HUMAN RESOURCES DEPARTMENT

PRACTICAL HR STRATEGY REPORT

Performance Management, Total Rewards, and Employee Engagement Strategy

Submitted by: Roshan

Student ID: PBM26037

Programme/Course: Bachelor of Business Administration and Management

Submission date: 24 October 2026

Table of Contents

Contents

Table of Contents 2

Executive Summary 3

1. Introduction 4

2. Theoretical Framework and Strategic HR Role 4

3. HR Operational and Data Analysis 6

4. Strategic HR Proposal and Implementation 9

5. Legal, Ethical and Change Management Discussion 10

6. Conclusion and Managerial Recommendations 12

Implementation Roadmap and Performance Dashboard 13

References 15

Appendix A: Performance Appraisal Framework 16

Appendix B: Total Rewards Framework and Illustrative Metrics 16

Appendix C: Sample OKRs and Review Template 18

Sample cross-functional OKR 18

Monthly check-in prompts 18

Executive Summary

This report combines all attributes into a go to the middle-of-the-road performance management, TRE and employee engagement approach for the competitive digital labor market. The main thesis is that performance management should not be a yearly raters' exercise. It should be continuous and be sustained by a link between priorities and clear objectives, timely coaching, development, fair reward and employee voice. The recommended model involves monthly check-ins, quarterly performance check-ins, selected 360-degree feedback, and is a form of Objectives and Key Results (OKR).

The report covers the goal setting theory, self-determination theory, equity, and organizational justice along with total rewards. It takes into account the Adobe Check-in model and studies on employee engagement. It suggests a blended around the clock competitive base pay, clear flexible variable compensation, benefits, recognition, learning, career opportunity, flexibility and wellbeing. The implementation plan takes 6 months, beginning with diagnosis and consultation, followed by a pilot, training of the manager and a staged rollout. Goals should be reviewed, quality should be measured, mobility should be tracked, turnover that is regretted should be measured, pay-equity indicators should be tracked, engagement should be measured along with business outcomes should be measured. Maintaining minimum employment standards, equal pay, non-discrimination, privacy and secure storage of appraisal information are necessary for legal compliance.

1. Introduction

Knowledge, judgement, relationships and adaptability of employees are important sources of performance in the organization. However, when expectations are not clear, feedback is too infrequent, ratings are based on subjective criteria, or rewards are based on individual performance and not cooperation, then systems can be poorly designed. Reward schemes can also be ineffective at helping to keep staff.

This report outlines a feasible HR plan, incorporating performance management, compensation, total rewards, engagement and retention. It covers the transition from annual appraisals to ongoing feedback, the possibilities and constraints of a 360-degree appraisal and OKRs. It then suggests operational processes and implementation steps and metrics for a hypothetical medium-size organization with multiple functions and various roles including both office and hybrid workers. It is an analytical rather than just descriptive approach. Best practice in performance management is to integrate goals, feedback, development and accountability; the best approach is dependent on job design and organization context (Chartered Institute of Personnel and Development [CIPD], 2026).

2. Theoretical Framework and Strategic HR Role

Strategic performance management transforms the organization's strategy into the contributions of individual team members and the organization as a whole. It is a continuous sequence of setting expectations, coaching performance, evaluating outcomes, building capability and making decisions on recognition and/or progression. It should enable objectives to change from time to time as the business changes in its condition. This is based on the definition of performance management provided by CIPD (2026) which covers objectives, feedback, learning, reviews and reward.

The criteria for measuring performance should be divided into three categories: task performance (core tasks), contextual performance (cooperation and knowledge sharing), and adaptive performance (learning and adapting to change). For instance, a sales person might have a revenue goal, but quality, conformance and customer satisfaction are all factors. A team analyst might be evaluated more based on the accuracy, collaboration and usefulness of the insight than based on the amount of information they provide in the report.

Goal-setting theory states that setting goals that are specific and challenging can enhance performance, if employees accept the goal, if they receive feedback, and if they have the ability and resources necessary to perform the goal. The beauty of the OKRs is that they can help set priorities by stating the objective, along with a few key results that are measurable. They are good for cross functional priorities as teams can visualize dependencies. But tight targets can lead to gaming, overtrading and ignoring unmeasured activities. OKRs are not a strict formula for pay, but rather a focus and learning tool. If all ambitious OKRs are a means to compensation, then workers can create easy goals or cover up issues.

