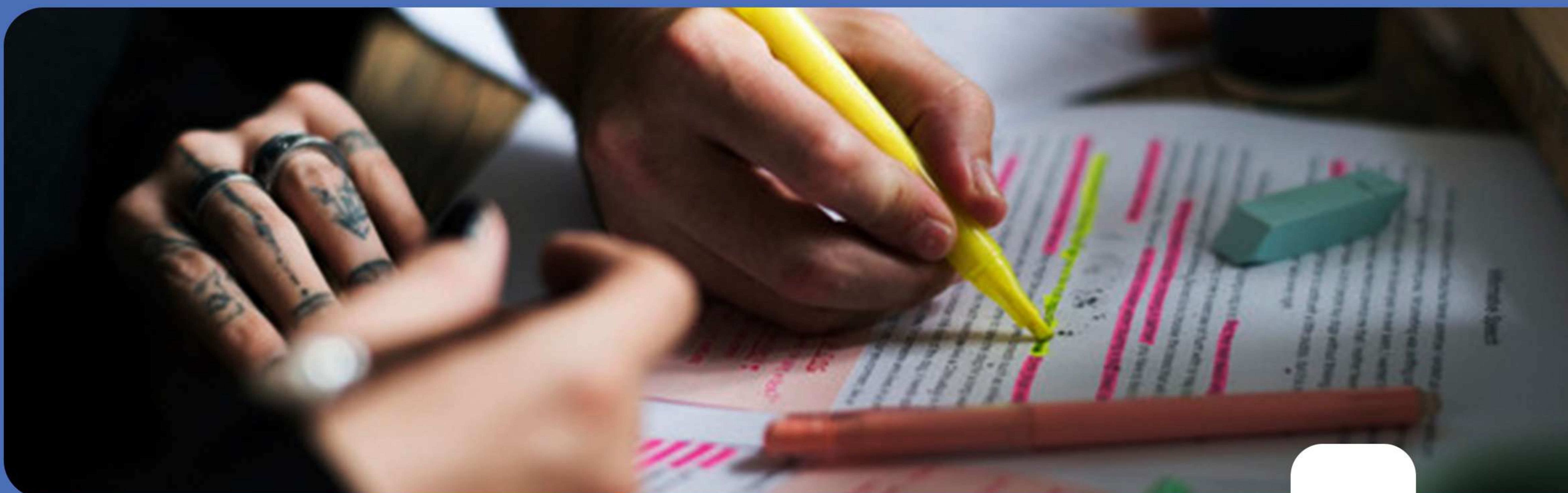
75% Senior HR Managers believe that mentorship culture between managers and teams will become a future mandate



57% of the respondents feel that managers should be more of coaches and less of managers



66% of the mid-market level organizations are already shifting from a process focused to outcome focused strategy



GLIMPSE OF CURRENT PERFORMANCE MANAGEMENT SCENARIO IN INDIA INC.



61%

of the managers do not have a clear visibility on how their team members are performing

Thus Leading To

53%

Lack of accountability amongst employee

More than half of the organizations feel accountability at scale being the biggest hurdle

51%

All input, but no output

Organizations feel their employees focus on efforts but not on outcomes

41%

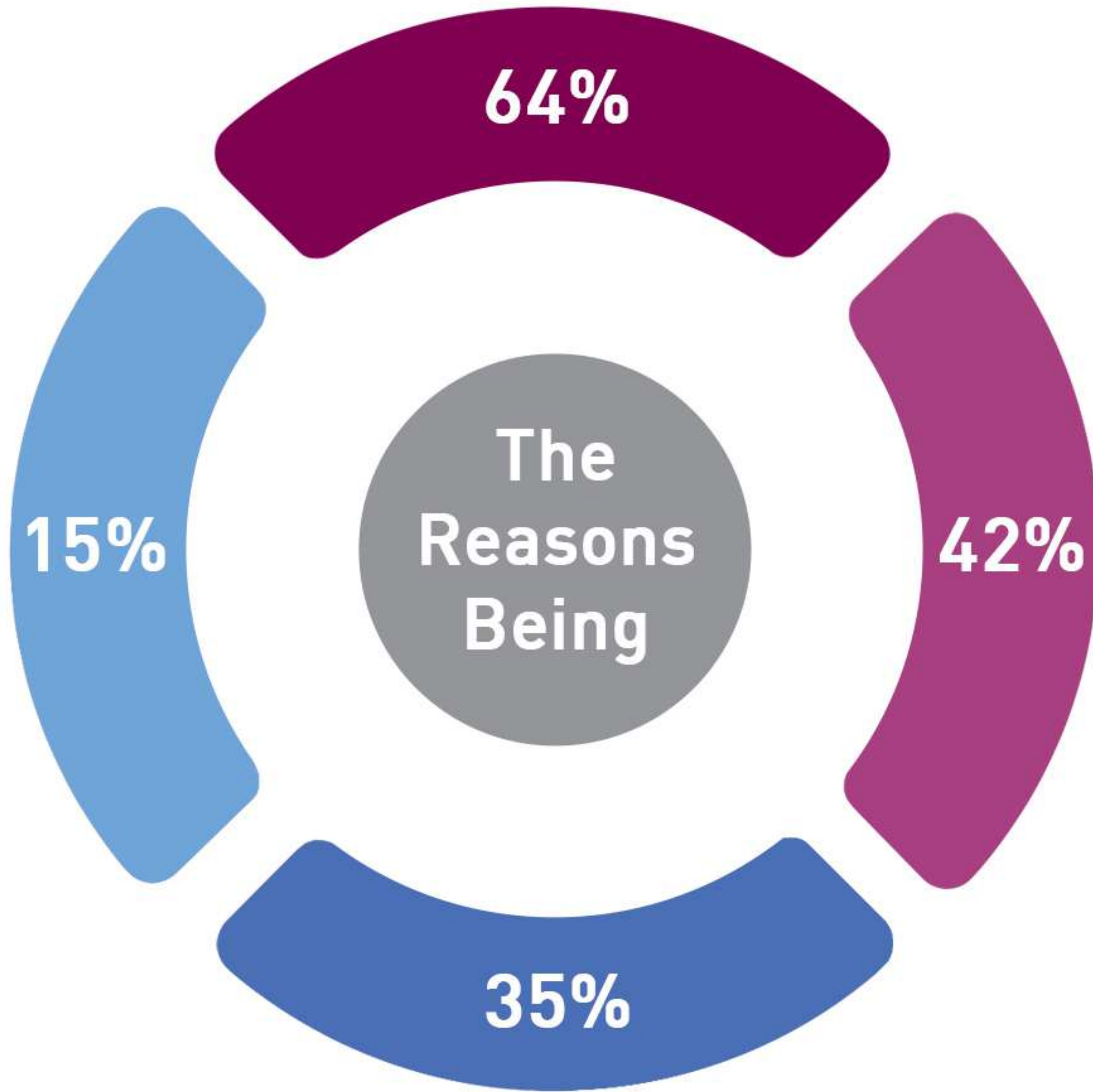
Cross-collaboration missing across teams

Managers perceive lack of planning and collaboration across teams as highly unproductive

80% Respondents are unhappy with their current Performance Management System

Employees feel a continuous feedback exchange mechanism should be incorporated, transforming managers to better coaches

Of the respondents view digitization of performance system as the best way to support the workplace paradigm shift



Of the respondents would like to shift to a more employee-centric performance management system

Of organizations still have to establish performance management practices and systems in their organization



55% of the respondents feel that annual review is a monotonous activity. A year-end activity that needs to be done anyhow. Very much like filing Tax Returns.

