



VALUE TALK

A MONTHLY NEWSLETTER BY ADD VALUE CONSULTANTS

Add Value Consultants is a leading Management Consulting Firm serving Indian Industries. This Newsletter is an endeavor to provide updates, understanding and sharing of global practices to the Business Owners, Mangers, Academicians and Executives.

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Editorial Note

Dear Readers,

It's time to celebrate as its been 5 years of our Monthly Management Newsletter "Value Talk". We the team Add Value Consultants heartily thank to all our readers, authors and the professionals who has contributed in making this newsletter a success for SMEs, Managers, Business Owners and Executives.

In this issue, we have covered an article on the critical HR practice for SMEs, "Performance Management System: Do's and Dont's" specially for Small to Medium size businesses. There are certain critical aspects while designing and implementing PMS, if these criteria are defined in a haphazard or wrong manner, it will lead to failure and won't generate the good results for organization and employees.

Don't miss out to read this article and seek help from an expert while designing the Performance Management system.

Regards,
Brinda Bhatt

PERFORMANCE MANAGEMENT SYSTEM: DO'S AND DON'T'S FOR SMALL BUSINESSES

Implementing a Performance Management System (PMS) in a small business can greatly enhance employee productivity, engagement, and overall success when it is properly defined and consistently applied.

However, there are several important factors to keep in mind to ensure a successful implementation.

Here's a breakdown of those do's and don'ts:

Do's:

1. Set Clear Goals and Expectations

Clearly define individual and team goals that align with the company's objectives. Ensure employees understand what is expected of them and how their performance will be measured.

2. Regular Communication

Foster open and consistent communication between managers and employees. Provide regular feedback on performance, highlighting strengths and areas for improvement. Communication is the key to successfully execute the PMS & engage employees.

3. Continuous Feedback

Encourage ongoing feedback rather than relying solely on annual or semi-annual reviews.

Also, Provide both positive reinforcement and constructive criticism.

4. Employee Involvement

Involve employees in setting their own goals and development plans. Allow them to voice their opinions and concerns about the performance management process.

5. Training and Development

Provide training and development opportunities to help employees improve their skills and achieve their goals. Support career growth and advancement within the company.

6. Recognition and Rewards

Recognize and reward outstanding performance through incentives, bonuses, or public acknowledgments. Ensure that rewards are fair and based on measurable achievements.

7. Consistency and Fairness

Apply the performance management process consistently across all

employees.

Managers and other professionals involved in monitoring and feedback must avoid bias or favoritism when evaluating performance.

Don'ts:

1. Neglecting Employee Input

Don't impose goals and expectations without involving employees in the process. Avoid a top-down approach that doesn't consider employees' insights.

2. Relying Solely on Metrics

Don't solely rely on quantitative metrics for evaluating performance. Take qualitative factors, teamwork, and collaboration into account.

3. Micromanagement

Don't use the PMS as a way to micromanage employees. Trust employees to manage their work while providing guidance and support.

4. Ignoring Development Needs

Don't focus solely on current performance without considering employees' long-term development needs.



Provide opportunities for skill enhancement and growth. A focused approach for training will help retain talent and boost productivity of the workforce.

5. Delaying Feedback

Don't wait for formal review periods to provide feedback. Regularly offer both positive and constructive feedback to help employees improve.

6. Lack of Managerial Training

Don't assume that managers inherently know how to provide effective feedback and manage performance. Train managers to give feedback, coach, and support their team members.

7. Unrealistic Expectations

Don't set unattainable goals that discourage employees.

Goals should be challenging yet achievable.

8. Using PMS for Punishment

Don't use the performance management system as a means to punish or discipline employees. Focus on improvement and growth rather than punishment.

When we talk about effective performance management system, it includes **Five** key components;

1. Planning
2. Monitoring
3. Developing
4. Rating
5. Rewarding

When these are defined and executed well across the organization, it can create

desired results for both Employees and Organization. Through PMS helps organization to build productive workforce, healthy work culture, employee engagement and increased retention ratio.

Remember that a successful Performance Management System is adaptable and can evolve as your business grows. Regularly assess its effectiveness and make necessary adjustments to ensure it continues to align with your business goals and the needs of your employees.

VALUE EVENTS :

JULY
26th
Wednesday

Speaker Meet

ROTARY MEANS BUSINESS FELLOWSHIP



Doing Business in European Market
by Chetan Bhojani

Venue: Sayaji Hotel Time: 7:30 A.M.

📞 Invite your Guest.. Only @ 600/-Contribution

Rtn. Hamir Odedara President 98254 88826	Rtn. Krunal Sheth Vice President 98250 50809	Rtn. Nishit Shah Secretary 98259 44119
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Rotary Means Business Jamnagar



A session on "**Doing Business in European Market**" organized by Rotary Means Business (RMB), Jamnagar on 26th July, 2023. The session was conducted by Mr. Chetan Bhojani, Founder & CEO, Add Value Group of Companies. We had a wonderful interaction with Business Owners and Managers of Jamnagar during the session.