UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May 2019

Course: **Performance Management**   **Semester: II**
Programme: MBA (GM)   **Code: HRES 7009**
Time: 03 hrs.   **Max. Marks: 100**
Instructions:

SECTION A
All sections are compulsory. (20 Marks)

S. No.		Marks	CO
Q 1	All of the following are possible benefits of a performance management system EXCEPT: A. Protection from lawsuits B. Employees become more ethical C. Employees become more competent D. The definitions of job and criteria are clarified	2	CO 1
Q 2	Which of the following is a possible danger of a poorly implemented performance management system? A. Salaries must be increased. B. Poorly performing employees will always stay at the organization. C. No time or money is spent on the system. D. Motivation to perform is decreased.	2	CO 1
Q 3	Tangible returns include: A. Base pay B. Learning opportunities C. Respect from coworkers D. None of the above	2	CO 1
Q 4	Relational returns include: A. Income protection B. Recognition and status C. Challenging work D. B and C	2	CO 1
Q 5	Pay that focuses on position and duties performed rather than on a specific individual's contribution is called: A. Base pay B. Pay raises C. Salary D. Relational returns	2	CO 1
Q 6	Pay added to base pay that depends upon an employee's performance is called: A. An allowance B. Contingent pay C. Relational return D. A benefit	2	CO 1
Q 7	All of the following are characteristics of an ideal performance management system EXCEPT: A. Reliability B. Meaningfulness C. Inexpensive D. Thorough	2	CO 1

Q 8	A purpose of a performance management system is to: A. Get rid of poorly performing employees B. Provide documentation C. Increase profits D. Give the HR department something to do	2	CO 1
Q 9	An ideal performance management system is correctable. What does this mean? A. If an employee is dissatisfied with a rating, it will be changed. B. If an employee is dissatisfied with a rating, there is a process to appeal the rating decision. C. An ideal performance management system is not correctable. D. None of the above is correct.	2	CO 1
Q 10	In what manner is performance management typically similar around the world? A. Standardization of performance measurement B. Emphasis on behavior versus results of employee performance C. Interpersonal aspects D. None of the above	2	CO 1

SECTION B (20 Marks)
Attempt any four

Q 11	You want to transition your organization's performance appraisal system into a performance management system. Write a half page memo to your supervisor describing the advantages of having a well-designed, properly implemented performance management system.	5	CO2
Q 12	Organizations can reward employees in several ways. Please list and describe five possible rewards that employees can receive and explain when an organization should use each reward.	5	CO2
Q 13	There are several characteristics of an ideal performance management system. Please discuss each characteristic of an ideal system and explain how an organization can achieve each characteristic. (For example, one characteristic of an ideal PM system is that it is reliable. An organization can make its system reliable by ensuring that performance measures are consistent across equally or similarly qualified judges and free of error.)	5	CO3
Q 14	What are some important issues to consider for the successful implementation of performance management systems in India?	5	CO3
Q 15	List the possible contributions of a good performance management system.	5	CO1
Q 16	What is contextual congruency? How does it differ from strategic congruency?	5	CO1

SECTION-C (30 marks)
Attempt any two

Q 17	Performance management is an ongoing process including the interrelated components of prerequisites, performance planning, performance execution, performance assessment, performance review, and performance renewal and contracting. Please explain how the poor implementation of a phase in the process or how a disrupted link between any of the phases will have a negative impact on the performance management process as a whole.	15	CO 3
Q 18	Construct a plan for a post-appraisal interview with an employee who has performed poorly.	15	CO 2
Q 19	Explain how you would use the alternation ranking method, the paired comparison method, and the forced distribution method.	15	CO 3

SECTION-D (30 marks)

Performance Management at Network Solutions, Inc.