46% Performance Reviews are not data driven, which increases the probability of a biased performance review

43%

CEOs and senior leaders spearheading the performance change

A major shift is taking place in co-creation of performance goals for the organizations, as business leaders are taking interest in performance management implementation.

Change in goal-setting trends

While **65%** of the organizations currently set their goals annually,

it is observed that **35%** of the respondents are moving towards quarterly or bi-annual goal-setting model

How are organizational strategies being deployed across companies?



Top-down method is the major approach, where managers create the goals and employee accepts them



Templates assigned, based on respective employee's role or band is the 2nd most approve method



13% of the organizations still use **bottom-up approach**, where the employees create their objectives and managers

Even when a bottom-up approach is used, it often results in employees misaligning themselves from the organization's overall strategy.

DECONSTRUCTING INDIA INC'S FUTURE EXPECTATION

How do companies view
performance success in
the next 3 to 5 years?

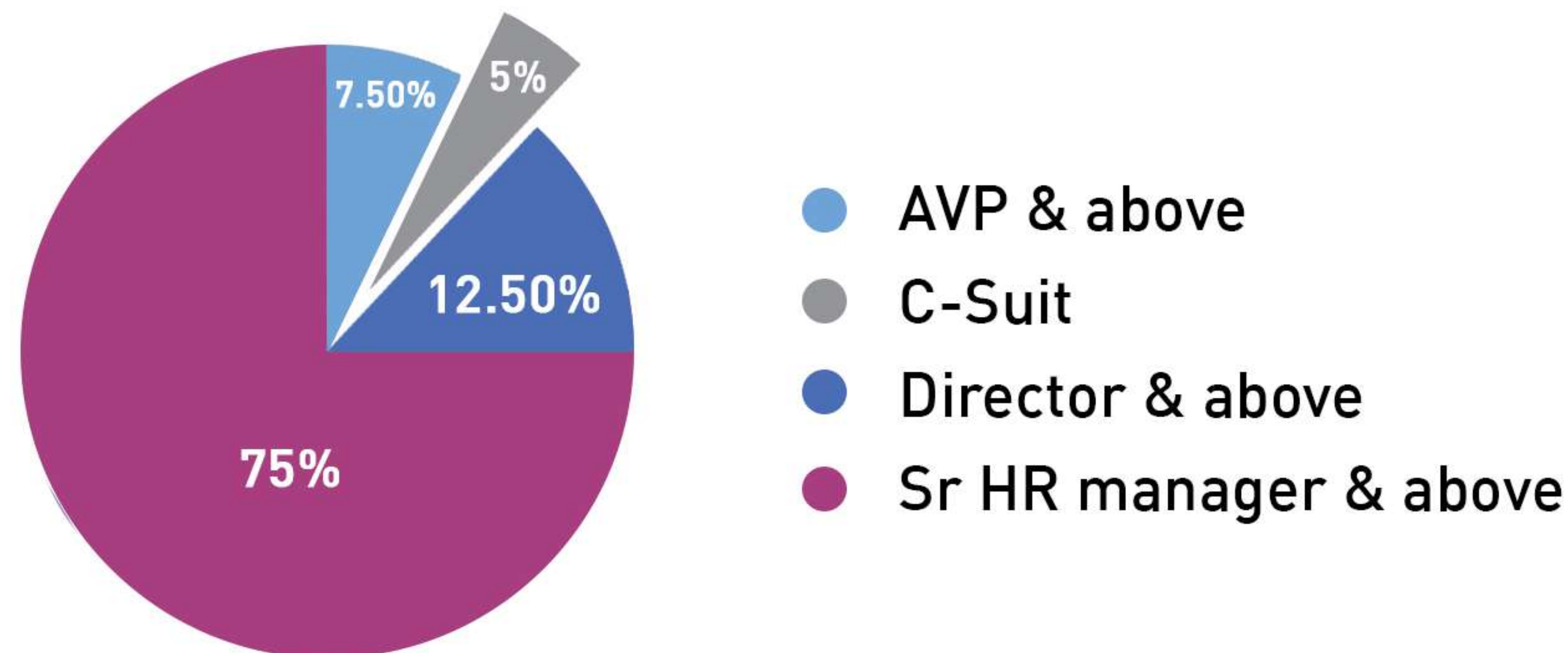


- 55%** More than half of the respondents are inclined to have a mentorship culture being imbibed into their workplace.
- 25%** Of the respondents feel that market readiness for next level growth can be achieved by remaining extremely agile, innovate faster by taking more risk
- 10%** Of the respondents believe that a protocol-based workplace, where employees work with utmost collaboration amongst themselves will yield better output
- 09%** Of the respondents are likely to shift from a processed focused model to a more output based model

Traditional performance evaluation and management models were bound to be re-engineered for the future. Pandemic fast-forwarded the transformation, bringing in digitization and automation, earlier than expected.

5 Key Takeaways On What To Expect In Next 3 To 5 Years

Takeaway #1: Mentorship Culture, For The Future



75%

Senior HR Managers from the respondent group agree that collaboration, constant communication and a mentorship culture between managers and teams will become the future mandate of a high performing workplace

56%

Of the all respondents believe that organizations will succeed only when the managers build mentor-ship cultures, transform themselves into coaches, drive performance through collaboration by turning into a unified entity

Enterprise

67%

SMEs

56%

Mid-Market

50%

More than half of the employees present in in various sized organizations feel that mentorship should be the driving force behind employee growth and performance

