

Bharat Sanchar Nigam Limited
(Corporate Office)
Bharat Sanchar Bhavan, Janpath,
New Delhi-110 001.

No.: 3-6/2013-Restructuring

Dated: 27-09-2013

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To

All Heads of Territorial Circles,
Bharat Sanchar Nigam Limited

Subject: Implementation of IPMS for different roles of Executives in Territorial Circles and SSAs

Sir,

As you are aware that Performance Management System (PMS) is an important HR tool for promoting performance oriented culture in the organization. PMS comprises GPMS (Group Performance Management System), IPMS(Individual Performance Management System) and FPMS (Field Performance Management System) out of which GPMS and FPMS have already been implemented in BSNL on Pan India basis.

2. IPMS which has been implemented in Corporate Office, is now required to be implemented across the entire organization to facilitate transparent and objective assessment of performance of an individual.

3. To help the field units prepare IPMS scorecards for individual executives, a bank of Key Performance Indicator(KPIs) for various roles in different verticals for Circle offices as well as SSAs have been prepared and attached (File: IPMS_KPI_Bank_Territorial_Circles.xls for Circle office, File: IPMS_KPI_Bank_SSA.xls for SSA).

4. Also IPMS Scorecard templates for Head of Territorial Circle & SSA Head have been prepared and are attached (File : IPMS_Template_TerritorialCircle_Head.xls for Territorial circle Head, File: IPMS_Template_SSA_Head.xls for SSA Head)

5. With a view to implement IPMS in the field units, you are requested that

- (i) IPMS scorecards Template uploaded for Head of Territorial Circle and SSA Head may be finalized with proper weightage and targets against various KPIs.
- (ii) IPMS scorecards (with proper weightage and targets against various KPIs) for all the Executives in the Territorial Circle and SSA may be got prepared using the above mentioned KPI banks. and implemented in a time bound manner.

6. It is pertinent to mention that while devising IPMS scorecard of an executive performing different roles in the Circle/SSA, appropriate KPIs may be chosen from various KPI banks for different roles

but at the same time, it may also be kept in mind that IPMS scorecard should consist of a set of 6-8 Key Performance Indicators(KPIs) specific to the role(s) of an individual and aligned to organization's overall strategic direction. Further, if the need is felt by an Executive to add some other KPI(s) specific to their role in the IPMS scorecard, it may be added.

7. A brief showing details of PMS and methodology to design scorecard(Annexure-I) is enclosed for ready reference, please.

8. In this regard, a status up-date of implementation in the form of the 'Status Tracker' (Annexure-II) may be sent to Restructuring cell and E-mail at restg@bsnl.co.in by **15th November 2013**.

9. It is impressed upon all that IPMS is proposed to be an integral component of Performance assessment including the Annual Performance Appraisal process(APAR) of all Executives. **Such performance assessment would be referenced at regular intervals – monthly/quarterly/annually and would necessarily form the base of decision making in respect of individual officers both for official as well as personal considerations.** As such creation and follow up upon IPMS scorecards for ALL the Executives is a key and critical element of performance monitoring in the organization.

In case of any difficulty in implementation of above, this office may please be freely contacted or the matter may be discussed with the following officer:

Ms. PRABHA JI, DGM(Restg)
Mobile No.: 09868134447
E-mail Id.: dgmrestg@gmail.com

Encl.: As above

Copy to:
General Secretary of Associations

Copy for kind information:

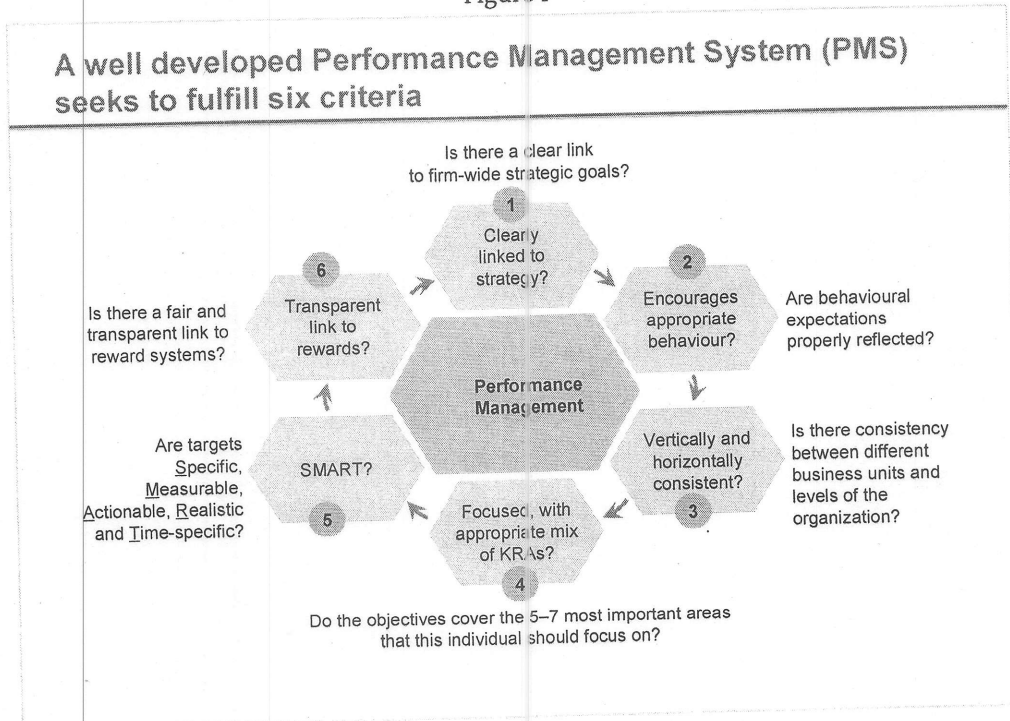
1. CMD, BSNL
2. Financial Directors, BSNL Board


(Neeraj Verma)
GM(Corp. Restg/WS &I)
30/9/13

Performance Management System

A Performance Management System (PMS) is a key HR tool used to promote a performance driven culture and to measure and incentivize desired behaviour.

