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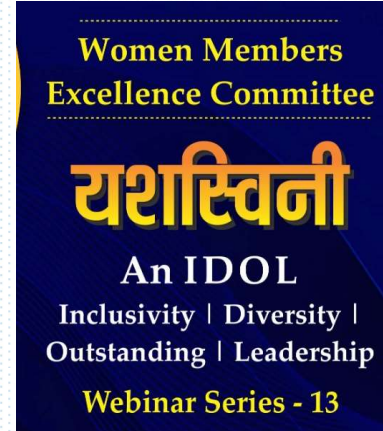


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# Performance Management & Appraisal – What , Why & How



by CA NISHA GALA



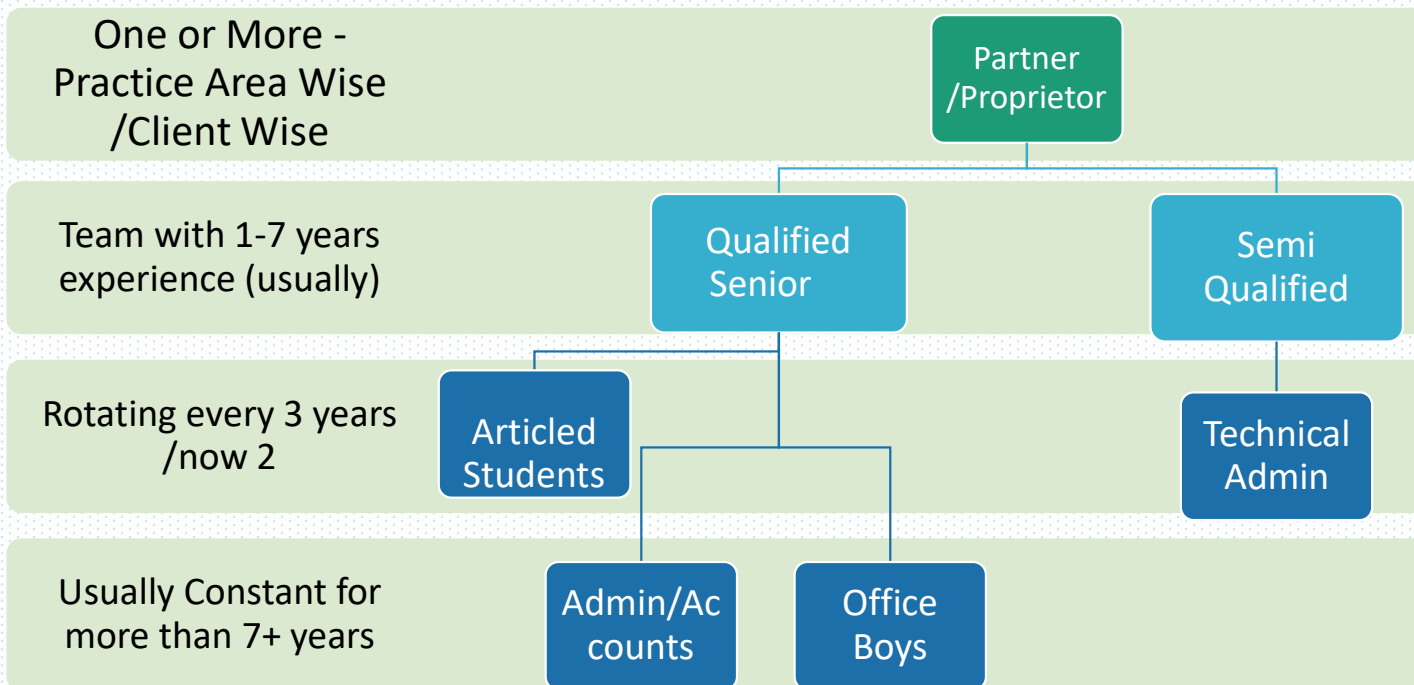


# The Simple Math !!!

# Not always .....



# GENERAL CA OFFICE STRUCTURE



- Similar/Different Roles / Responsibilities
- Similar nature of work /Different time frames
- Work may not directly be quantifiable or comparable. like in sales – no of units sold or marketing – no of new clients .



