



SPMCIL

**SPMCIL PERFORMANCE MANAGEMENT
SYSTEM-2011**

(FOR EXECUTIVES & SUPERVISORS)

भारत प्रतिभूति मुद्रण तथा मुद्रा निर्माण निगम लिमिटेड
(भारत सरकार के पूर्ण स्वामित्वाधीन)

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NEW DELHI

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SPMCIL
PERFORMANCE MANAGEMENT SYSTEM
GENERAL GUIDELINES

1. INTRODUCTION

SPMCIL Performance Management System is a measurement tool for assessment of performance of the Executives and Supervisors. The process empowers the management to yield an insight for Career Planning, Compensation Management and building capacity by Training to bridge the skill gap. After a comprehensive review of the existing system and in tune with Company's HRD Plan, and in conformity with DPE guidelines, Performance Management System is hereby introduced effective from the year 2011-2012. Reports generated under this system will be hitherto known as "Performance Appraisal Report" in supercession of all previous practices provided for writing of the "Annual Confidential Report" of the Executives from E-1 to E-7 level and Supervisors at S-1 and S-2 level across the Company.

2. OBJECTIVES :

The main objective of the new Performance Management System is to assess the effectiveness, potential, values, developmental needs and career progression of individual to achieve organizational needs and Business goals. Robust and transparent Performance Management System as contemplated, shall create a performance driven environment across the Company which shall enable:

- | | Weightage |
|----------------------------------------------------------------------------------------------------------------------|------------|
| i. To achieve the overall Business goal of the Company | 70% |
| ii. To put a system at place for Quantitative Measurement of annual performance having set the targets for the year. | 10% |
| iii. To ensure Career progression of Employees correlating with Performance | 20% |
| Total | 100 |

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- iv. To identify the skill gap and plan for developmental needs
- v. To reward and recognize the high performers and linking Compensation with Individual Performance by means of Performance Related Pay.

3. **APPLICABILITY :**

For the Executives at the level of E-8 and above, DPE has prescribed Guidelines and system has already been implemented from the year 2010-2011.

The proposed Performance Management System applicable to the Executives from level of E-1 to E-7 and Supervisors in S1- & S-2 Levels is hereby introduced from the year 2011-2012.

4. **FORMAT FOR PERFORMANCE MEASUREMENT:**

Separate formats for Executives (from E-1 to E-7) and for Supervisors (S-1 & S-2) of SPMCIL are enclosed herewith.

- Format for Performance Assessment Report for Executives is enclosed herewith as ANNEXURE- 1
- Format for Performance Assessment Report for Supervisors is enclosed herewith as ANNEXURE -2

5. **EVALUATION COMPONENTS :**

Evaluation of Performance through the mode of PMS shall consist of following components and each shall carry weightage as mentioned below:

Sl. No.	Components	Weightage
1.	Key Performance	70%
2.	Competencies	10%
3.	Values	10%
4.	Potential Appraisal	10%
	Total	100

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6. UNDERSTANDING THE COMPONENTS:

6.1 Performance:

The System envisages performance to be evaluated on the basis of **Key Performance Areas (KPA)s**, with specific emphasis on contribution towards achieving the overall Business goals by having an Annual Performance Plan which shall be the basis of evaluation of 70% weightage in the area of KPA. The focus is to enable employees to set the Annual key deliverables and ensure that they do not loose track of important and critical areas. Under the KPA system, performance targets become more focused, concrete and measurable.

- The concerned appraisee and reporting officer would jointly set performance targets in the form of Key Performance Areas, at the beginning of the year.
- It is envisaged that there would be KPAs and the relative weightage to each of them would be mutually decided by the appraisee and the reporting officer on the basis of the importance and magnitude of the respective KPA. However, it is suggested to keep 'Staff Development' as mandatory KPA, in view of the increasing recognition of the onus of the superior in developing his/her group members.
- Since we do not have the KPA-system of Performance evaluation currently in place, we may initially find it difficult to institutionalize the same. But the system needs to stabilize over a period of time. Further, it may not always be possible for all positions to arrive at KPA. In such cases, it is suggested that the appraisee and reporting officer may workout a broad frame work of targets which comes closest to KPAs, so that parity can still be ensured in the evaluation system for various positions across the organization.