The focus of self-determination theory is on autonomy, competence, and relatedness. Engagement is more likely to be sustained than through financial rewards, by meaningful choice, skill development and supportive relationships. Theories of equity and organizational justice are used to explain why employees make comparisons between their personal inputs and outcomes and those of others. The issues of distributive justice, procedural justice, and interactional justice involve fairness of outcomes, transparent and consistent decision making, and respectful explanations. A fair reward system in terms of both reward and process is, therefore, necessary.

Annual reviews can give a formal record, but are not frequently enough to make necessary changes swiftly as a stand-alone tool. Adobe says it will replace the traditional annual

reviews/ratings with its new Check-in process that focuses on continuous performance and career development conversations (Adobe, n.d.). It's a good case in point, but not evidence that the same model works elsewhere. In 360-degree feedback, the feedback is collected from managers, peers, direct reports and sometimes even from internal customers. It could uncover behaviors that are not visible by one supervisor. Poor questions, interpersonal conflict, lack of trust and the use of feedback as a straightforward ranking system, however, can undermine the quality of feedback. However, DeNisi and Kluger (2000) caution that feedback interventions are not necessarily beneficial, and could even be detrimental to performance. It is important that the organization should be selective in using 360-degree feedback only for positions where leadership and collaboration are an important part of the job and the questions need to focus on behaviors, confidentiality is needed, and a coached development discussion is held.

3. HR Operational and Data Analysis

The five stages of the proposed cycle are: Set priorities; Set goals and behaviors; Coach and remove obstacles; Evidence and development review; Recognition of contribution and planning next cycle. Each quarter, managers and staff agree on a few outcomes that are specific to the job. Progress, challenges, workload and support are the areas of monthly check-ins. Results and learning are recorded on a quarterly basis. If an annual summary is used to inform promotions or compensation, this should be based on evidence from the entire year and not the manager's most recent impression. The outcome and the processes used should be evaluated. Quality, quantity, customer/stakeholder outcomes, collaboration, compliance, learning and adaptability can all be part of a balanced scorecard.

Outcomes and means should be both the basis for and the measure of performance. Quality, quantity, customer or stakeholder outcomes, collaboration, compliance, learning and

adaptability are some of the items that may appear on a balanced scorecard. The following example of an office role weighting may be used: 50% results, 25% quality and customer outcomes, 15% collaboration and values, and 10% learning. These are design examples, not universal or science determined weights. Weightings are to be customized by job family and announced prior to the review period.

HR analytics can be used to verify if the process is being applied consistently and if it is actually helping to achieve desired results. Prior to launch, baseline data should be taken. These are evaluated through check-in completion, goal clarity, rating distributions, development access, voluntary and regretted turnover, internal mobility, engagement, rating by job level and demographically, (where legally allowed), and customer outcomes or quality. Careful interpretation of metrics is necessary, as a high completion rate doesn't mean that the conversation was helpful, while a lower turnover can be due to a poor labour market situation rather than better engagement. HR should cross check surveys, exit interviews, focus groups and operational data. Small groups to be reported should be restricted to those where individuals are not likely to be identifiable.

Total rewards are comprised of direct financial rewards, indirect financial rewards and non-financial rewards. Direct rewards are payment based on base salary, variable pay, commission and performance bonuses. Other means of reward may be subject to local law and package and include retirement benefits, leave, insurance, and family/friend support. Values of non-financial rewards are recognition, flexibility, meaningful work, development, career mobility, autonomy, inclusion and health workplace. Fair and competitive base compensation should be the first priority. Rewards (pay) adjustment is not a solution to salary inequities or mismanagement. Job evaluation, market information and skill requirements should be used as the

basis for pay ranges and there should be documented rules for exceptions. Reward systems based on performance can sometimes be motivational, but when they are based on narrow targets or deemed to be unfair, they can have a demotivational effect or encourage undesirable behaviour (CIPD, 2026). The organization should set out rules around salary reviews, describe what constitutes a bonus and who might be eligible, outline a process for reviews, educate managers about what evidence is required and how they should avoid bias, and audit any discrepancies in pay which cannot be explained. While calibration can help make things more consistent, it is not about forced ranking or negotiation for ranking.