## SOME DAY TO DAY INSTANCES

**Eg.1 An employee writes accounts of the clients, manages TDS , GST returns and files IT return .  
The same person , doing the same job for a couple of years now . What is your reason for giving her a salary hike or not giving her desired raise ?**

**e.g. 2. A new recruit is expecting a salary ( as per the industry standards) which is almost equivalent to someone who is your team for past 4 years. How do you justify ?**

OTHERS .....

- Senior team members discontent with their salary hikes
- Low productivity , lack of willingness and zeal to perform
- Unavailability of required talent, scarcity of team
- Dealing with the new untrained workforce



Is it all about  
Remuneration ?

- HOW SHOULD ONE ASSESS THE PERFORMANCE ?
- HOW CAN ONE ACKNOWLEDGE EXTRA-ORDINARY EFFORTS?
- HOW CAN ONE MOTIVATE TEAM & KEEP THEM MOTIVATED ?

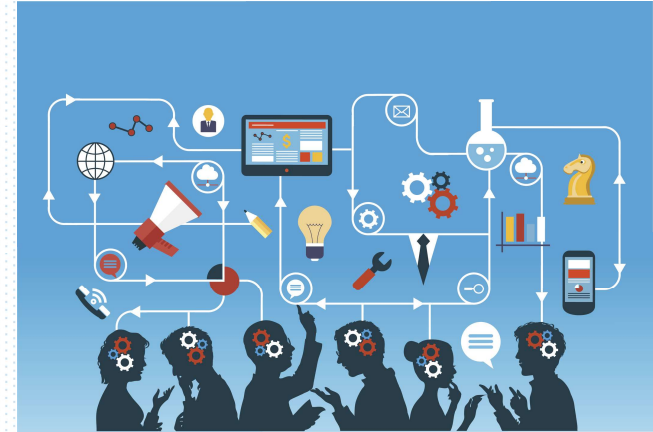


THOSE DEEP DROWNED IN EXECUTION , CAN ACTUALLY FOCUS ON THESE ASPECTS AND SPEND QUALITY TIME IN DEVELOPING A TEAM THAT WILL DELIVER



## QUESTIONS FOR SELF INTROSPECTION?

- Does your firm want to grow ?
- Have you charted out a definite growth plan ?
- Is there a visible growth in work flow ?
- Is managing team's expectations becoming challenging and stressful ?
- Is it becoming to take up new work because of unavailability of team ?
- Is employee cost increasing disproportionately with output ?
- Are you anxious about how AI will affect your team force ?
- IF answers to Most of this is YES ? , then a more structured process of Performance Evaluation System is inevitable ! LET's see HOW !!!



## Myths about Performance Management & appraisal



- **Myth** : It is a corporate thing, relevant for large organisations.
- **FACT** : *Having a structure and process is crucial irrespective of size of organisation*
- **Myth** : It is an activity by the HR team of the organisation  
**FACT** : *IT is a joint ownership and responsibility .The intention of the Management i.e Partner , Proprietor plays a pivotal role.*
- **Myth** : It is a time consuming, complex exercise
- **FACT** : *Once set, it makes decision making , monitoring, managing team seamless . The process mainly needs review and upgradation over a period of time.*

