

June 2014

Bachelor of Business Administration (BBA) Examination

VI Semester

Performance Management

Time 3 Hours]

[Max. Marks 80

Note : Attempt any four questions (out of seven questions) from Section A. Each question of Section A carries 15 marks. Section B is compulsory and carries 20 marks.

Section A

1. Define performance appraisal and discuss its process with suitable example.
2. Discuss the difference between performance appraisal and performance management with appropriate examples. Design a performance appraisal system for a service industry.
3. What is the need of performance counselling, what principles are required?
4. Discuss the concept of HRD with appropriate examples. What challenges are faced by HRD?
5. Define learning and discuss the classical and operational theories of learning with suitable examples.
6. Discuss OD modification with appropriate examples.
7. Write short notes : (any two)
 - (a) Competency Model.
 - (b) Tools to Identify the Competencies of Employees.
 - (c) HRD Mechanism.

Section B

Pratham Cements is a 25-year-old company that has been following the traditional methods of performance appraisal. But with the changing business environment, the CEO, Pratham Desai, felt that the company should change its performance appraisal system. The company's employee strength was 5000 plus and implementing an appraisal system that catered to employees across different areas was not a simple task. The company help its monthly review meetings at which all the departmental heads and various business unit heads discussed their current problems and future strategies. These meetings provided a forum for the managers in various departments to interact.

During one such meeting, the CEO emphasized the importance of changing the appraisal system. The HR manager, Vasanth, was asked to suggest a method that would be the most suitable for the firm. The

CEO felt that since the company had to sustain itself in a highly competitive industry, it needed to appraise its employees effectively so that they would put in their best efforts. Vasanth suggested that the organization should adopt a performance management system that involved a systematic approach towards improving individual and team performance in the organization. To make the performance management system function effectively, there was a need to change the way the HR department functioned. He also suggested that the HR department, which had traditionally been involved in transactional functions of recruitment, selection, training, etc., should be given an opportunity to be involved in more strategic functions like resource planning, organizational development, etc.

At the meeting, a new initiative was proposed according to which the organization planned to establish benchmarks of excellence in four core categories. They were aimed at building competitive standards for business, productivity, culture and value growth. For these to be effectively implemented, the HR manager suggested that :

- o The company needed to change the base of its variable pay incentives.
- o The processes in their operations had to be standardized and so the HR department had to play a vital role in training, incentive plan, etc. The HR goals had to be in congruence with organizational goals so that performance management could be effectively designed.
- o The management had to be flattened and a culture of empowerment brought in so that it could change the corporate culture. This would enable the company to function effectively.
- o The employees had to be made more competitive and individual goals aligned with organizational goals.
- o The HR department had to play an important role in reengineering the firm, as it had to create the base for all the staff and developmental activities.
- o The promotion system had to emphasize on internal hiring so that employees would get the opportunity to apply for the jobs of their choice. This would also encourage the employees to make themselves marketable and overcome their shortcomings so as to qualify for particular vacant positions.

The CEO asked all the departmental heads to go through the above recommendations and suggest any changes. They later adjourned the meeting and planned to meet again with a detailed agenda.

Questions for Discussion :

1. The case suggests that the HR manager was interested in implementing a performance management system. What is the difference between a performance appraisal system and a performance management system and how will it be useful for the firm ?
2. What steps should the management take to convince the employees about the implementation of the performance management system ?