BFSI

83%

IT/ITeS

57%

Manufacturing

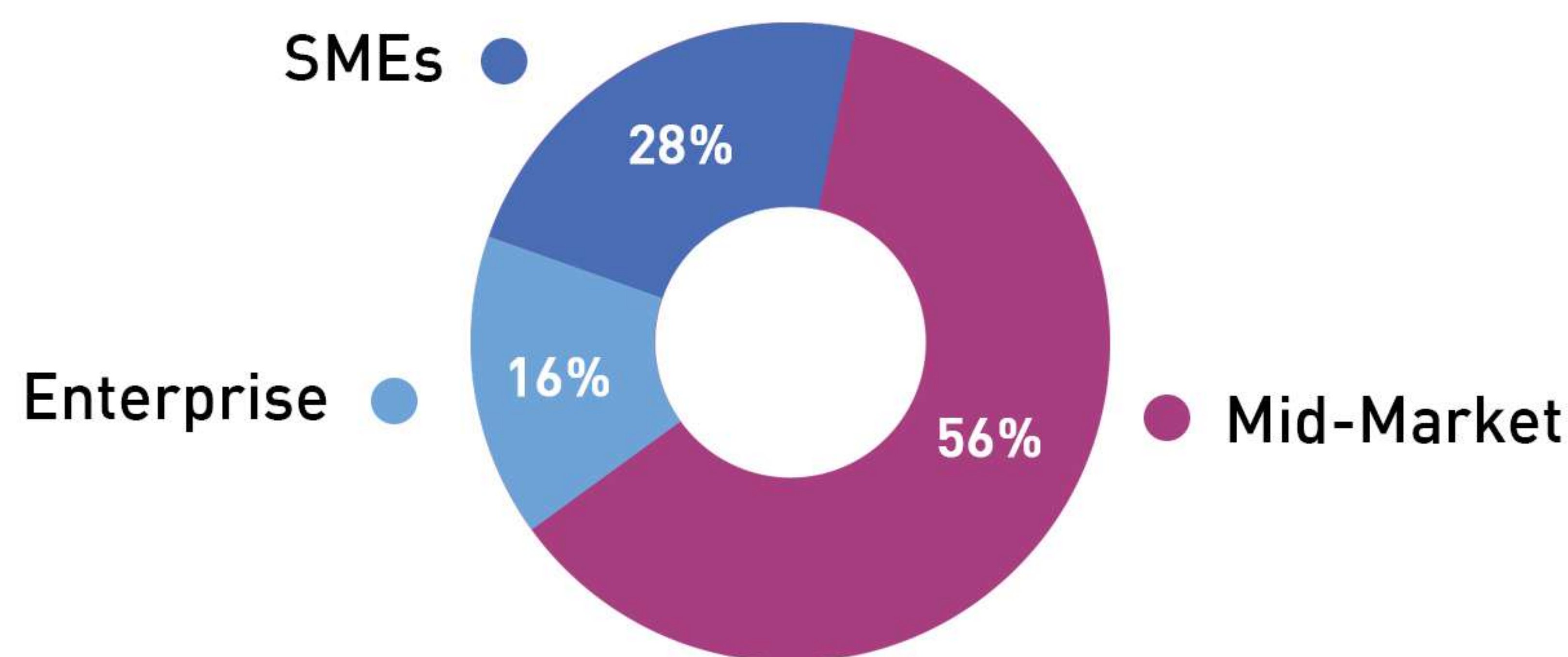
53%

Due to the major workforce working in the front-end, BFSI respondents feel that they prefer coaches giving them continuous feedbacks instead of managers who overlook their work.

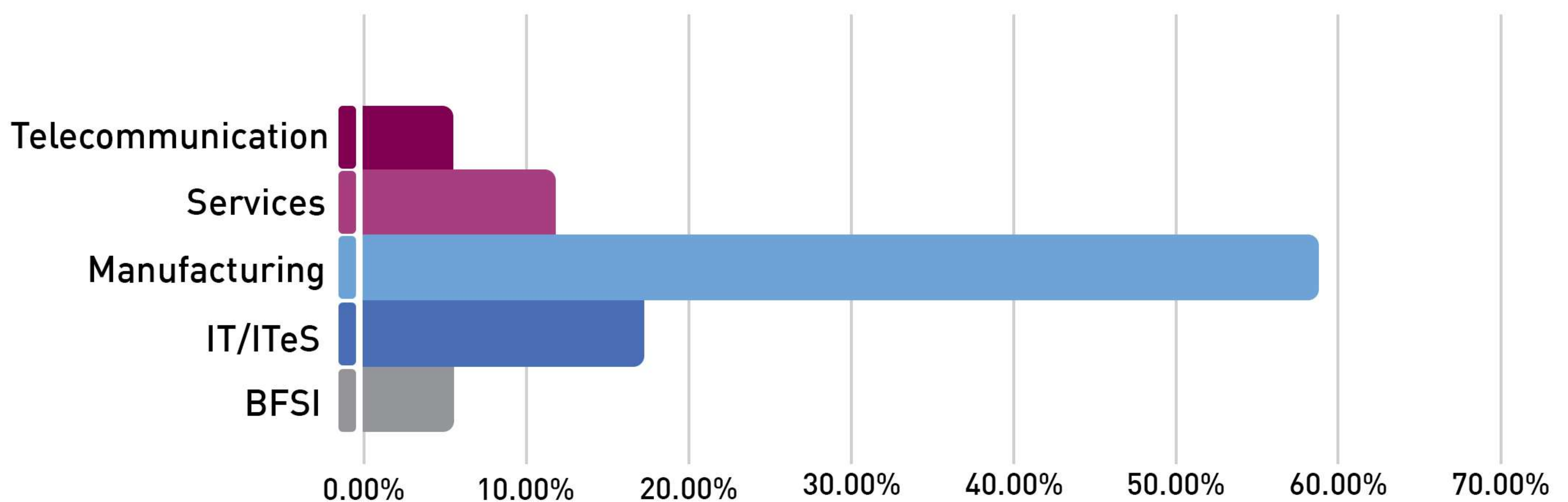
Takeaway #2: Driving Growth Mindset

40%

Of Senior HR Managers and above agree to the fact that innovation and risk tolerance is the key to a more focused growth. Both in personal and organizational level.



The concept of constant innovation through products and services is slowly shifting from SMEs to mid-market as 56% of the mid-market entities agree that employees and teams should experiment more, innovate fast, and take more risks so that new products and services can be created and launched often.



Growth focused sentiment currently runs high amongst manufacturing industry, as they have been impacted by lockdowns the most. Respondents perceive that product innovation with faster execution will be the elixir that will keep them forward in already competitive marketplace

Companies are getting market ready to ride the next wave of change. It is of utmost importance to create a growth mindset within employees and amongst teams

Takeaway #3: Collaboration Is The Key

When asked about enhancing output efficiency,

43%

of the respondents from Manufacturing industry responded that a well synchronized network of teams would be the best approach in the future. Followed by IT/ITES

As lockdowns are breaking the traditional workplace models, Work From Home concept is here to stay longer than expected. Industries which were never expected to work remotely are now adopting newer models of work.