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- The total maximum marks for all Key Performance Areas will be 100. However, the score in the component of Key Performance Areas will be prorated to 70.

6.2 Competencies:

The system envisages evaluation of the competencies of the employee along two broad categories- Functional/Technical and Managerial. The rationale in including this component is basically three-fold:

FIRST, it can be evaluated if the employee has the right balance between functional and managerial competencies. This helps in categorizing employees as generalists and specialists and providing alternative career paths for them accordingly.

SECOND, there is equity in rewarding competencies and not just performance. Because, performance is often not just a factor of competence but several other factors which may or may not be under the control of the incumbent.

THIRD, competency based evaluation is a sine qua if it is envisaged to use the performance appraisal system as a developmental tool as well, because competency gaps become evident through such a process.

A suggestive list of competencies is included in the Appraisal format.

6.3 Values :

The increasing importance of "Values" in the personality-set of employees need not be over-emphasized, particularly in the context of corporate governance and organizational development. It is, therefore, felt that the component of "Values" is included and given adequate weightage in the performance appraisal system. Employees may be

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evaluated against the adopted organizational values which they are expected to demonstrate in their behaviour.

6.4 Potential:

Potential Appraisal consists of Attributes which are to be demonstrated in day to day activities. Potential Appraisal will be assessed on Leadership Abilities , Team building ,Business Sense ,Communication Skills, Strategic Vision etc. The Potential will be assessed by the Appraiser / Reporting Officer.

7. DIFFERENT LEVELS OF PAY OF EXECUTIVES AND SUPERVISORS IN CDA PATTERN AND CORRESPONDING IDA PAY SCALES:

The details regarding the different levels of Executives and Supervisors and their pay in CDA Pattern and corresponding IDA Pay Scales is enclosed as (ANNEXURE – 3)

8. LEVEL OF REPORTING/ REVIEWING/ ACCEPTING AUTHORITIES:

The details regarding the different levels of reporting / Reviewing and Accepting Authorities applicable to the different level of Executives and Supervisors is enclosed as (ANNEXURE -4)

9. CONTENTS OF THE ASSESSMENT REPORT FORMAT:

The form is divided into six parts as under:

Part	Contents	To be filled by
Part- I (A)	Annual Performance Plan should be prepared jointly between Appraiser and Appraisee.	Appraisee

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Part-I (B)	Year end performance review	Appraiser
Part-I(C)	Performance Review Sheet	Appraiser
Part-II	Competencies	Appraiser
Part-III	Value	Appraiser
Part-IV	Potential Appraisal	Appraiser
Part-V	Final Marks Scored.	Appraiser
Part-VI	Training needs identification	Appraiser

10. **GRADATIONS:**

In assessing the performance of the Executives & Supervisors, the following gradation points/marks scored and corresponding categorization are to be followed:

Sl. NO.	Scored Marks/Gradations	Category
(i)	85 & Above	Excellent
(ii)	75 to 84	Very Good
(iii)	60 to 74	Good
(iv)	50 to 59	Average
(v)	49 & below	Poor

11. **BELL CURVE APPROACH:**

As per DPE guidelines/instructions, SPMCIL has to adopt Bell curve approach while assessing the performance of Executives & Supervisors. In line with instructions of DPE both Reporting and Reviewing Officer while assessing the performance of Executives and Supervisors, should keep the "Bell Curve Approach" in, their respective thoughts. Accordingly, the performance should be assessed in such way that graded Executives should not exceed 15% under "Excellent" category and 10% should be under "Poor" Category.

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12. **PERIODICITY:**

Annual Performance Appraisal Reports are required to be written annually according to financial year i.e. 1st April to 31st March.

13. **PART REPORTS:**

If an appraisee is transferred completing 3 months, in that case, Reporting Officer of transferee will write the APAR for 3 months and rest periods will be written by the Reporting Officer at his/her transferred place respectively on 100 point basis. Final marks will be the average of 3 months and rest of period. Before completing three months, if an Executive is transferred, in that case, past reports is not required. In such cases Reporting Officer of transferred place will write APAR for entire period. If reporting Officer is transferred same principle will be applicable. In such cases Reporting Officer will complete APAR writings and handover to HR Department before his relieving.

