

Future of Performance Management System

Exclusive interaction between HR.com and Rajul Mathur, Consulting Head – Talent and Rewards India, Willis Towers Watson.



The Covid-19 pandemic's impact on market conditions has significantly affected organisations in India. Is India Inc on a recovery path?



India's GDP grew by 1.6% in Q1 of FY 22 as compared to 7.3% contraction in FY 21. All estimates by rating agencies have pegged the Indian economy to grow in the range of 8%-10% despite the effects of wave 2 of COVID-19 and the likely impact of wave 3. The pandemic has impacted various industries and business differently which means the recovery path for each will be different as well. How businesses and organisations respond to their unique set of challenges and adapt / transform themselves will determine the quantum of their recovery.



Do you think India is ready to continue with remote working, post-Covid-19? Also, what's your take on the hybrid workplace model? Do you think it will work well in India?



COVID-19 has triggered a change in the

way work is viewed around the globe.

According to Willis Towers Watson research, 52% of employees were expected to work from home (an increase of 38% over pre-pandemic levels), 24% work from anywhere (up 18%) and 26% work flexible hours (up 11%) going forward.

Several organisations in India have also released intent statements committing 30% to 50% of their employee population to continue to work from anywhere (home) even post the pandemic period.

Making remote working successful would be an iterative process for most companies. It will involve a well thought out definition of the hybrid working model, reimagining employee experience and wellbeing and resetting the leadership mindset, expectations and governance methodologies.



Several organisations around the globe are revisiting their approaches to employee performance management. How have performance goals and metrics changed today?



The approach to performance management needs to change in alignment with the change in the ways of working. Both performance definition and performance measurement will have to be more objective and definitive.

In future, it will be important to focus on outcomes and being flexible with teams on the

process to achieve those outcomes. I expect performance periods to be shorter and to have project-based work approach. They are also likely to have diverse and distributed teams, shorter governance timeframes and periodic check-ins.

Q **Has Covid-19 transformed the role of HR?**

A People related reasons have impacted business performance during the pandemic more than other aspects. As the people situation normalises, the recovery is expected to be fast (V shaped or U shaped).

In this situation, organisations that are able to define people strategies well will come out as leaders in the post-COVID world. More than ever before, Boards and CEOs have spent a large part of the last 12 months finding solutions for people related issues. Consequently, the role of HR in helping the CEO to co-create the business strategy in the context of a hybrid working model, human and machine integration and digitisation has been critical.

Q **What's your take on peer reviews and their role in the future of performance evaluations?**

A As stated earlier, performance processes will get more distributed and work will become more project and outcome based with diverse teams. Peer review will be the

norm. We are already seeing this happen in organisations.

Q **How will coaching and training evolve in the new normal of hybrid work environments?**

A From a leader or manager's perspective, leading people and business remotely has been challenging. Many were not trained or experienced for such a situation. Many are still not equipped to remotely monitor work and are challenged in terms of picking up non-verbal cues from team conversations (which are great indicators of motivation levels) or effectively manage team conflicts. Also, they are challenged in coordinating and balancing work demands, measuring individual productivity and generating buy-in on common goals and business direction.

Resilience, agility and empathy have emerged as key leadership differentiating competencies. Building these skills require awareness, training and ongoing support from employers. This presents a need for organisations and their HR teams to reconsider their capability and learning programmes.

Q **What are some of the trends shaping the future of performance management?**

A Performance management, for long, has been used as a compensation management tool. The process gave each individual employee a rating at the end of the year which was used by HR function to segment their reward and talent management programmes. The focus was more on the rigor of process

and outcomes. Technology platforms in performance management ensured that the process got e-enabled and efficient, but it made them transactional. Decision making got rolled up to regional or global heads based on overall business performance. The role of immediate managers become less, and the richness of his / her feedback was lost in process efficiency and numbers.

The future performance management process will need to deliver to the new workplace model requirements. It would also need to answer some additional questions. For instance, how is the process improving the capability of the organisation to deliver better performance on year on year basis? How is it helping the organisation in setting a culture of transparency and performance? Finally, in a user experience driven world, how is the experience of each stakeholder becoming engaging and rewarding each time the process is experienced?

The future of Performance Management System will be defined by whether it can provide good solutions to above expectations. If not, it will become immaterial to the organisation and lose relevance.

First published in [HR.COM](https://www.hr.com).

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