UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2022

Course: Performance Management   Semester: III
Programme: MBA (HRM)   Time: 03 hrs.
Course Code: HRES 8014   Max. Marks: 100
Instructions:

SECTION A
All sections are compulsory. (20 Marks)

S. No.		Marks	CO
Q 1	____ is a continuous process of identifying, measuring and developing performance in organizations by linking each individual's performance and objectives to the organization's overall mission and goals. 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 employee motivation. B. lawsuits. C. biased performance ratings. D. decreased employee motivation.	2	CO 1
Q 3	____ is given to employees in exchange for work performed, and it 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 4	Which of the following are primarily the responsibilities of the supervisor in terms of performance execution? A. Regular performance feedback and coaching B. Observation and documentation C. Reinforcement D. All of the above E. B and C only	2	CO 1
Q 5	Which of the following are primarily the responsibilities of the employee in terms of performance execution? A. Communication with supervisor B. Collection and sharing of performance data C. Commitment to goal achievement D. All of the above	2	CO 1

Q 6	"KSA" refers to ------- A. Knowledge, social skills, and aptitude B. Knowledge, skills, and abilities C. Knowledge, skills, and agility D. Knowledge of situation and action	2	CO 1
Q 7	Job descriptions are a key prerequisite for any performance management system because: A. Without them, employees will not "buy in" to the system. B. Performance management systems are not applicable unless certain job elements are present. C. They provide the criteria that will be used in measuring performance. D. They provide information to employees as to what tasks are most important in their jobs.	2	CO 1
Q 8	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 programmes. D. creating talent inventories	2	CO 1
Q 9	In the performance planning stage, the term "results" refers to---- A. Customer reactions B. Ratings that result from performance C. Customer complaints resulting from performance D. Outcomes an employee must produce	2	CO 1
Q 10	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

SECTION B (20 Marks)

Q 11	What are some important issues to consider for the successful implementation of performance management systems in India?	5	CO2
Q 12	What is contextual congruency? How does it differ from strategic congruency?	5	CO2
Q 13	What are the prerequisites of an effective performance management system?	5	CO2
Q 14	How is performance planning stage different from renewal and contracting stage of performance management?	5	CO2

SECTION-C (30 marks)

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	10	CO 3

	between any of the phases will have a negative impact on the performance management process as a whole.		
Q 18	Construct a plan for a post-appraisal interview with an employee who has performed poorly.	10	CO 3
Q 19	Explain how you would use the alternation ranking method, the paired comparison method, and the forced distribution method.	10	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? 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?	15	CO 3
Q 21	Based on the description of the system at Network Solutions, what do you anticipate will be some advantages or positive outcomes and disadvantages or negative outcomes resulting from the implementation of the system?	15	CO 3