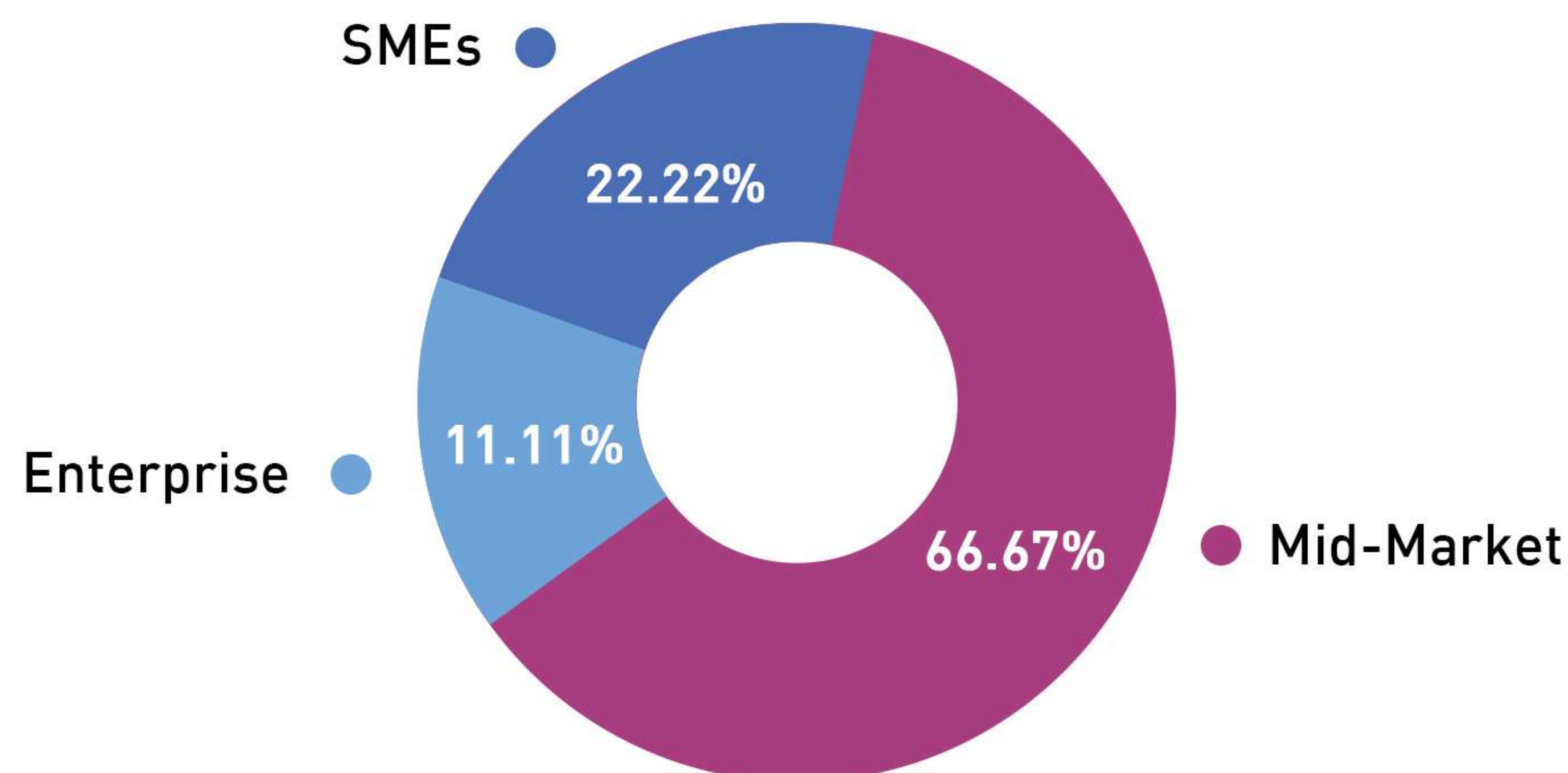
Takeaway #4: Outcome Oriented, To Remain Relevant

77%

Of Senior HR Managers and above have already or are in process of re-evaluating their old traditional ways of measuring employee performance. They are looking towards an outcome-based system to remain relevant and productive in The New Word Of Work

63%

Of the survey respondents belonging to IT/ITES industries feel that result oriented workplace culture will drive high-level results, quicker, more cost effective and increase the productivity of every stakeholder involved



Focus on outcome rather than the process is slowly taking over organizational ideologies as mid-market are rooting for objectivity and looking beyond a simple checklist

Aligning the employee goals with business/organization goals is critical for the success of the organization. You do not want a situation where every employee is rated “fantastic” and collectively team/business did not meet the targets. Lot of work is going towards bringing in this alignment through online/offline means. OKR is one model which is gaining a lot of popularity amongst the surveyed organizations

Takeaway #5: Industries have different focus in the next 3-5 years

BFSI

83%

Of the survey respondents feel that the industry should start focusing on a mentorship culture, where constant exchange of feedback is the key

Retail

79%

Of the Retail industry respondents are shifting their entire traditional performance model from a process oriented to more of an output/result-based evaluation system.

Pharma/Healthcare

72%

Of the pharma/healthcare industry is highly focused on being agile and fail fast, as innovation in terms of products and services is crucial in our current scenario

Logistics

65%

Of the respondents believe the logistics industry is bracing up for a major overhaul due to the pandemic, thus are leaning towards HRTech advancements that increase productivity by minimizing time, cost and errors.

Education Services

60%

Of the survey respondents feel that they need to reimagine their current products/services and have the ability to launch them at a faster pace

Internet Business/IT

57%

Of the survey respondents perceive collaboration being the key to higher output, as most of the employees follow WFH model