Network Solutions, Inc.is a worldwide leader in hardware, software, and services essential to computer networking. Until recently, Network Solutions, Inc., used more than 50 different systems to measure performance within the company, many

employees did not receive a review, fewer than 5% of all employees received the lowest category of rating, and there was no recognition program in place to reward high achievers. Overall, it was recognized that performance problems were not being addressed, and tough pressure from competitors was increasing the costs of managing human performance ineffectively. In addition, quality initiatives were driving change in several areas of the business, and Network Solutions decided that these initiatives should also apply to "people quality." Finally, Network Solutions wanted to improve its ability to meet its organizational goals and realized that one way of doing this would be to ensure that they were linked to each employee's goals. Given this situation, in 2001, Network Solutions' CEO announced that he wanted to implement a forced distribution performance management system in which a set percentage of employees were classified in each of several categories (e.g., a rating of 1 to the top 20% of performers; a rating of 2 to the middle 70% of performers; and a rating of 3 to the bottom 10% of performers). A global cross-divisional HR team was put in place to design and implement the new system. The first task for the design team was to build a business case of the new system by showing that if organizational strategy was carried down to team contributions and team contributions were translated into individual goals, then business goals would be met. Initially the program was rolled out as a year-round people management system that would raise the bar on performance management at Network Solutions by aligning individual performance objectives with organizational goals by focusing on the development of all employees. The desired outcomes of the new system included raising the performance level of all employees, identifying and retaining top talent, and identifying low performers and improving their performance. Network Solutions also wanted the performance expectations for all employees to be clear. Before implementing the program, the design team received the support of senior leadership by communicating that the performance management system was the future of Network Solutions and by encouraging all senior leaders to ensure that those reporting directly to them understood the process and accepted it. In addition, they encouraged senior leaders to use the system with all of their direct subordinates and to demand and utilize output from the new system. Next, the design team encouraged the senior leaders to stop the development and use of any other performance management system and explained the need for standardization of performance management across all divisions. Finally, the team asked senior leaders to promote the new program by involving employees in training of talent management and by assessing any needs in their divisions that would not be addressed by the new system. The Network Solutions global performance management cycle consisted of the following process:
1. Goal cascading and team building
2. Performance planning
3. Development planning
4. Ongoing discussions and updates between managers and employees
5. Annual performance summary

Training resources were made available on Network Solutions' intranet for managers and individual contributors, including access to all necessary forms. In addition to the training available on the intranet, 1- to 2-hour conference calls took place before each phase of the program was begun. Today, part of the training associated with the performance management system revolves around the idea that the development planning phase of the system is the joint year-round responsibility of managers and employees. Managers are responsible for scheduling meetings, guiding employees on

preparing for meetings, and finalizing all development plans. Individual contributors are responsible for documenting the developmental plans. Both managers and employees are responsible for preparing for the meeting, filling out the development planning preparation forms, and attending the meeting. With forced distribution systems, there is a set number of employees that have to fall into set rating classifications. As noted, in the Network Solutions system employees are given a rating of 1, 2, or 3. Individual ratings are determined by the execution of annual objectives and job requirements as well as by a comparison rating of others at a similar level at Network Solutions. Employees receiving a 3, the lowest rating, have a specified time period to improve their performance. If their performance does improve, then they are released from the plan, but they are not eligible for stock options or salary increases. If performance does not improve, they can take a severance package and leave the company or they can start on a performance improvement plan, which has more rigorous expectations and time lines than did the original action plan. If performance does not improve after the second period, they are terminated without a severance package. Individuals with a rating of 2 receive average to high salary increases, stock options, and bonuses. Individuals receiving the highest rating of 1 receive the highest salary increases, stock options, and bonuses. These individuals are also treated as "high potential" employees and given extra development opportunities by their managers. The company also makes significant efforts to retain all individuals who receive a rating of 1.Looking to the future, Network Solutions plans to continue reinforcing the needed cultural change to support forced distribution ratings. HR Centers of Expertise of Network Solutions continue to educate employees about the system to ensure that they understand that Network Solutions still rewards good performance; they are just measuring it in a different way than in the past. There is also a plan to monitor for and correct any unproductive practices and implement correcting policies and practices. To do this, Network Solutions plans on continued checks with all stakeholders to ensure that the performance management system is serving its intended purpose. Consider Network Solutions' performance management system in light of what we discussed as an ideal system. Then answer the following questions:

