



OFFICE OF THE EXECUTIVE DIRECTOR (HR)

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EDHR/ 2092

Date : 17.1.09

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- To,
1. All Chief Engineers Zone
 2. All Chief Engineers in Corporate Office

Sub:- Performance Management System for the year 2009-10.

1. Performance Management System (PMS) to be followed for Engineers working in field for the year 2009-10 is enclosed as Appendix.
2. For other categories (PMS) is under study and instructions for the same will be issued separately.
3. The new CR form and Review form will be issued later on.
4. Suggestions if any may please be forwarded by 15 Feb 2009.

Executive Director (HR)

Copy s.w.r.to:

1. Managing Director, MSEDCL
2. Director (Finance), MSEDCL
3. Director (Operations), MSEDCL
4. Director (V&S), MSEDCL

Copy s.w.c.to:

All Executive Directors, MSEDCL

Copy to:

Chief General Managers, MSEDCL

PERFORMANCE MANAGEMENT SYSTEM FOR ENGINEERS WORKING IN FIELD.

Introduction:

1. Performance Management is an integral part of overall Organization Management. It should relate employee's work performance and achievements to the operational and strategic performance of the organization. In the present competitive and challenging environment, we need to review our existing Performance Management System (PMS). It is necessary to make our Performance Appraisal System as objective as possible based on both performance, as well as potential for development. This will give due credit to all performers and distinguish outstanding and Very Good performance clearly.

2. Therefore, in phase I, we have developed PMS for Engineers, from Chief Engineers to Sub-Engineer working in field after carrying out in depth analysis of the existing system and changes required therein. The PMS will be ongoing process of communication between Reporting Officer and assessee and focused on employee performance improvement and professional development.

Objectives of PMS:

3. The following are the objectives of PMS:-
- (a) Aligning employee's performance with organizational goals.
 - (b) Providing focus, direction and common understanding on company's performance needs.
 - (c) Faster performance oriented culture and accountability at all levels.
 - (d) Effectively communicate organizational, departmental and individual goals and targets across the company for focussing and achieving the same.
 - (e) Clarity regarding standards of achievement at all levels.
 - (f) Ensuing objective assessment of employee's performance and potential.

Guidelines for PMS:

4. The performance planning and goal setting will be the basis for PMS at MSEDCL. The following guidelines are enumerated for implementation of PMS.

- (a) The HR Department will schedule the dates for setting targets at Corporate, Region and Zone level.
- (b) Similarly schedule will be fixed for target setting down to section level.
- (c) It will be ensured that targets for next year will be communicated to individuals in writing by 15 May positively. The copy of Targets set will be given two steps up. eg. Targets set by C.E. will be communicated to Regional Executive Director Office and Corporate Office.
- (d) The process of targets setting will be from top to down. Therefore Corporate Office will give the targets set by M.D. by 15 April.
- (e) Half yearly review of the targets set will be conducted during October. Accordingly if required fresh targets will be set and communicated in writing to individuals with a copy to countersigning and Accepting Officers.
- (f) All renegotiated/ reviewed targets will be recorded in the review form alongwith the reasons for change and forwarded to next Superior Officer for approval. The form will be submitted by 30 Nov to Corporate Office. This will also be subsequently attached to CR form of an individual .
- (g) Each employee's development and progress in performance against the targets will be reviewed during Half yearly review. No rating will be awarded in half yearly review. However, individual will be apprised verbally by reporting officer about his performance in last six months.
- (h) Employee whose performance is likely to result into outstanding grading be communicated to countersigning and Accepting Officers by 30 Nov in writing. Only these employees will be considered for 'Outstanding' grading by the countersigning and Accepting officers. In case any other employee shows potential later on but not later than 31 Jan, in exceptional case his name may be forwarded by 15 Feb to countersigning and accepting officers.
- (i) The targets for each region, zone, circle, Division and Sub-Division will be maintained on Intranet and will be updated from time to time by C.E.(IR).

Role of Leadership Team (EDs and CEs)

5. The leadership team will be the apex body in driving, monitoring and assessing the effectiveness of the system. Their responsibilities toward successful implementation of the PMS in the organization are listed below:

- (a) Finalise strategic thrust areas for the organization (Corporate Goals).
- (b) Decide on the unit's specific performance expectations for the year.
- (c) Assess the unit's/function's performance status.
- (d) Communicate with respective heads of departments on the functioning of the system.
- (e) Monitor progress on corporate goals, unit goals and individual performance on quarterly basis.
- (f) Finalise the need and nature of changes to strategic thrust areas during the year, if required.
- (g) Review potential and competencies of individuals (depending on position) during the Half yearly review.
- (h) Assess and ratify ratings by the Countersigning and Accepting Officers on individual's performance.
- (i) Ascertain feedback on the Performance Management System (PMS) and finalise changes, as necessary.