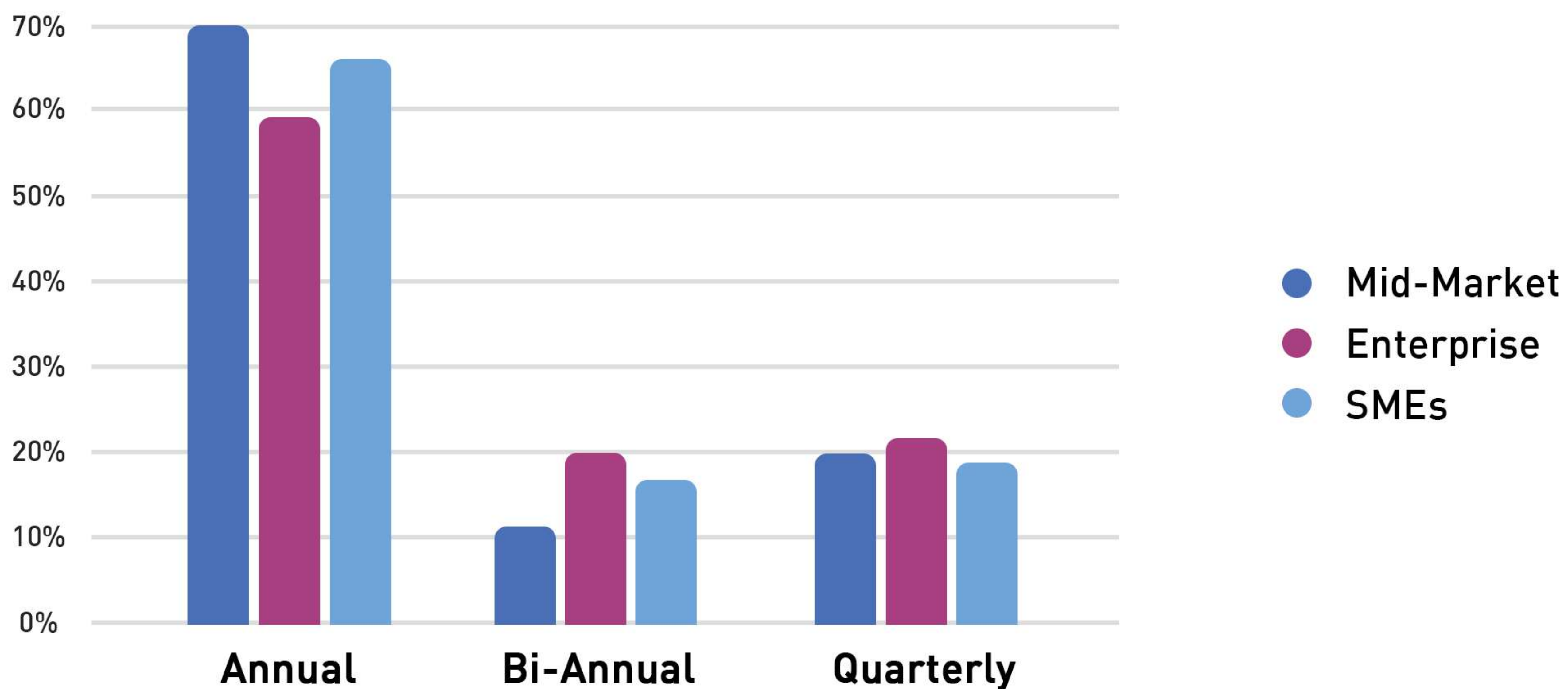
Manufacturing

54%

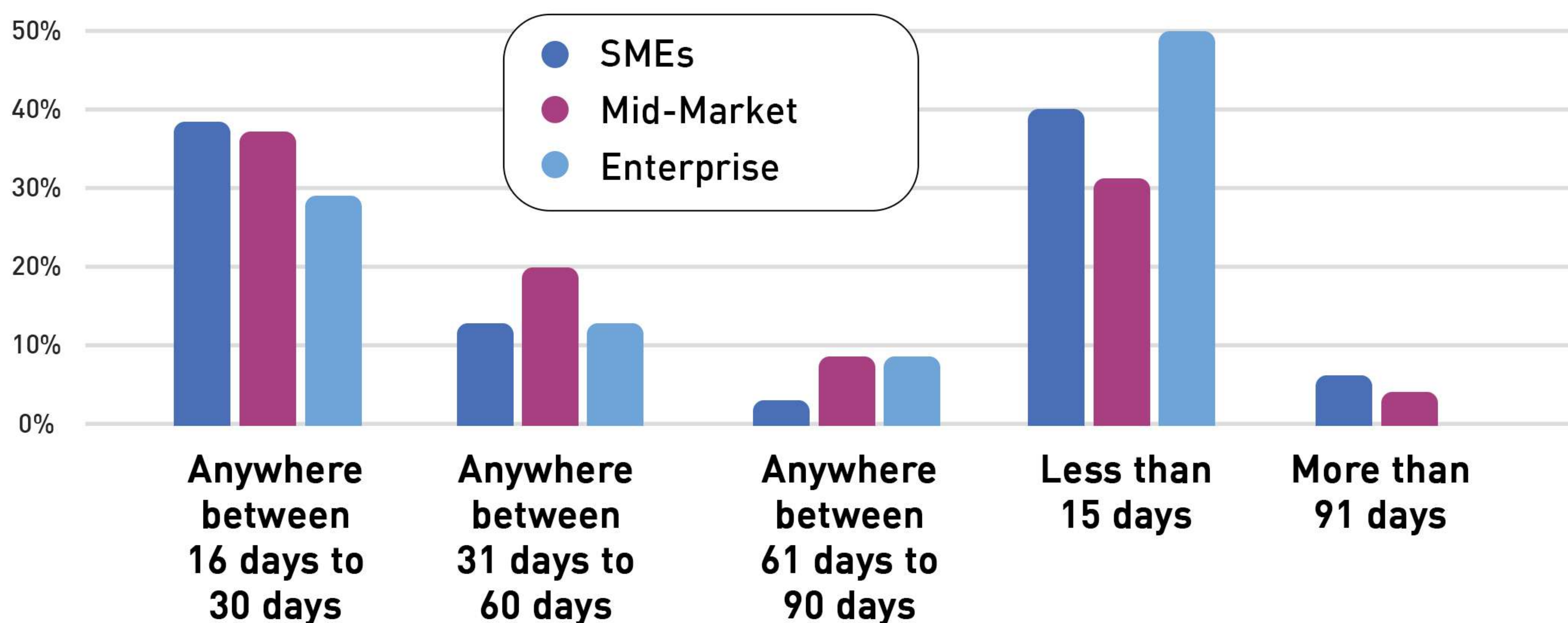
Of the survey respondent's rank collaboration through communication by leveraging tech as the top priority

SNIPPETS OF DATA

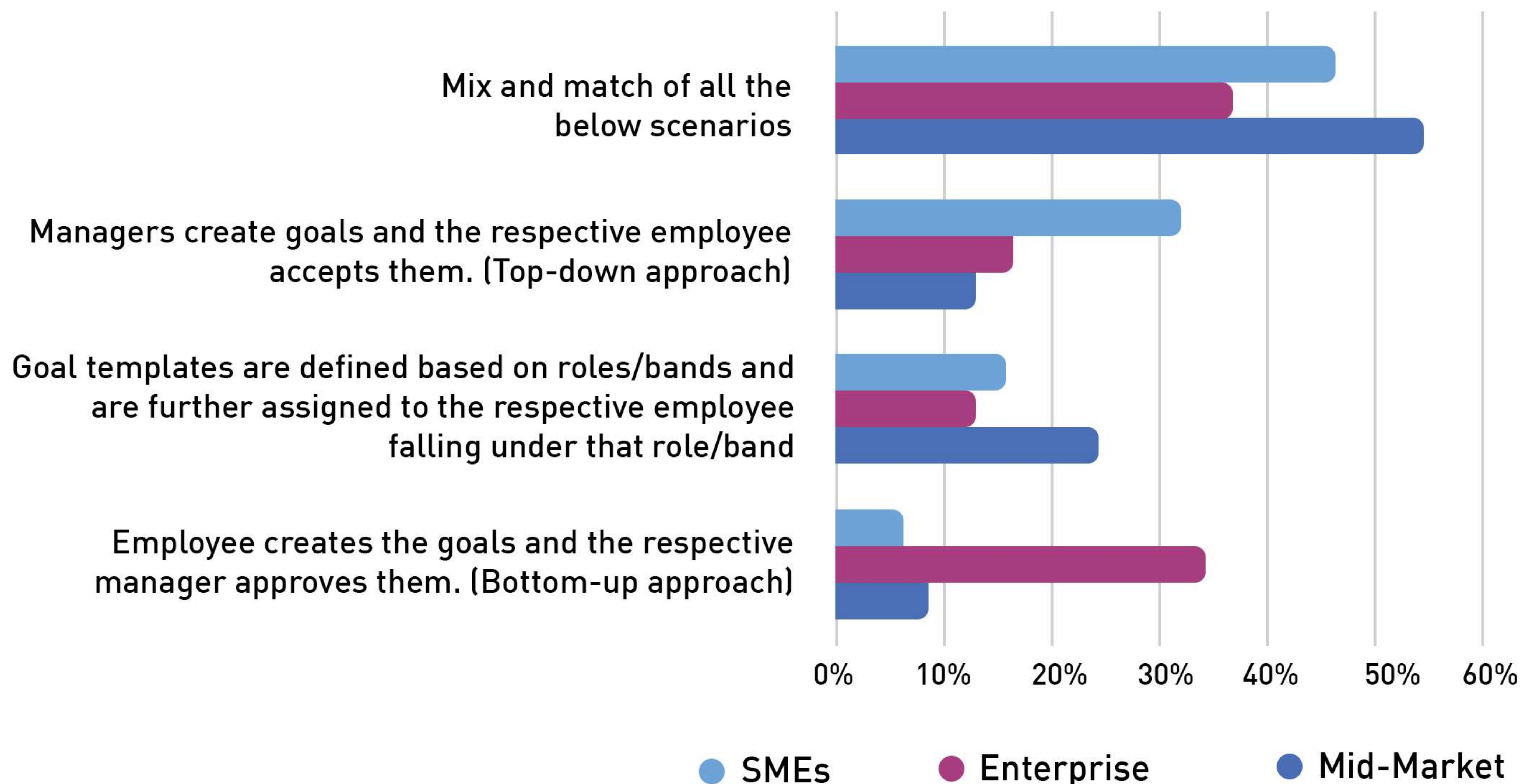
What is the frequency of goal-setting in your company?