Q 20	Overall, what is the overlap between Network Solutions' system and an ideal system?	5	CO 1,2,3,4
Q 21	What are the features of the system implemented at Network Solutions that correspond to the features described in the chapter as ideal characteristics? Which of the ideal characteristics are missing? For which of the ideal characteristics do we need additional information to evaluate whether they are part of the system at Network Solutions?	10	CO 1,2,3,4
Q 22	Based on the description of the system at Network Solutions, what do you anticipate will be some advantages and positive outcomes resulting from the implementation of the system?	10	CO 1,2,3,4
Q 23	Based on the description of the system at Network Solutions, what do you anticipate will be some disadvantages and negative outcomes resulting from the implementation of the system?	5	

Name:		
Enrolment No:		

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SECTION A
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S. No.		Marks	CO
Q 1	_____ is a continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization. A. Strategic planning B. Performance management C. Reward system D. Performance appraisal	2	CO 1
Q 2	Dangers of a poorly implemented performance management system include all of the following EXCEPT: A. Increased emphasis on behaviors rather than results B. Lawsuits/internal complaints of discrimination C. Biased performance ratings D. Decreased employee motivation	2	CO 1
Q 3	When employees of an organization do not see the PM system as fair, the organization may witness from its employees all of the following EXCEPT: A. Job burnout B. Lowered self-esteem C. Increased turnover D. Lawsuits	2	CO 1
Q 4	Income protection programs include: A. Pension Plans B. Medical Insurance C. Social Security D. All of the above	2	CO 1
Q 5	_____ focuses on positions and duties, rather than on an individual's contribution. A. Contingent pay B. Base pay C. Cost-of-living adjustments D. Short-term incentives	2	CO 1
Q 6	The _____ purpose of PM systems is to furnish valid and useful information for making employment decisions including salary adjustments, promotions, and terminations. A. strategic B. informational C. administrative D. developmental	2	CO 1
Q 7	Information gained from the organizational maintenance purpose of a PM system is used for all of the following EXCEPT: A. Workforce planning		

	B. Evaluating the effectiveness of job descriptions C. Evaluating the effectiveness of HR programs D. Creating talent inventories		2	CO 1
Q 8	Performance management systems should be thorough, meaning that: A. All employees should be evaluated B. An employee's flaws should be discussed at length C. The review should cover the entire review period D. A and C		2	CO 1
Q 9	An ideal PM system is _____, which means that performance is evaluated and feedback is given on an ongoing basis, the appraisal meeting consists of two-way communication, and performance standards are clear. A. open B. standardized C. ethical D. specific		2	CO 1
Q 10	PM system information is important for the effective implementation of which of the following HR function(s)? A. Workforce planning B. Training C. Recruitment and selection D. All of the above		2	CO 1

SECTION B (20 Marks)
Attempt any four

Q 11	Explain in your own words how you would go about developing a behaviorally anchored rating scale.		5	CO2
Q 12	Compare and contrast performance management and performance appraisal.		5	CO1
Q 13	How can the developmental and administrative uses of performance appraisals conflict?		5	CO3
Q 14	What advice would you give to an organisation that is seeking to introduce PRP in order to maximise success?		5	CO2
Q 15	Design a mix of objectives for teachers which meet some of the required teaching standards. The objectives set for each teacher have to be SMART (Specific, Measurable, Achievable, Realistic and Time-bound) and be appropriate to the teacher's role and level of experience.		5	CO3
Q 16	Explain the similarities and differences between the behavioral approaches to performance appraisal and management by objectives (MBO).		5	CO1

SECTION-C (30 marks)
Attempt any two

Q 17	Performance management is an ongoing process including the interrelated components of prerequisites, performance planning, performance execution, performance assessment, performance review, and performance renewal and contracting. Please explain how the poor implementation of a phase in the process or how a disrupted link between any of the phases will have a negative impact on the performance management process as a whole.		15	CO 2
Q 18	Why is it often difficult, in practice, for the organisation to set out explicitly what it perceives its own psychological contract to contain?		15	CO 3
Q 19	Explain how you would use the alternation ranking method, the paired comparison method, and the forced distribution method.		15	CO 3

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