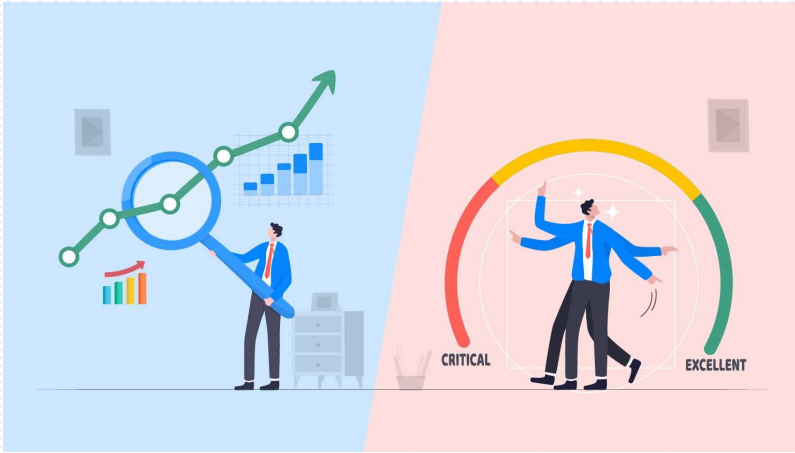


## Myths about Performance Management & appraisal

- Myth : Performance appraisals should always result in tangible rewards or consequences.
- Fact : Its Primary goal is to support employee development and improve performance. Focusing solely on rewards or punishments can undermine the effectiveness of the process



# Performance Management



Performance management is an **ongoing process** in which managers and employees regularly **communicate** to assess and review job responsibilities, expectations, performance, and development strategies.

- It is a **holistic approach** to employee development
- It evaluates the employee's performance **visavis the vision, mission, and goals of the organization.**
- The objective of performance management is **to offer feedback** based on the evaluation, It's **future oriented.**
- It can be **flexible** and the parameters can be customized for different teams based on role & hierarchy.
- The **mentor or senior** is directly responsible.
- It involves **two-way communication between employees and employers**



# Performance Appraisal

- Performance appraisal is **more structured and formal employee review system** It follows a template, standard, and set of rules.
- The performance appraisal process is usually conducted by the **HR department** of an organization
- Performance appraisal **is often but not always** linked to compensation, salary hikes, and promotions,
- The performance appraisal takes a **top-down approach** . Employees submit the required documentation, take assessments, and the management makes decisions on compensation

- Performance appraisal is about evaluating an potential for growth,
- It is an **individualistic approach**
- Performance appraisals are conducted **annually, semi-annually, or quarterly**
- Performance appraisal intends to identify if the employee has accomplished his goals. Its **Past eccentric.**



# Benefits of Performance Management & Appraisal

## For Employees

- Clear understanding of expectations.
- Opportunities for growth and development.
- Recognition

## For Managers

- Better alignment of individual and firm goals.
- Improved communication and morale.
- Data-driven decision-making.