Role of Unit Leadership (SEs and EEs):

6. The responsibilities of the unit leadership for effective implementation and management of the PMS in the organization are listed below:

- (a) Monitoring units activity on PMS is the primary responsibility of unit leadership.
- (b) Assess the effectiveness of the system in people development and performance regularly.
- (c) Ensure timely completion of the process (Adherence to PMS schedules).
- (d) Obtain feedback on the system and analyse the causes for adverse feedback, if any, and recommend the changes to the E.D.(HR) after due discussion with Regional E.D. and C.E.
- (e) Assess overall performance of the unit against unit goals.
- (f) Function as a core team on the PMS at the unit level with complete accountability for successful implementation.

Guidelines for Goal Setting:

7. The following process will be followed for goal setting:-
 - (a) The goal setting process for the entire organization will start with the finalization and communication of the business plan by the M.D.
 - (b) Regional Executive Director's goals for the forthcoming year will be finalized by 15 April of the current year jointly by the M.D. and the respective Executive Director.
 - (c) Based on the Executive Director's goals, the specific unit heads will derive their goals and target respectively through joint finalization before 30 April of the current year.
 - (d) The Reporting Officer / individual will be involved in discussions for the finalization of individual goals.
 - (e) Individual goals and targets should be derived from unit goals with clear schedule i.e, upto 31 March next year for achieving the same.
 - (f) The resources required for achieving targets against individual goals will be discussed and finalized by the Reporting Officer and his next superior and the individual concerned during individual goal setting process.
 - (g) The goal setting process for the entire organization should be completed by 15 May of current year.
 - (h) Changes to goals once set will be permitted only under following conditions:-
 - (i) Change/transfer to other department/location.
 - (ii) Redundancy of goals so chosen in light of changes in the environment.

Personal Development Plan:

8. Based on the goals set for each employee, the personal development plan will be finalized through discussion between the employee concerned and his/her immediate superior, with target dates for completion. The following will be assured:-

PART- I COMPETENCIES (30% WEIGHTAGE)

Competencies:

11. Total 15 competencies have been identified and they are divided into Individual Qualities, Leadership Qualities and Professional Abilities. They are listed at Annexure-I. All the qualities are to be graded from 1 to 5. The marks allotment in relation to existing system of grading is as follows:

Outstanding	:- 5
Very Good	:- 4
Good	:- 3
Satisfactory	:- 2
Poor	:- 1

12. **Arriving at overall grading for competencies:** - Total marks for 15 qualities be totalled and average to be worked out as follows:-

(a) Example- I

$$\begin{array}{l} \text{Total Marks} \quad - 68 \\ \text{Average- } \frac{68}{15} = 4.5 \end{array}$$

PART- II- PERFORMANCE (70% WEIGHTAGE)

13. The performance parameters are divided into Part II A- Results and Part II-B-Processes followed.

Part II-A- Results:

14. Qualitative parameters with 50% weightage. This will include following parameters in the format shown below:

RESULTS

Sr. No.	Parameter	Previous year result	Targets for current year	Targets achieved	% increase/ Decrease + / -	Overall grading	Remarks
1	2	3	4	5	6	7	8
(a)	Distribution Loss Reduction						
(b)	Collection Efficiency Improvement						
(c)	Reduction in Arrears						
(d)	Rise in metered sale excluding agriculture						
(e)	Distribution Transformer Failure						
Overall Grading Part II-A:-							

(IT Statement and Targets set for the year duly authenticated by Ratee and reporting Officer be attached).

15. Award of Grading Part II-A:- To arrive at grading for each parameter the following guidelines will be followed:-

- (a) If result achieved is 25% more than target - 5
- (b) If result achieved is upto target set and upto 24% more - 4
- (c) If result achieved is between 75% to 99% of Target set - 3
- (d) If result achieved is between 50% to 74 % of Target set - 2
- (e) Below 50% of Target set be considered - 1

16. After grading each parameter, average for part II-A will be worked out upto one decimal and endorsed. e.g. 4.4.

Part II B- Process Followed:

17. Non quantifiable parameters leading to achieving targets set/improvement in performance are listed as below. This part will have 20% weightages.

Sr. No.	Parameter	Last years achievement (salient point only)	Current year achievements	Overall grading	Remarks
1	2	3	4	5	6
a)	Correction of Billing & Timely Billing				
b)	Theft drives undertaken i)Detection ii)FIR lodged iii)Compounding				
c)	RCI consumers added				
d)	Infrastructure planning and development				
e)	Asset capitalization				
Overall Grading Part II-B:-					

18. Overall Grading Part II-B:- The gradings to each parameter be awarded and average be worked out upto one decimal to arrive at overall grading for this part and to be recorded.

