

**VPM's**  
**DR VN BRIMS, Thane**  
**Programme: PGDM (2014-16)**  
**Fifth Trimester Examination January 2016**

<b>Subject</b>	<b>Performance Management System &amp; Competency Mapping</b>		
<b>Roll No.</b>		<b>Marks</b>	<b>60 Marks</b>
<b>Total No. of Questions</b>	<b>7</b>	<b>Duration</b>	<b>3 Hours</b>
<b>Total No. of printed pages</b>	<b>2</b>	<b>Date</b>	<b>13/01/2016</b>

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

**Q1) Case Study**

**20 Marks (Compulsory)**

### **Re-Inventing Performance Management**

At Deloitte we're redesigning our performance management system. This may not surprise you. Like many other companies, we realize that our current process for evaluating the work of our people—and then training them, promoting them, and paying them accordingly—is increasingly out of step with our objectives. In a public survey Deloitte conducted recently, more than half the executives questioned (58%) believe that their current performance management approach drives neither employee engagement nor high performance. They, and we, are in need of something nimbler, real-time, and more individualized—something squarely focused on fueling performance in the future rather than assessing it in the past.

What might surprise you, however, is what we'll include in Deloitte's new system and what we won't. It will have no cascading objectives, no once-a-year reviews, and no 360-degree-feedback tools. We've arrived at a very different and much simpler design for managing people's performance. Its hallmarks are speed, agility, one-size-fits-one, and constant learning, and it's underpinned by a new way of collecting reliable performance data. This system will make much more sense for our talent-dependent business. But we might never have arrived at its design without drawing on three pieces of evidence: a simple counting of hours, a review of research in the science of ratings, and a carefully controlled study of our own organization.

#### **Counting and the Case for Change**

More than likely, the performance management system Deloitte has been using has some characteristics in common with yours. Objectives are set for each of our 65,000-plus people at the beginning of the year; after a project is finished, each person's manager rates him or her on how well those objectives were met. The manager also comments on where the person did or didn't excel. These evaluations are factored into a single year-end rating, arrived at in lengthy "consensus meetings" at which groups of "counselors" discuss hundreds of people in light of their peers. Internal feedback demonstrates that our people like the predictability of this process and the fact that because each person is assigned a counselor, he or she has a representative at the consensus meetings. The vast majority of our people believe the process is fair. We realize, however, that it's no longer the best design for Deloitte's emerging needs: Once-a-year goals are too "batched" for a real-time world, and conversations about year-end ratings are generally less valuable than conversations conducted in the moment about actual performance.

But the need for change didn't crystallize until we decided to count things. Specifically, we tallied the number of hours the organization was spending on performance management—and found that completing the forms, holding the meetings, and creating the ratings consumed close to *2 million hours a year*. As we studied how those hours were spent, we realized that many of them were eaten up by leaders' discussions behind closed doors about the outcomes of the process. We wondered if we could somehow shift our investment of time from talking to ourselves about ratings to talking to our people about their performance and careers—from a focus on the past to a focus on the future.

**Questions:**

- 1) Why is there a need for Deloitte to change its performance management system?
- 2) Changing the focus from past to future, what changes in PMS would you recommend for Deloitte?
- 3) During a survey it was been found that the company spends 2 million hours per year on PM, how do you think that time can be efficiently utilized?

**Attempt Any FOUR from the Remaining SIX Questions**

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

- a) Explain the strategic reward system with respect to its consistency with other HR systems.
- b) What is performance appraisal? Why are companies today shifting themselves from performance appraisal to continuous performance management, Give examples.
- c) Define Performance Management System. What consequences do organizations face if they do not implement PMS effectively?

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

- a) *"Always treat your employees exactly as you want them to treat your best customers."* Explain the statement with reference to managing employees performance.
- b) What are the challenges to performance based pay system?
- c) What different techniques are used for conducting employee appraisal. Give example of any organization which implements these techniques.

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

- a) Define competency and explain the KSA framework of competency.
- b) Identify your own competencies and list them as per HR model of competency.
- c) What are the different types of competencies. Give example.

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

- a) How can organizations bridge a gap between performance and pay?
- b) Explain the various type of incentive plans that the organizations offer to its employees?
- c) Explain the role of ethics in performance management.

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

- a) Explain the goal linked competency model of HR.
- b) What type of competency models are used for large scale industries?
- c) Define competency mapping. What are the steps involved in competency mapping.

**Q7) 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 the effect of organization culture on performance of an employee.
- c) What according to you are the competencies required for a salesperson of an insurance company.