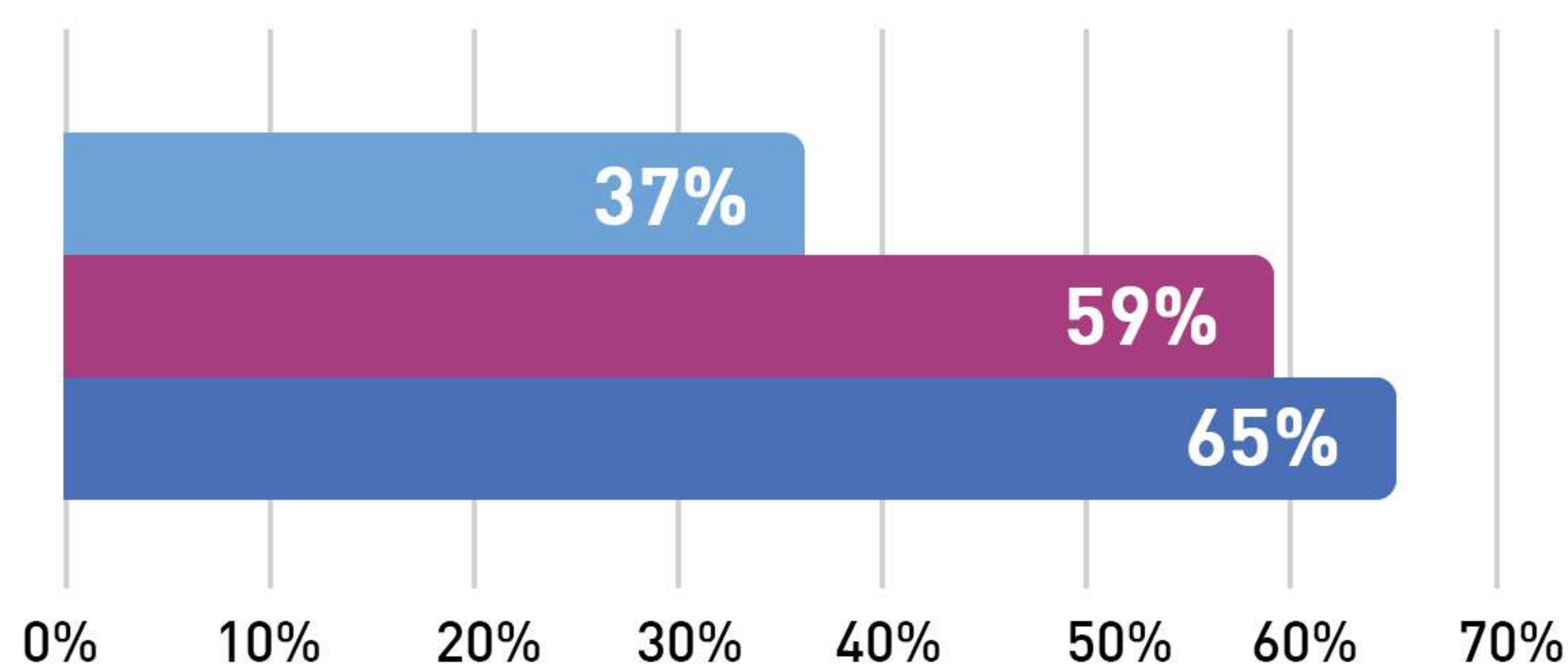
Time spent by employees to complete their goal settings



How are goals created in your company?



What is the purpose of performance reviews in organizations?



- Identify training gaps
- Employee Feedback system
- Data for review, promotion, compensation and employee accountability towards outcome

- Most companies do realize that a robust Performance Management System is needed to provide detailed analysis of an employee's performance through out the year
- They do not realize and utilize the aspect of performance metrics to identify learning gaps and bridge them for an employee
- More than 60% C-level leaders concur that lack in employee's accountability towards their work impedes their performance, thus continuous feedback mechanism is a must

WAY FORWARD

Future Of Performance

Present uncertain times require immediate and long-term strategies that puts employee's performance at the center of all planning. Such sentiments have been expressed by leaders through the survey.

Initial plan of action to deal with the pandemic did not include re-engineering of Performance Management by most organizations. But now it is a requirement for most and a game changer for those who were proactive.

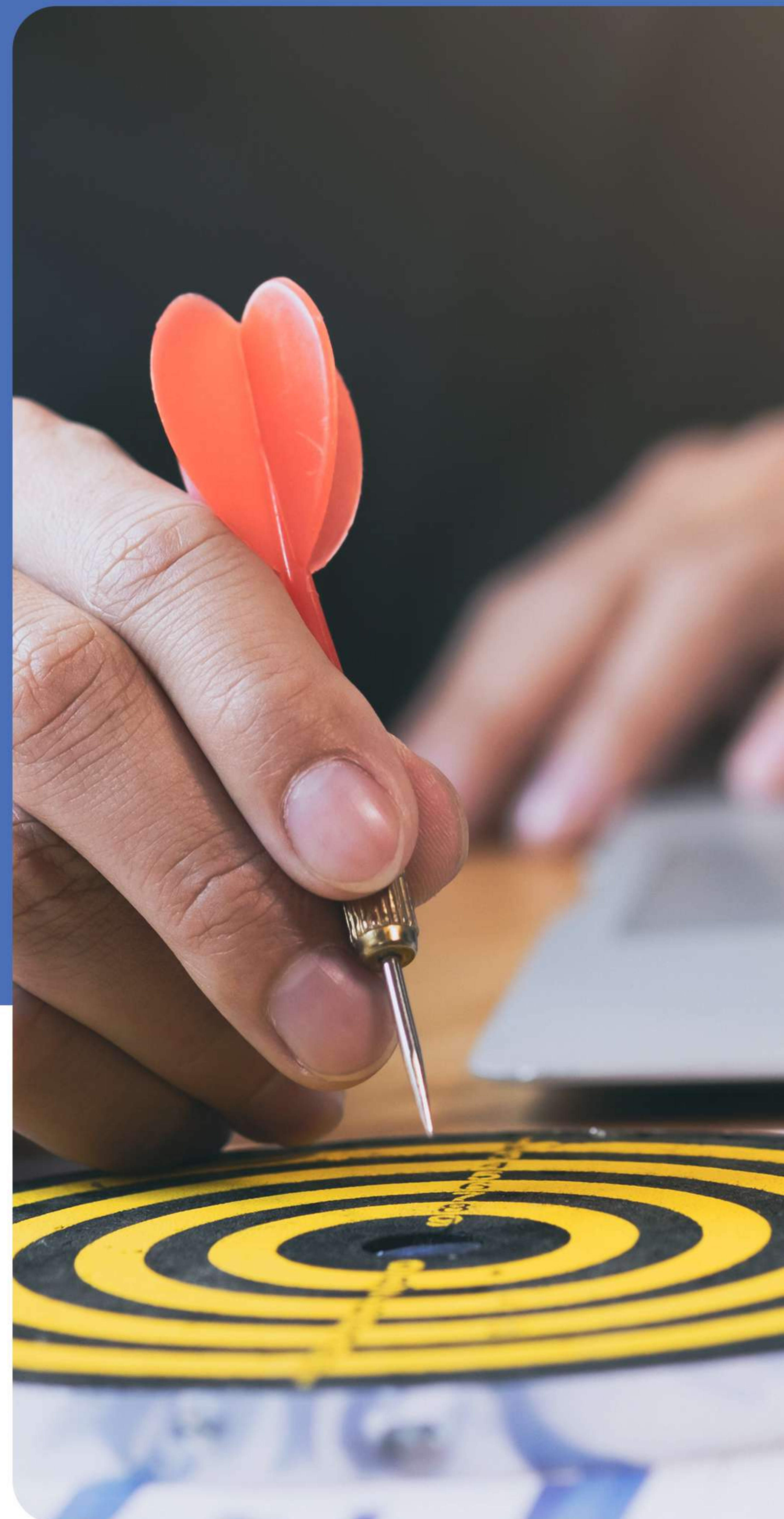
So, as we now know what industries are asking for, let's peep into characteristics they must look for in their performance management systems.