Figure I



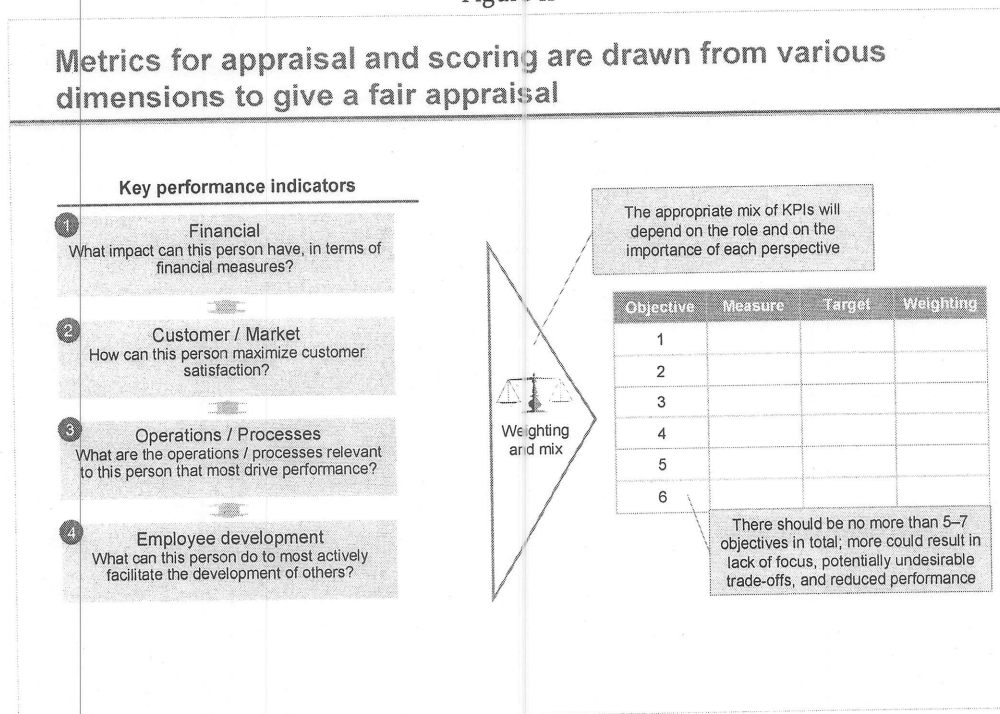
As shown in Figure I above, a well developed PMS has the following objectives:

- Clear linkage to strategy – The Performance Management System should drive people to work towards fulfilling the company's strategic objectives.
- Tool to encourage appropriate behavior – The system should motivate employees towards desired behavior to achieve the strategic objectives
- Consistency across Business Units (BUs) and levels of organization – The PMS should ensure that there is consistency in the kind of metrics being used horizontally (across different BUs) as well as vertically (at different levels of hierarchy within a BU). This is important to ensure fairness across levels and thus promote a healthy and competitive work environment.
- Focused – The PMS should not have a large number of metrics and should be limited to a number that the employee can focus on a day to day basis.
- Specific, Measurable, Actionable, Realistic and Time specific parameters – The metrics should not be ambiguous or difficult to measure. They should be under the

sphere of influence of the employee. The targets given should be stretched but realistic at the same time and should have a clear time frame defined to achieve them. Unrealistic targets can de-motivate the employees and create a feeling of pessimism.

- Transparent linkage to reward systems – The PMS should have a direct linkage to rewards and the top performing employees should be suitably rewarded.

Figure II



Furthermore, as shown in figure II, a Performance Management System consists of the following key elements:

- Key Performance Indicators (KPIs) – KPIs are the objective parameters which form the basis of any PMS. They are typically of 4 types: Financial, Customer/Market, Operations/Processes and Employee development. An appropriate mix of parameters based on these 4 dimensions forms the crux of any Performance Management System. These parameters are formulated depending on their importance for a particular role. For e.g., a role which is more operational in nature (say Network Operations) will have more parameters in the Operations/Processes dimension and a role of Sales and Marketing will have more parameters on the Financial and Customer/Market dimensions
- Weightage or weighting factor – Every KPI will have a weighting factor associated with it which signifies the parameter's importance in the overall scorecard. The scorecard for a role catering to financial parameters will have a higher weighting

factor for these KPIs to capture their importance. KPIs, along with the weighting factors, define a scorecard.

- Target – Once the KPIs and weighting factors are defined, the next step is to implement the scorecard. The defining of targets is the first step in implementing the scorecard. A realistic target should be set against every KPI in the beginning of the year. Setting of targets is the single most important activity once the KPIs and their weighting factors have been defined. The target setting exercise should take into account the potential which can be achieved. Targets should be stretched but not unrealistic in order to motivate the employees to put in effort to achieve them.
- Achievement – Once the targets are finalized, achievement data needs to be filled to evaluate the scores. The achievement is measured against the target to arrive at the score against a KPI.
- Score/Marks – The marks are calculated according to a pre-defined formula based on the target set and the achievement. The marks are calculated on a scale of 0 to 100 against every KPI.
- Weighted score – The marks obtained are multiplied with the weighting factor to arrive at the weighted score against every KPI
- Final score – The weighted scores against every KPI are summed up to arrive at the final score for the scorecard.