Adobe's Check-in example is a case in point of moving away from an annual rating process to recurring discussions around contribution and career development. Adobe (n.d) says that they have quarterly discussions, a centralized record of objectives, and continuous feedback. The idea that a practical lesson should not be formal assessed is not the message, rather the idea of timely and useful performance discussion. Gallup's Relationship between Engagement and Multiple Organizational Outcomes: a 2024 Q12 meta-analysis (Gallup, 2024) included engagement and performance data for 347 organizations and 53 industries. It helps to track engagement as a business measure, but doesn't necessarily mean that one reward scheme will lead to greater productivity.

Study on the Management of performance in IT Multinational companies in India revealed that the employees had positive attitude towards the concept of goal setting and giving feedback to each other throughout the process but there was scope for improvement with respect to transparency, 360-degree feedback and timelines. (Tripathi et al., 2021).

4. Strategic HR Proposal and Implementation

The suggested model consists of Role Based Goals, Monthly Coaching, Quarterly Documented Review, Selective 360-degree Feedback, Fair Total Rewards and Employee Listening with Analytics. HR is responsible for policy, process design, training and audit. Coaching and evidence quality is owned by Line managers. Staff engage in goal setting, challenge and monitor barriers and track outcome and development. Senior leaders share priorities, demonstrate feedback practices and review overall fairness measure.

Two-way communication should be used during the monthly check-ins instead of form-filling. Managers should ask what is going well, what are some obstacles, if anything has changed, what do they need and what do they want to learn. Consider results, behaviours, context and development in quarterly reviews. The record should be capable of being modified by employees in response to comments. If the concern remains, the manager should establish clear expectations, give support and agree a period to review (one typically does not review at year end) a reasonable period of time.

Engagement efforts should involve a quick quarterly pulse survey on a variety of engagement factors including goal clarity, manager support, recognition, workload, development, fairness and intent to stay. Discuss results with teams, agree 1 or 2 practical actions to follow and monitor. Employee voice should also be through confidential reporting mechanisms, stay interviews for critical employees, planned exit interviews and clear internal job postings.

The total turnover should not be the only measure for the level of retention. HR should differentiate between regretted voluntary turnover, early tenure turnover, turnover by job family, and turnover that is a result of internal movement. If employees leave, due to limited growth,

develop career progression and mentoring. Test the competitiveness of pay and internal equity if it is pay that is the main concern. Increasing incentives is unlikely to resolve the problem if it is workload or management.

It is important to include a cross-functional steering group, with HR, finance, legal/compliance, operational leaders and employee representatives as a part of the group if applicable. When considering attaching a metric to pay before doing so, consider whether it is within the employee's reasonable sphere of control, accurately measurable, likely to lead to misbehavior, can be discriminatory, and susceptible to challenge should the evidence be incorrect. These questions enhance the commercial use and ethics of these.

5. Legal, Ethical and Change Management Discussion

Each jurisdiction has its own set of employment and equality law that employment practices need to be compliant with. The Equal Remuneration Convention (No. 100), 1951 of the International Labor Organization (ILO) is an international standard setting document that requires that men and women be paid equally for work of equal value, and that a system of objective job rating be established to implement this, (ILO, 1951). Local law may include requirements on minimum wages; working time, bonus entitlement, collective agreements, discrimination, disability accommodation, consultation, pay transparency.

Job evaluation should be based on skill, rather than stereotype, responsibility, effort and working conditions. Criteria must be work related and made known beforehand. Managers should take reasonable action and think about the protected leave or circumstances with a disability as a sign of a low commitment, not a reason for it. Pay, promotion and, performance improvement should be recorded in an unbiased and agreed method and be open to review.

Personal information is obtained in the form of ratings, feedback, development plans and survey responses through performance systems. Access should be role based; Data should be collected for specific reasons and held only for as long as there are reasons for it. Employees must understand what it contains, who can access it, how it's used and how to rectify any factual inaccuracies. The use of privacy legislation and consultation requirements must be adhered to.