Agile Performance System

System flexible enough to cater organization's hunger for growth. Leaders are now focusing on short term goals with various strategies, encouraging teams to innovate faster and take more risk. Such strategies demand highly agile performance management systems

Outcome Oriented Performance Management

As organizations focus more on outcomes than effort, performance frameworks like OKR (Objectives & Key Results) will help companies implement strategies & streamline employee output.



Collaborative Culture

Pandemic has scattered most of the workforce. Due to distancing, collaboration through tech is the only key for disruption. Thus, performance tool that allows inter-departmental conversations on your goals and their progress is sure to change the dynamics of an organization

Mentorship Culture

To build coaching as culture amongst managers and leaders, structure a ritual of monthly/quarterly conversation on a defined agenda between managers and their team members.

Performance Transparency

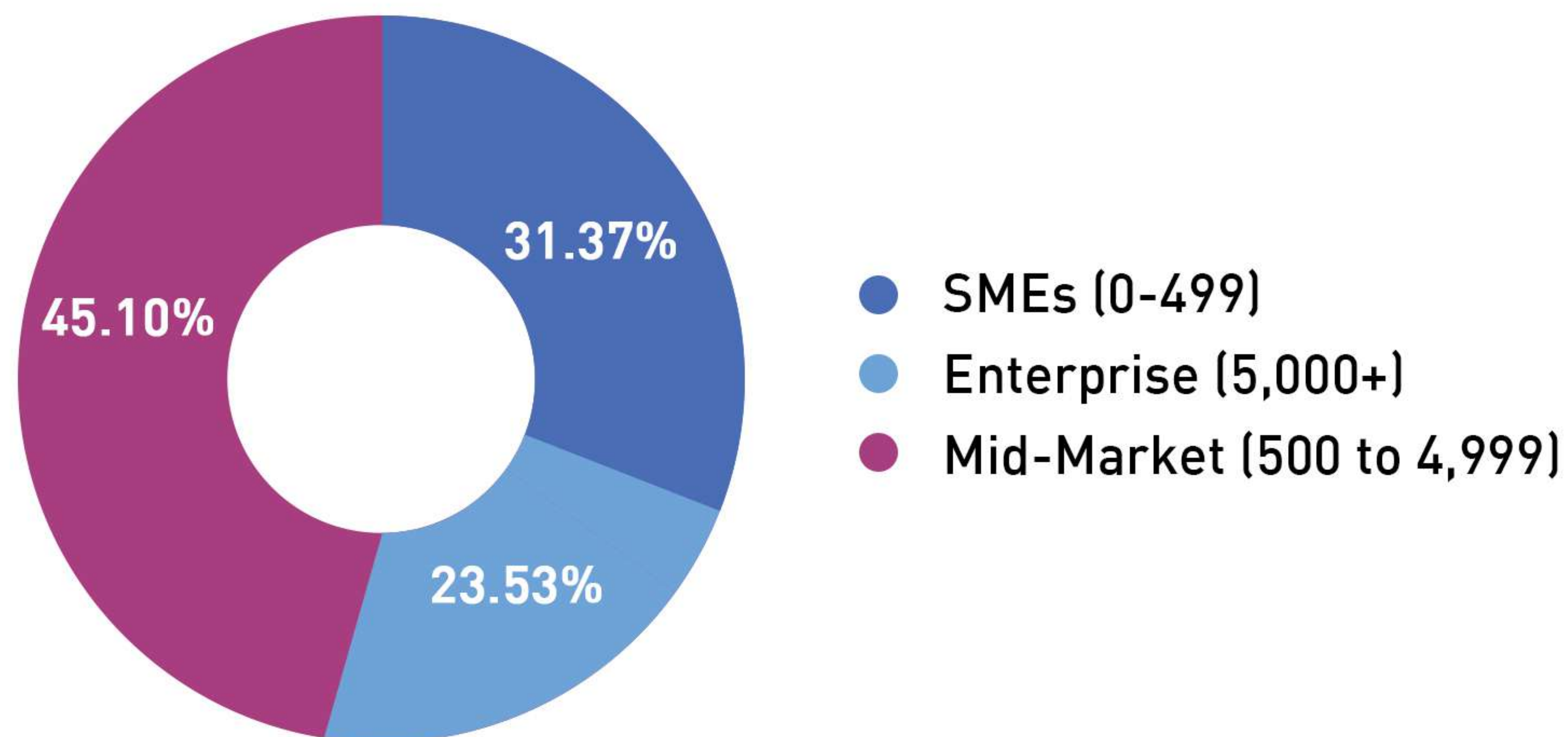
Senior leadership will need a bird's eye view to performance data of their teams, departments & employees to drive agility in planning & execution.



WHO TOOK THE SURVEY?