14. **TIME SCHEDULE FOR COMPLETION OF APARs:**

Sl.No.	Activity	Date by which to be completed
1.	Distribution of Blank forms to appraisee through Appraiser/ Reporting Officer. (Unit HR head shall make the blank forms available to the appraisers and responsibility shall be on the Appraiser to carry forwarded the process as defined). (Corporate HR will ensure distribution of form to Appraiser at the Corporate Office)	20 th March to 31 st March

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2.	The Appraisee in consultation with Appraiser / Reporting officer will make a performance plan for the Assessment year on mutually agreed upon key Performance Areas.(KPAS) and submit the APAR formats to the Reporting officer.	30 th April
3.	The Reporting officer will retain the APARs with him and will Review the mutually agreed takes performed by the Appraisee in regular intervals. After year – end review, the Reporting officer will assess the performance and will submit the completed APARs to the Reviewing officer.	5 th April Subsequent year.
4.	Submission of APARs by Reviewing officer to the Accepting Authority.	10 th April
5.	Acceptability of APARs should be completed.	15 th April
6.	Unit Head remarks if applicable should be completed and sending completed APARs to concerned HR Dept.	15 th May

15. PARs IN CASE VIGILANCE DEPARTMENT:

In case of Vigilance Dept. only the Executives of Vigilance Dept. at appropriate level as applicable will be Reporting, Reviewing and Accepting Authority.

16. ROUTING AND MAINTENANCE OF APARs:

Unit HR Head is required to send APARs of Executives at E-4 and above Level to Corporate HR Dept. after completing at appropriate level/Unit Level. A designated HR Executive will maintain APARs of E-4 and above at Corporate office. In case of Executives at E-3 and below and Supervisors, the Unit HR head will maintain all APARs at Unit level. Unit HR head is responsible for this.

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17. PERFORMANCE APPRAISAL OF PROBATIONERS:

In case of Executives and Supervisors on probation, eleven months APAR will be raised from date from which he holds the post on probation. If eleven month period exceed 31st March, the period after 31st March will be treat one phase on 100 point basis and upto 31st March one period on 100 point basis. The average marks of both periods will be treated as performance for clearance of probation. In Assessment report, both the Reporting Officer and Review Authority are required to indicate the suitability or otherwise for confirmation of Executives and Supervisors.

18. FEEDBACK SYSTEM:

Oral feedback should be an ongoing process given by the appraisers to the appraisee on his/her performance. It is necessary to encourage progress and correct the mistakes. The appraisee should be encouraged the areas which his immediate attention for improving his performance should be highlighted.

The Reporting Officer should inform the appraisee in writing as and when need arises. It is not necessary to wait until the appraisal report is raised.

The HR Department should ensure the communications of areas for improvements to the appraisee by the Reporting Officer after the report is accepted by the concerned Accepting Authority. In Unit, Unit HR Head will ensure this in case of Supervisors and Executives upto E-3 Level. Corporate HR will ensure this in case of Executives of E-4 to E-8 Level.

In case of Executives and Supervisors who score below 50% marks/who are graded under "Poor" category, must be communicated by the Unit Head in case of Executives E-3 Level & below and in case of

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Executives E-4 Level & above by concerned Director/CMD, indicating his/her the areas of weakness/below level performance and suggestions for improvement within a specified period and consequential actions by the Competent Authority, if improvement is not done by appraisee concerned in a specified period.

Concerned HR Department will ensure this. Such cases should not be dealt in a routine manner. The issue regarding the communication in writing should be discussed with concerned appraiser. This communication should be maintained properly.

18.1 Letter of Appreciation:

The Executives & Supervisors whose performance is graded under "Excellent" Category should be encouraged with issuing them a letter of appreciation by concerned Unit Head/Director/CMD as the case may be. The appreciation letter should be maintained in individual records.

19. SAVINGS:

The Management of SPMCIL reserves the right to amend any of the clauses as and when required.

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