Overall Grading for the period of reporting:-

19. It will be total of part I, Part II-A and Part II-B grading with weight factor. The same to be worked out as per example given below:

Part	Average Marks	Wt.factor	Total
a) Part I	4.5	3	13.5
b) Part II-A	4.4	5	22.00
c) Part II-B	4.4	2	8.8
Total	-	-	44.3

Overall Grading $\frac{44.3}{10} = 4.33$ – Say 4.5

20. Final overall grading to be awarded as follows:-

- a) 4.6 to 5 - 5
- b) 4.1 to 4.5 - 4.5
- c) 3.6 to 4 - 4
- d) 3.1 to 3.5 - 3.5
- e) 2.1 to 2.5 - 2.5
- f) 1.6 to 2.0 - 2
- g) 1.1 to 1.5 - 1.5
- h) below 1.00 - 1

Part- III (MISCELLENOUS)

21. This part of CR will record following aspects.

- (a) Fitness to work in present post]
- (b) Aptitude for work in field or office]
- (c) Staying at HQs during the year of report] Descriptive, to be written
- (d) Moral reputation and integrity] in few lines.
- (e) Training Needs Identified]
- (Technical, Financial, HR etc.)]

22. Pen picture of Assessee:- Mandatory for all Reporting Officers. It should include aspects other than covered in assessment.

23. Dates of performance counselling carried out:-

- a) First (For setting Targets) -
- b) Second (Half yearly) -
- c) Any other -

24. Any shortcomings brought to the notice of Assessee:- The details may be endorsed if shortcomings have been communicated to assessee.

25. No change in columns of countersigning and assessing officers in the present CR form. However, it will be mandatory for these officers to mention about intimation received about likely outstanding report and if they wish to endorse outstanding, they need to write few lines justifying outstanding reports. For CRs of Executive Engineers necessary change for adding reviewing officers has been notified.

Conclusion:-

26. The procedure suggested above will bring objectivity in assessment. This will also add to clarify regarding what is to be achieved at each level. This will be followed for engineers working in field from year 2009 onwards. Review will be taken to modify parameters if any. The CR forms will be modified accordingly and Half Yearly Review form will be prepared and issued..

27. The PMS for employees other than engineers working in field is being worked out separately.

28. CR form for all engineers for the year 2008-09 to be initiated/reported as on 01 April 09 will be as per existing format only.

ANNEXURE-I

PART – I (QUALITIES/ ABILITIES)

- (a) Professional Knowledge
- (b) Creativity
- (c) Communication skill
(written & oral)
- (d) Physical & Mental fitness

Leadership Qualities

- (e) Managerial Abilities
- (f) Initiative & Drive
- (g) Decision Making
- (h) Team work/Co-operation
and social Adaptability
- (i) Emergency /Disaster
Management

Professional Abilities

- (j) Consumer and Industrial
Relation
(Behavior and problem solving)
- (k) HR Management
(Training, GAD issues and
Welfare)
- (l) Finance Management
- (m) Equipment Management
(Replacement, Repairs &
Maintenance)
- (n) Potential for Growth

ANNEXURE-I

PART – I (QUALITIES/ ABILITIES)

Individual Qualities

a) Practical /Effective Intelligence

1	2	3	4	5
Unimaginative	Clumsy	Adequate	Effective	Inventive/ creative

b) Professional Knowledge

Not understanding, lack reasons	Slow, inconsistent	Logical, adequate	Inquisitive clear headed	Very knowledgeable

c) Sense of Responsibility

Irresponsible	Easy going	Dutiful & obedient	Conscientious Faithful and Responsible	Highly Responsible

d) Communication Skill (written and oral)

Incoherent or Inadequate	Strained in expression	Expressive	Fluent	Eloquent and convincing

e) Physical & Mental stamina

Weak	Soft & Inadequate	Adequate	Tough	Indefatigable or very tough

Leadership Qualities

f) Managerial Ability

Submissive or Bullying	Mild	Convincing	Assertive	Inspiring

g) Initiative & Drive

Inert & Apathetic	Casual/ Forceless	Painstaking	Pushing/ enterprising	Zealous or Gogetter

h) Decision Making

Indecisive	Hesitant	Adequately sure	Fairly quick	Absolute certain/ very positive
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i) Team work,
Co- operation and
Social Ability

1	2	3	4	5
Selfish, uncooperative Inconsiderate	Individualistic aloof , unconcerned about others	Friendly, participating, sociable	Stands shoulder to shoulder, considerate and adjustable	Resilient, Goes out of way to help others and popular with team

j) Emergency or Disaster
Management

Confused, Fails to handle	Poor organizer & Hesitant	Can arrange, organize to some extent	Good Organizer and systematic	Thorough in handling and very resourceful

Professional Abilities

k) Consumer & IR
(Behavior & Problem
solving)

Irresponsible and no interest in welfare of workers	Slack, wavering	Fairly Attentive & Tries to solve problem	Responsible and maintains good IR	Very responsive , quick and resolute to solve problem

l) HR Management
(Behavior & problem
solving)

Obstructive and irresponsible	Careless and no knowledge	Fairly adequate in handling	Follows procedure and well conversant	Very knowledgeable , quick in handling HR issues.

m) Finance Management
(Accounts handling,
Cost Consciousness
and procedures)

Ignorant	Wasteful	Indifferent	Normally alert and conscious	Very systematic and resut oriented

n) Equipment Management
(Replacement , Repairs
& Maintenance)

Poor Handling	Indifference	Just adequate	Effective	Very effective

o) Potential for Growth

Unfit for next Assignment	Requires improvement	May be able to perform	Can handle higher jobs	High potential to grow