KRA Setting

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Presentation on setting of KRA's

Objective - *Draw out Key Result Areas*

Process   - Discussion and Deliberation

To Pick up core issue relating to Business

strategies/ Business Growth/Profitability

Customer Relation/ Employee Relation /

Retention/ Development

Mission Statement

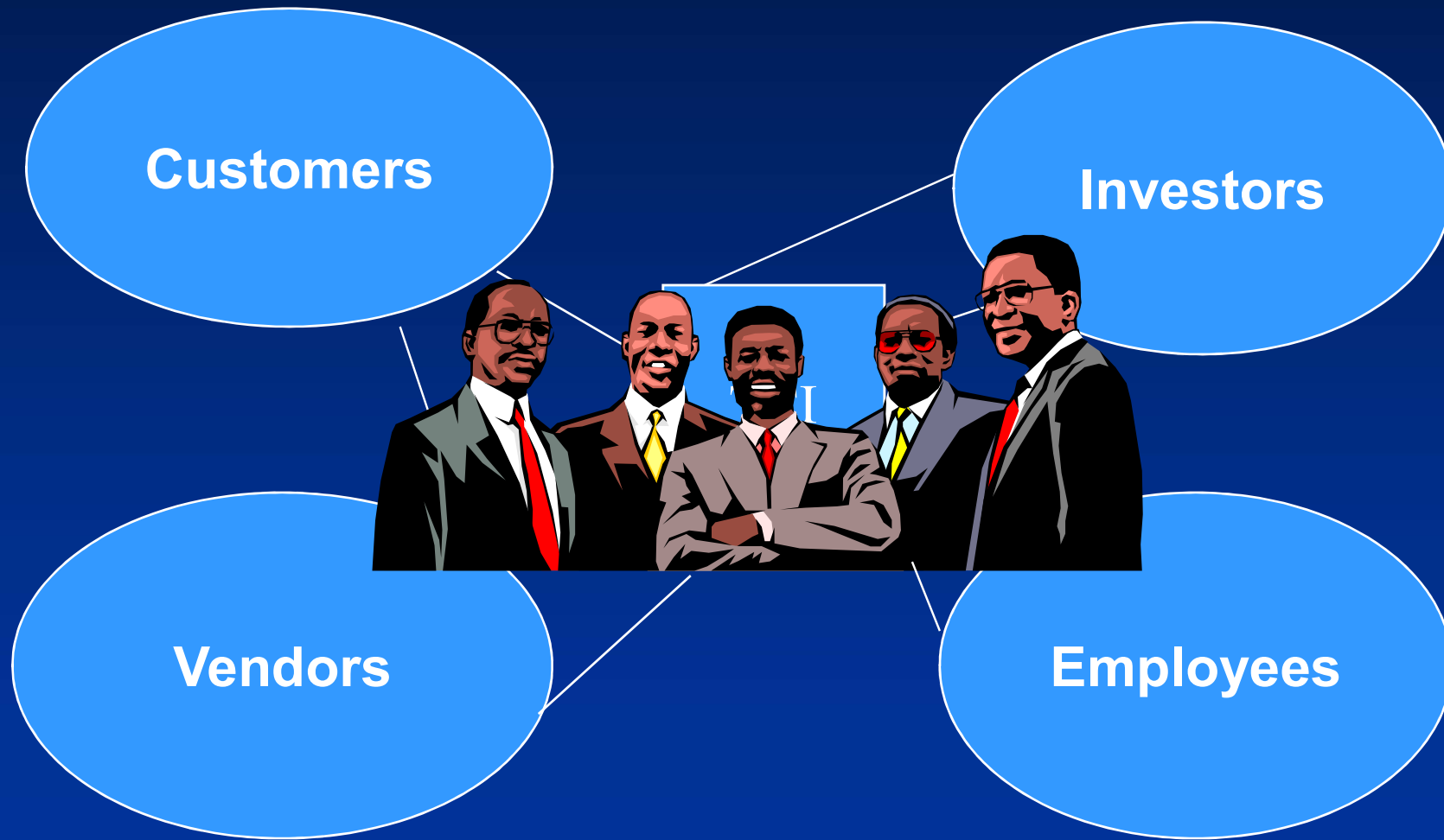"We will meet Global Standards for products and services that delight customer through;
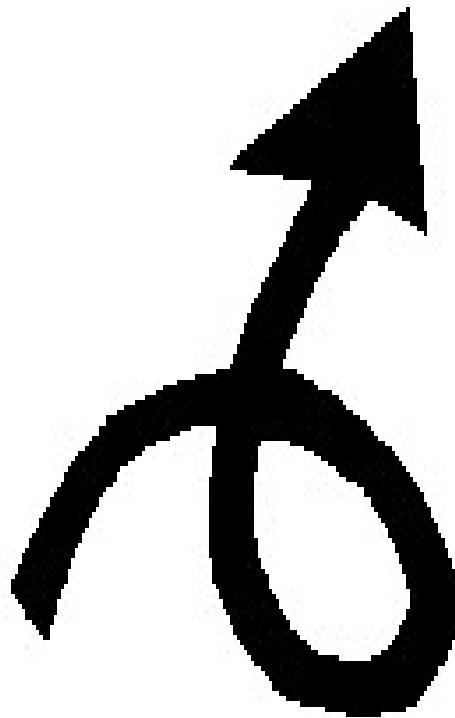
Customer Service Focus

Empowered Employees

Innovative Products & Services

Cost Efficiency "

Stake holders

Quantum leap

Workshop on KRA & Goal Setting

OBJECTIVES

This workshop will help participants to Appreciate the need and relevance of KRA and Goal Setting for individual and team excellence.

