

VPM's
DR VN BRIMS, Thane
Programme: MMS (2014-16)
Third Semester (HR) Examination October 2015

Subject	Performance Management System		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	31/10/2015

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) Case Study:

20 Marks (Compulsory)

HCL begins shift from bell curve appraisals towards feedback-based system

Now it's HCL Technologies' turn to kiss the bell curve goodbye, though only partially as of now. The software services exporter is identifying departments where it can use a feedback-based performance appraisal system, joining a growing list of companies—the latest Indian entity being Infosys—that have discarded the bell curve or similar appraisal mechanisms that force fit employees into performance categories.

A few years ago, HCL Tech was following an open rating, or rating based on feedback. "There are a few teams where the feedback is more than three to four times in a year." "For these, we are not following the bell curve, instead we follow the absolute rating. We are slowly trying to strengthen a culture of dialogue and feedback," said Prithvi Shergill, chief human resources officer (CHRO) at HCL Technologies. "Though it has become fashionable for organisations to keep introducing changes, it is rather difficult to actually change the entire culture of the organisation. We at HCL are trying to get more feedback and dialogue into place. Some teams are ready and some are not," he said. Shergill said that in a year or two, there could be a situation where half of the organisation would follow the bell curve while the rest would follow feedback system for performance appraisal.

Some other firms that have completely or partially moved away from the bell curve are Accenture, Google, Microsoft, Adobe, Cisco and KPMG. Discarding the bell curve has already made a difference to Infosys, which is seeing a lower attrition rate. The 176,000-workers' IT company saw its attrition rate drop to 13 per cent this quarter, compared with more than 20 per cent a year ago.

Typically, the bell curve segregates all employees into distinct baskets— top, average and bottom performers—with the vast majority being treated as average performers. While moving away from the bell curve, companies are trying to get more accountability into place for the rating. Like Infosys' senior vice president Richard Lobo said, "From now on, the managers will take a call and reward."

Many companies want managers or team leaders to be made accountable for ratings. "With a bell curve in place, the managers always had an excuse when employees questioned their ratings. Now, in distribution-led ratings, managers will have to take the responsibility and ownership for rating their team members," said an HR head of a leading professional services and consulting firm in India.

Questions:

1. Analyze the above case.
2. How does a performance appraisal tool help to bring down the attrition rate in the organization?

3. HCL plans to conduct its appraisal through its managers and make them accountable for the same. What are your views upon the same?
4. Does change in culture hinders the performance of an employee.

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) "To win in the marketplace you must first win in the workplace." Comment with reference to Performance Management.
- b) Define Performance Management. How is PM different from Performance Appraisal?
- c) What are the dangers of poorly implemented Performance management system?

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain the strategic & developmental purpose of Performance Management system.
- b) What are the reasons for employee's poor performance?
- c) Explain the various approaches to measure performance.

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain in detail the process of performance appraisal.
- b) What is the role of organization culture in performance of an employee?
- c) What are the levels of performance dimensions?

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Should pay policies 'lead' or 'lag' the development of other HR systems. Comment.
- b) Explain with diagram the strategic reward system
- c) How can an organization overcome the challenges of pay for performance?

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is Performance consulting and explain the need for performance consulting?
- b) Explain the role of stakeholders in the process of Employee Development.
- c) What are the advantages and disadvantages of hiring an external performance consultant?

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is the role of ethics in Performance Management?
- b) What are various ethical issues that an organization faces with reference to performance management?
- c) Write short note on:
 - i. Corporate Incentive Plan
 - ii. Group Plan