While automated tools can structure feedback or look for trends, they also can reflect past discriminatory practices or give the impression of accuracy when it doesn't necessarily exist. The algorithmic score must not replace human judgment, since this is bound to fail. All analytics and AI should be validated for validity, accessibility and disparate impact; major decisions with human input and a rationale. If it isn't possible to maintain anonymity in a reasonable manner, then confidentiality cannot be guaranteed.

Ethical risks comprise favoritism, recency bias, halo effects, retaliation, inflated ratings, forced ranking and target gaming. Controls include manager training, multiple evidence sources, structured questions, calibration, employee comments and periodic audits. Where work is interdependent it should be included in team outcomes. The recognition should be available for employees in various roles and working arrangements as well as the highly visible employees. No wellbeing goodies will replace the need for proper wages, reasonable working schedules or safe working circumstances.

Change management should include a justification for the change, what will be different and how feedback will influence the change. When implementing a pilot, the organization can detect unclear criteria, technical issues as well as unintended implications before implementation. Managers should be trained and have time to engage in meaningful dialogue. In

the first cycle concentrate on learning and quality of process, not the high stakes of consequence according to metrics that are unfamiliar.

6. Conclusion and Managerial Recommendations

The performance and reward approach is an effective way to link organizational objectives with the employees' workday. Feedback is essential to rapid learning, but is not always effective on an annual basis without managers who are competent, employee confidence in the process and goals being achievable. 360-degree feedback should be used to enrich insight, but only for certain tasks, not mechanically; and OKRs can aid focus and alignment, but not mechanically.

Monthly coaching, quarterly evidence-based reviews, customized score cards for each role, and selective 360-degree feedback and fair total reward package are suggested. Financial rewards and recognition, flexibility, career development and employee voice. When we implement this six-month program, a path to practical implementation will be available that includes a training program, the pilot project, privacy protections, and a baseline dashboard.

Performance and fairness should be taken into account by management, because a system that gives a high rate of output but will yield mistrust and/or unethical behavior will not last. The managers should: 1) inform everyone the conditions underpinning each role for each cycle before the cycle; 2) separate managerial development from the automatic calculation of managerial bonuses; 3) set reasonable pay bands; 4) provide coaching to managers; 5) conduct audits for evidence; and 6) review and mitigate differences that cannot be documented; 7) measure against baseline indicators at 6 and 12 months. These steps enable HR to serve as a strategic partner in boosting performance and at the same time sensing the dignity and equality of employees.

Implementation Roadmap and Performance Dashboard

Table 1. Six-month implementation roadmap

Phase	Timing	Actions	Deliverables
Diagnose and design	Month 1	Review current appraisal, pay ranges, turnover, engagement and legal requirements; consult employees	Baseline dashboard, risk register, job-family map
Build framework	Month 2	Define competencies, scorecards, OKR guidance, check-in prompts, reward principles and appeal route	Approved policy and templates
Train and pilot	Month 3	Train managers in coaching, bias awareness and documentation; pilot in two teams	Training completion and pilot feedback
Refine	Month 4	Review evidence, workload and rating patterns; adjust goals and forms	Updated framework and change log
Roll out	Month 5	Launch organisation-wide; explain process and publish FAQs	Adoption rates and quality pulse
Evaluate	Month 6	Compare outcomes and fairness indicators with baseline	Leadership report and improvement plan

Table 2. Suggested HR dashboard

Indicator	Definition / frequency	Interpretation
Goal clarity	Quarterly employee pulse score	Low results may indicate unclear or conflicting priorities
Check-in quality	Pulse rating and sample audit of agreed actions; quarterly	Completion alone does not prove usefulness
Regretted voluntary turnover	Critical-role voluntary exits / average headcount; monthly and quarterly	Segment by tenure, role and reason where lawful
Internal mobility	Share of vacancies filled internally; quarterly	Review alongside skills availability and fairness
Pay equity	Review unexplained pay differences by comparable role/level; twice yearly	Investigate differences; raw averages alone do not prove discrimination
Engagement	Consistent pulse index and response rate; quarterly	Protect confidentiality and aggregate small groups
Business quality	Role-relevant quality, customer, safety or compliance measures; monthly	Balance volume with quality and ethical conduct

References

Adobe. (n.d.). How Adobe continues to inspire great performance and support career growth. https://www.adobe.com/check-in.html