Provide insight into the process of KRA and Goal Setting in organizations.

Provide real time opportunity to participants to experience KRA and Goal setting process

Strategy for Change

Moving Towards a Dynamic Organisation

New Structure (Dynamic)

Shift Required towards

**Lean & Trim Organisation
Cross Functional work Group
Customer Focussed Business
Ownership of complete Process
Flat and empowered organisation
Competent/Trained Manpower
Quick Response Time &**

Flexibility

Strategy for Change

- Define Stretch Goals/Target for each function in terms of
  - Profitability
  - Business Growth
  - Outstanding Realization
  - Service level/Customer Satisfaction
  - Systems Development
  - Team Building and Employees Development
  - Overheads/Expenses
  - Communication - Internal/External
  - Day to Day Administration
- Involve Senior Management Team for achieving Goals
- Break the Stretch Goals into Function Goals
- Define the Current Status and desired Status

Strategy for Change

- Identify the Gaps and work on action plans
- Validation and Gap Analysis
- Identify the support and work on common give and common takes
- Linkages and Leveraging
- Monitoring Process   * Individual X Matrices
- Pledging Commitment
- Identify Key Drivers
- Identify Capabilities and Vulnerabilities
- Build Core competencies
- Quarterly review for understanding the direction

Role and Role Analysis

Role is the position a person occupies (in the organisation) as defined by function he performs, in response to the expectation of significant members in the organisation and his own expectation from that position. The concept of the role is vital for the integration of the individual with the organisation

It could be of two types

 - Role given

 - Role taken

Role Directory:

It is a document compiling the Key function, Critical attributes, and norms of the various key role

Thought Provokers for KRA Exercise

- *What is the thrust and focus for your function in alignment with the Goal*
- *What are the Responsibilities/accountabilities/authorities of your function?*
- *What can be the driving force for your function for the next 3 years*
- *What are the major project plan needed to achieve the organization requirement? How can you maximize on them?*
- *What are the feature of the current actions that have a hindering or detracting effect on the organization operating area*
- *What new or changed Strategies/action you may like to take*
- *How would you handle the external and internal pressures.*
- *What resources would you like to mobilize/deploy.*
- *What focus points /Key result area you may choose and at what stage.*
- *How can action be prioritized ?*
- *Is there a contingency planning required.'*
- *What will be the key stages and dates in implementation*
- *Defining the mile stone of your journey of excellence*

Key Result Area/Annual objective

- *Key result areas* are those where we feel that it will lead to quantum leap forward and/or critical for our success factors
- *Responsibilities* are the total basket of area assigned to an individual to look after as per role given/taken.
- *Accountabilities* are those which are measurable and critical for business success
- *Authorities* means freedom to take necessary decision/ power which are crucial to perform the assigned role.

The key result must talk about target date/process owner/output

What affects quality of Performance ?

GOAL CLARITY

ROLE CLARITY

PERIODIC FEEDBACK

PARTICIPATION   BY EMPLOYEES IN MANAGEMENT PROCESS

FAITH / BELIEF IN QUALITY PROCESSES/ KAIZEN: CONTINUOUS IMPROVEMENT

Performance Appraisal : components

JOINT GOAL SETTING KRAs, OBJECTIVES.

PERIODIC PERFORMANCE REVIEW (INCLUDING ANNUAL REVIEW).

PERFORMANCE ANALYSIS.

UNDERSTANDING FACILITATING & RESTRAINING FACTORS.

POSITIVE REINFORCEMENT.

JOINT ACTION PLANNING

Key Result Areas

KRA's indicate the Performance Areas where results are important.

- 80 - 20 PRINCIPLE
- ABC ANALYSIS
- VITAL FEW - TRIVIAL MANY

KRAs for an organization are derived from its Mission, Purpose, long Term & Strategic Objectives.

KRAs for a department are based on Corporate Objectives.

KRAs for a manager is identified with reference to department & Corporate Objectives.

Key Result Areas

KRAs are best expressed as nouns as they give greater clarity. Two- to-Three words are often sufficient. Adjectives are unnecessary because it is assumed that optimum results are expected in a KRA.

Key Result Areas indicate the present state of an organization's health and top management perspective for the future. KRAs contain the management's choice of appropriate strategies for the future.

Identification of the KRA's involves a process of creative thinking, and brain storming has been found to be a useful method for this, especially in the first round.