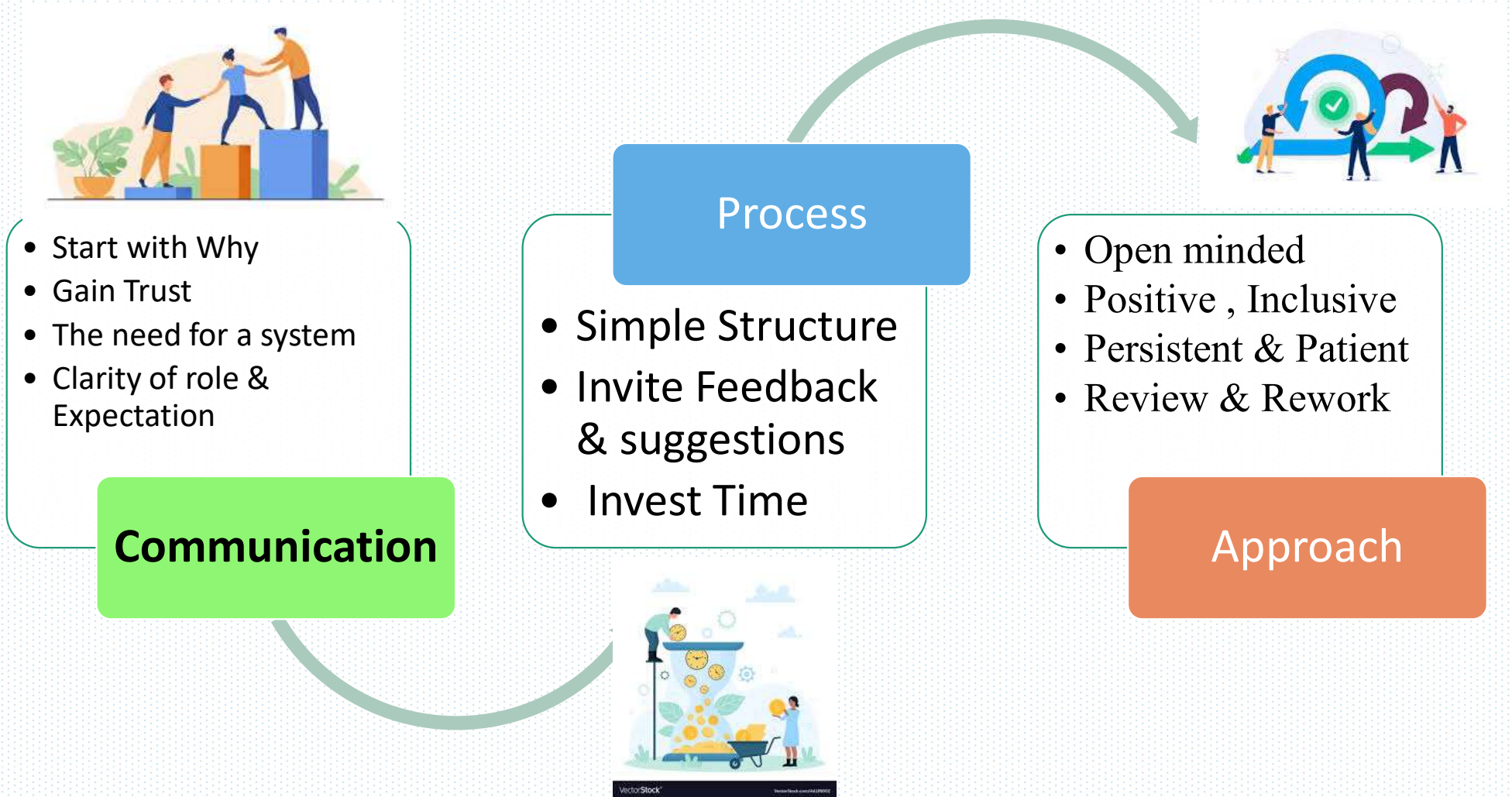
## For the Firm

- Increased productivity and performance.
- Enhanced employee engagement and retention.
- Identification of high-potential employees for succession planning





# HOW ? Where to start?



# NO ONE SIZE FITS ALL.

- ✓ A simple way to start would be to have an **Annual Goal Form** .Start with **3-5 SMART goals** ( **Specific , Measurable, Achievable , Relevant & Timely** ) Goals .
- ✓ Ask Team members to fill the Form diligently
- ✓ Discuss the form and share your expectations so that there is no conflict of understanding
- ✓ Review at regular intervals .
- ✓ Help and guide to encourage and push towards achieving the goals
- ✓ Acknowledge achievement and motivate when there is a setback
- ✓ Remember , It's a persistent effort !





# An illustrative list of parameters for performance appraisal

## DISCIPLINE & RESPONSIVENESS

- Punctuality
- Adherence to office policies
- Response time
- Upward Reporting

## INTERPERSONAL SETS

- Ability to grasp
- Problem solving initiatives
- Complexity of work handled
- Positive feedback from client
- Communication with client

## PROFESSIONAL SKILLS

- News areas of learning
- Development of Technology skills
- Academic updation
- Participation in outside training programs , seminars, webinars etc.

# Some quotes to ponder .....

- ❖ “Your performance depends on your people. Select the best, train them and back them.
- ❖ All organizations are perfectly designed to get the results they are now getting. If we want different results, we must change the way we do things.”
- ❖ When people are financially invested, they want a return. When people are emotionally invested, they want to contribute.”





# THANK YOU

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