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THE TIMES OF INDIA

## GSK drops Bell Curve appraisals

TNN | Dec 9, 2017, 04:00 AM IST

Mumbai: GlaxoSmithKline (GSK) will scrap the traditional appraisal system of its employees in favour of a new performance management mechanism, which includes regular dialogue and feedback. Called 'My Plan', the mechanism will roll out from January for over 1 lakh employees globally, including 8,500 employed across both its entities in India — GSK Pharmaceuticals and GSK Consumer Healthcare.

With this, GSK will join a growing number of consultancy and IT companies like KPMG, Microsoft, Accenture and Deloitte that have abandoned the Bell Curve — a rating system that compares employees' performance relative to others. GSK will shift from the existing PDP (performance development plan) to My Plan, which will include a record of objectives and development.

GlaxoSmithKline Pharmaceuticals VP (South Asia) and MD, A Vaidheesh, told TOI, "GSK believes that performance management is key to delivering our priorities of innovation, performance and trust (IPT). The new system allows us to have performance conversations more frequently, focused on clear outcomes. Also, regular coaching and development conversations are key aspects of this change with the aim to improve future performance of individuals. This system will play a key role in the delivery of our goal and our IPT priorities."

HR experts feel over the years the traditional performance appraisal mechanism has outlived its utility, and a more robust system is needed. Headhunting firm Executive Access' MD Ronesh Puri said, "Appraisals cannot be a yearly review system, there needs to be a continuous process of feedback to employees. Also, the entire appraisal process has become tedious and time-consuming, often spilling over to June-July, after being kicked off in March."

The new mechanism will not include the company's sales organisation. Last year, in one of the firsts in the pharma industry, GSK rolled out a new healthcare marketing code globally, under which target-linked incentives for its sales force were withdrawn.

"The idea is to have a regular performance dialogue with the objective of providing constructive feedback for better future performance and career development," a GSK executive elaborated. He added that objectives will be driven by specific outcomes in support of the business and aligned to company key performance indicators (KPIs) through monthly conversations. Though individual performance ratings will no longer exist, the company will still recognise the most impactful contributions to the business.

EMA Partners managing partner K Sudarshan said, "Real-time feedback to employees on performance is now gaining ground with many organisations, as against annual appraisal cycles. Also, the Bell Curve that evaluates employees on a relative scale or a forced ranking has been dispensed with by many organisations."

Ongmu Gombu, executive VP (HR), India subcontinent, GSK Consumer Healthcare, said, "Our new performance system of no ratings and regular developmental conversations has been introduced to embrace our new expectations and culture. Our aim is to ensure that all our employees have aligned objectives and are investing in their development. The new performance system and culture is about promoting teamwork and winning together, even as we continue to differentiate and drive high performance."