Key Result Areas

80 - 20 PRINCIPLE : PARETO PRINCIPLE

Vilfredo Pareto, a renowned economist discovered in late nineteenth century that 20% of the people in Italy controlled 80% of Italy's wealth. As a corollary, 80% of the people in Italy controlled 20% of Italy's wealth.

This and similar findings to the same effect are basis for what is now called 80 - 20 Principle.

Similarly, 20% of the inventory items often account for 80% of the total value; and 20% of a manager's time accounts for 80% of this results.

What are your 20% activities which produce 80% results ?

Key Result Areas

KRAs should focus on results and not on activities or tasks or functions. The manager should ask the question "why" to convert an activity into a result, up to the boundary of his job or the point where his control ends.

KRAs of a manager should represent his unique contribution to results. They should not be the KRAs of the organization or of his subordinates.

Each KRA should be relevant, in that it is directly concerned with success or failure of the job as a whole.

KRAs should mutually lead to specific objectives.

Key Result Areas

KRAs are related but focus of each KRA should be clear.

Each KRA should be reasonably independent so that unnecessary overlapping judgments do not occur.

The total number of KRAs for a job should not be so large that trivial items are included, nor should it be so small that excessive generalizations occurs.

Key Result Areas suggested By Drucker

(i)   Profitability.
(ii)   Market standing.
(iii)   Innovation.
(iv)   Productivity.
(v)   Worker Performance.
(vi)   Financial and Physical Resources.
(vii)   Manager Performance and Development.
(viii)   Public Responsibility.

Objectives: Components

An objective becomes specific when the statement includes the following four elements :

1. Quantity   -   (how much).
2. Quality   -   (how well).
3. Cost   -   (with what resources).
4. Time   -   (how soon).

Objectives: Components

In fact, each element acts as a constraint on the other.

Quality and cost are, however, more complex and often tend to be excluded from the statement of objectives.

The important aspect of cost element is to ascertain whether the proposed objective is to be achieved with the existing resources or additional resources will be required for it.

KRA Should pass the test SMART

S =   SPECIFIC
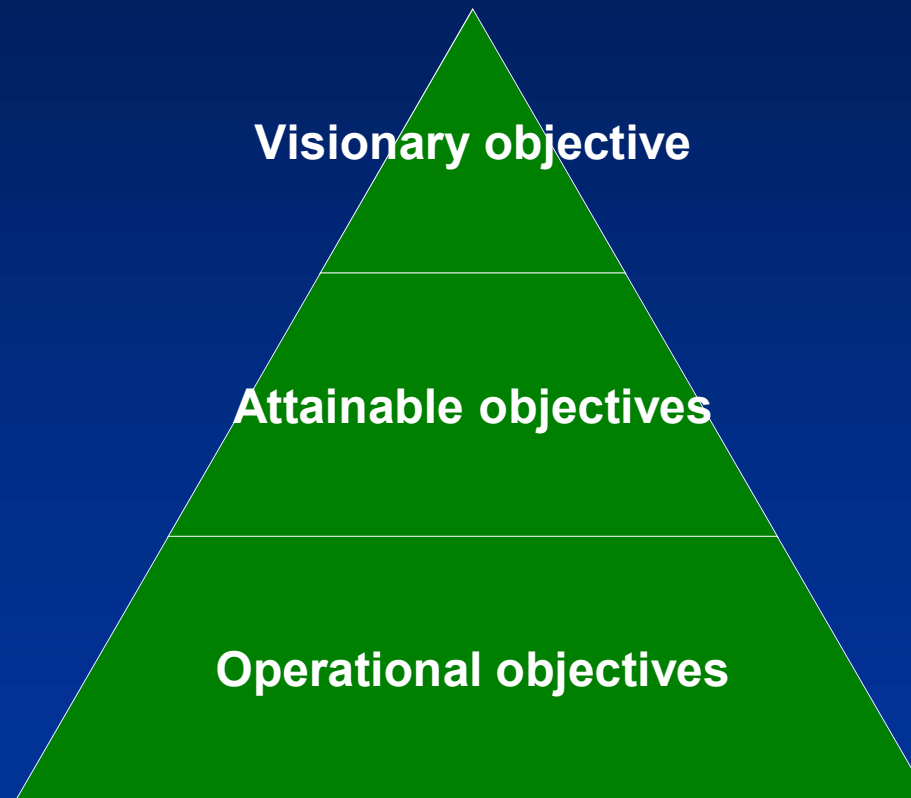
M =   MEASURABLE

A =   ACTION - ORIENTED

R =   REALISTIC

T =   TIME AND RESOURCE CONSTRAINTED

Objective Hierarchy

Corporate objective

Divisional objectives

Department objective
Work Group objective
Individual Manager objectives

Objective Hierarchy – Time Dimension

Concluding Note

Let us explore the organizational reality

Stretch out the unimaginable

Re-frame paradigms of thinking and perceiving and behaving

Resonate with synchronized energies

We at HR drives change through People…