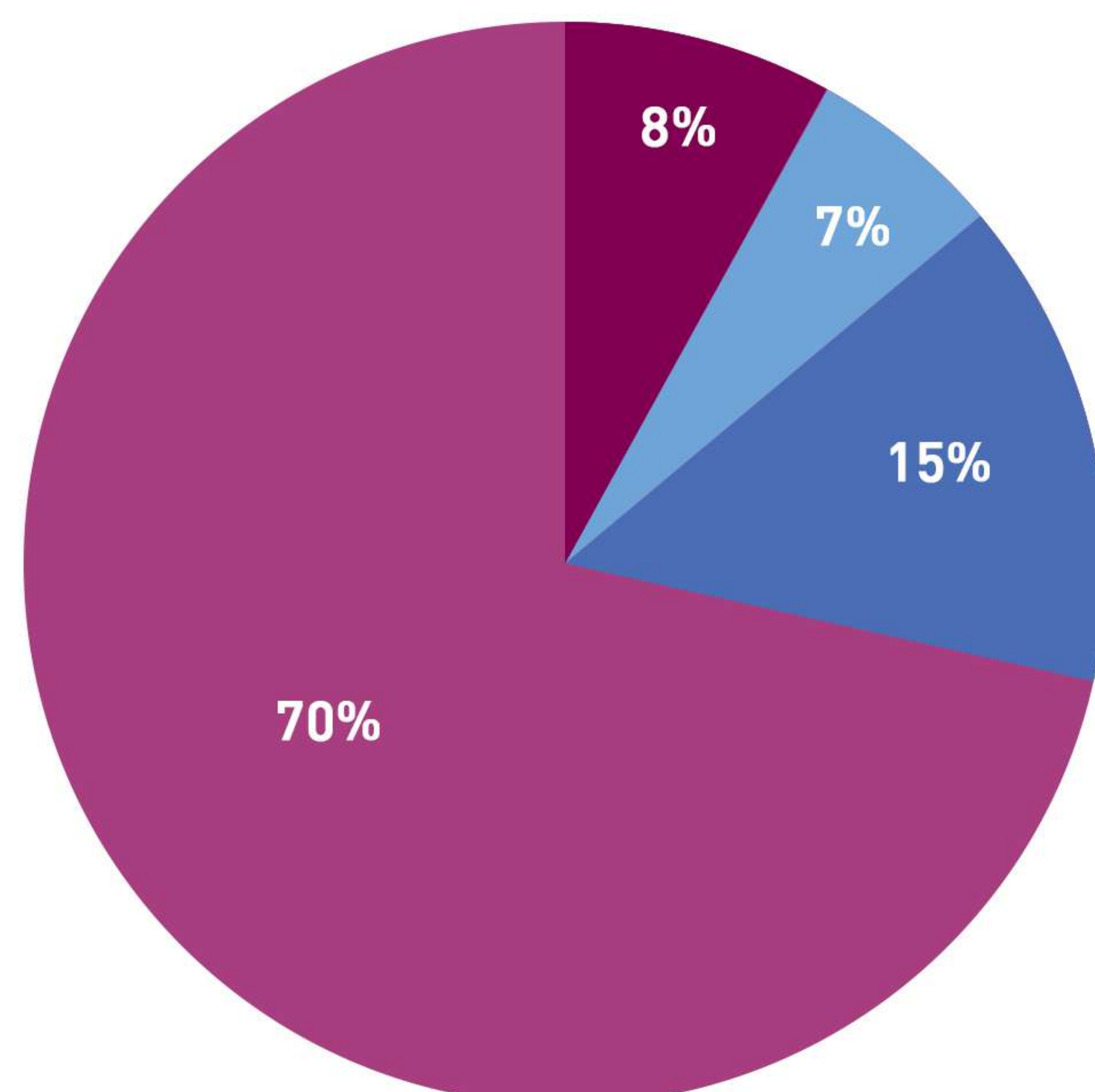
A detailed break-up of our respondents

Distribution By Employee Strength

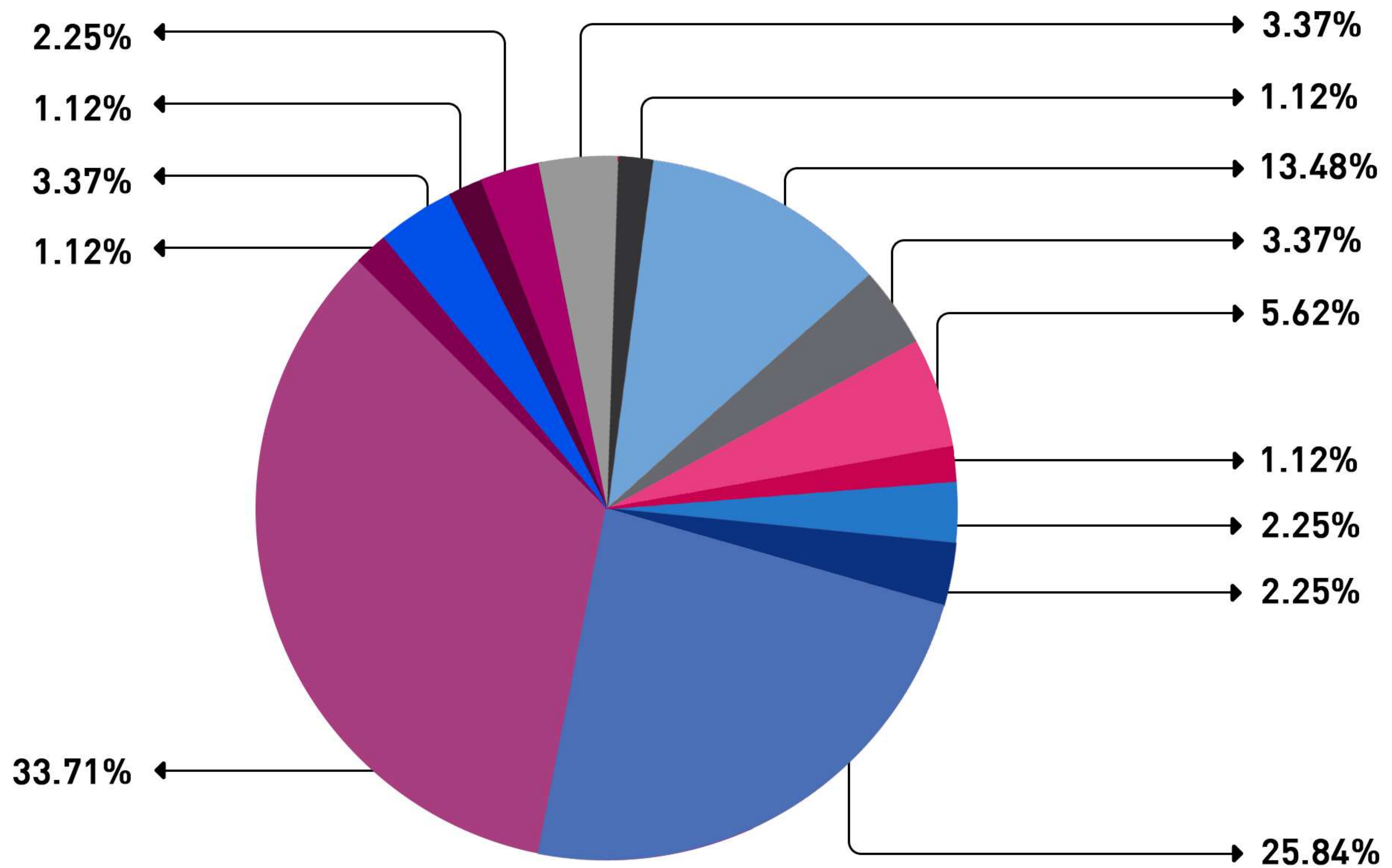


Distribution By Designation

- AVP & above
- C-Suit
- Manager & above
- Sr HR manager & above



Distribution By Industry



- BFSI
- Consulting
- Education Services
- Entertainment
- Healthcare/HealthTech
- Independent
- IT/ITeS
- Manufacturing
- Marketing & Advertising
- NGO
- Pharma
- Retail
- Services
- Telecommunication



ABOUT PEOPLESTRONG

PeopleStrong is a leading Enterprise Technology company from Asia, that is enriching experience at work for over customers 350+ customers and over one million users globally. On its journey to writing the #NewCodeofWork, PeopleStrong product suite includes next-gen applications in the space of HR Technology (Talent Acquisition, Human Capital Management, Talent Management), Collaboration, Intelligence and Analytics and platform. Known for its penchant to innovate, PeopleStrong has many firsts to its name, the recent one being the application of Machine Learning in Recruitment (through Match Making) and Employee Experience (through India's first HR Chatbot Jinie). PeopleStrong is the first company in the space to be successfully assessed on SSAE 18 and recently won the prestigious CIO's Choice Award for Talent Management on Cloud.

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