Chartered Institute of Personnel and Development. (2026, January 29). Performance management: An introduction. https://www.cipd.org/en/knowledge/factsheets/performance-factsheet/

DeNisi, A. S., & Kluger, A. N. (2000). Feedback effectiveness: Can 360-degree appraisals be improved? Academy of Management Perspectives, 14(1), 129–139. https://doi.org/10.5465/AME.2000.2909845

Gallup. (2024, July). Q12 meta-analysis: The relationship between engagement at work and organizational outcomes (11th ed.). https://www.gallup.com/workplace/321725/employee-engagement.aspx

International Labour Organization. (1951). Equal Remuneration Convention, 1951 (No. 100). https://www.ilo.org/global/standards/WCMS_066951/lang--en/index.htm

Tripathi, R., Thite, M., Varma, A., & Mahapatra, G. (2021). Appraising the revamped performance management system in Indian IT multinational enterprises: The employees' perspective. Human Resource Management, 60(5), 825–838. https://doi.org/10.1002/hrm.22061

Giamos, D., Doucet, O., & Léger, P.-M. (2024). Continuous performance feedback: Investigating the effects of feedback content and feedback sources on performance, motivation to improve performance and task engagement. Journal of Organizational Behavior Management, 44(3), 194–213. https://doi.org/10.1080/01608061.2023.2238029

Appendix A: Performance Appraisal Framework

The following framework is a practical template. Adapt measures to the job family and agree expectations before the review period.

Assessment area	Illustrative weighting	Evidence examples	Discussion prompt
Agreed outcomes / OKRs	40–50%	Deliverables, quality data, project milestones, customer outcomes	What was achieved and what evidence supports the result?
Quality and risk	15–25%	Accuracy, rework, compliance, safety or service quality	Were outcomes achieved responsibly?
Collaboration and behaviours	15–25%	Peer input, stakeholder feedback, knowledge sharing	How did the employee contribute to team effectiveness?
Learning and adaptability	10–15%	Skills gained, applied learning, response to changing priorities	What capability was developed and applied?
Development plan	Not automatically scored	Learning actions, mentoring, stretch assignments	What support or opportunity is needed next?

Suggested rating descriptions: 1 = substantially below expectations; 2 = partly meets expectations and requires targeted support; 3 = consistently meets expectations; 4 = frequently exceeds expectations with evidence; 5 = exceptional and sustained contribution with wider impact. Ratings should be interpreted against role, resources and agreed goals, and should not rely on a single uninvestigated incident.

Appendix B: Total Rewards Framework and Illustrative Metrics

Category	Examples	Fairness / effectiveness check
Direct financial	Base salary, increment, bonus, commission	Published eligibility, job evaluation, equity audit
Indirect financial	Retirement benefits, insurance, paid leave and other benefits offered or required	Check eligibility and local legal requirements
Recognition	Peer recognition, manager acknowledgement, quality/team awards	Avoid popularity contests; include less visible roles
Career and learning	Training, mentoring, certifications, internal vacancies	Track fair access to development
Work design and wellbeing	Flexibility, autonomy, manageable workload, safe workplace	Measure workload; do not mask structural problems with perks

Illustrative targets should be set after baseline measurement: improve goal-clarity score by 8 percentage points within two quarters; achieve 90% monthly check-in completion while auditing quality; reduce regretted voluntary turnover by 10% over twelve months; and review all material pay disparities identified by the equity audit. These are proposed targets, not claims about existing performance.

Appendix C: Sample OKRs and Review Template

Sample cross-functional OKR

Objective: Improve the reliability and quality of customer delivery.

Key Result 1: Improve on-time delivery from the Month 1 baseline to the approved quarterly target.

Key Result 2: Reduce avoidable rework while maintaining compliance and customer-quality standards.

Key Result 3: Complete a monthly root-cause review for each material service failure and assign an owner and due date.

Key Result 4: Improve customer feedback from baseline without increasing employee overtime or unresolved safety concerns.

Monthly check-in prompts

- What progress has been made against agreed priorities?
- What has changed in workload, resources, customers or dependencies?
- What barriers can the manager or organisation remove?
- What feedback or recognition would help?
- What learning or career action should happen before the next check-in?
- What actions were agreed, who owns them and by when?