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TALENT AND PERFORMANCE MANAGEMENT SYSTEMS

STUDY MANUAL

SOLVED MODEL PAPERS

SOLVED PREVIOUS QUESTION PAPERS

SYLLABUS

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Introduction to Talent Management (TM): Meaning and Importance of TM, Scope of TM. Need for and Imperatives of TM. Competencies for TM: Concept of Competencies, Importance of Competencies, Development of Competency Model, Competency Mapping, Competency Assessment & Development using Assessment & Development Centers.

UNIT - II

Implementing Competency based TM: Integrating Competencies with Talent Acquisition, Talent Development, Performance Management, Career Development, Succession Planning and Talent Retention. Using TM to build High Performance Work Teams. Developing Leadership Potential through 360-degree Feedback. Leadership Succession using 9-Box Talent Management Grid. Building a strong Talent Pipeline cum Bench Strength.

UNIT - III

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UNIT I	**Introduction to Talent Management (TM):** Meaning and Importance of TM, Scope of TM. Need for and Imperatives of TM. Competencies for TM: Concept of Competencies, Importance of Competencies, Development of Competency Model, Competency Mapping, Competency Assessment & Development using Assessment & Development Centers.

1.1 INTRODUCTION TO TALENT MANAGEMENT (TM)

1.1.1 Meaning and Importance of TM

Q1. Define Talent Management. Explain the importance of Talent Management.

Ans : **(Imp.)**

Meaning

Talent management is an integral part of human resource management. Talent management can be defined as a deliberate approach implemented to recruit or hire, develop and retain people with required aptitude or skills to meet the present and future goals or needs of the organization.

Definitions

1. **According to M. Armstrong**, "Talent Management is the processes of ensuring that talented people are attracted, retained, motivated and developed in line with the needs of the organisation".

2. **According to B. Jamka**, Talent management is the "attraction, development, and retention" of the talents, i.e. the most valuable staff members, by creating conditions conducive to their potential development, so that they can be put to use for the company's operations for as long as possible.

Importance

Talent information systems are available in various formate and are incorporated in different ways. Some of the major system approaches are as follows,

1. **Employee Assessment**

   The assessment of employee is the key element of talent management systems which acts as a fundamental data system for compensation, training, recruitment and succession.

   Being a database which is useful for organizing individual employees and corporate direction, this information system is considered by many companies as a basic but robust with several possible directions.

2. **Internal and External Selection**

   Large international companies in industries such as retail, oil and computer software have large information systems which are specifically aimed at selecting new employees and shifting employees to new positions in the organization.

The systems which are successful are able to extract recruits who are willing to have a desired position, or those who wants to shift their position or change their position and is applicable to employers who aim towards gauging recruits.

In present conditions, these systems are highly characterized as web-based, sacrificing high-level security in order to have approachability among a large group. Recruitment systems must react to employee strategy and succession planning needs.

These exists a narrow scope to interconnect recruitment information into other talent data which are related to organization. If facilitate to use cheaper web database tools in development of system but also need careful management of the system.

3.   Executive-level Succession Planning

Organizations are focusing on coordinating succession planning in accordance with high-level assessment data belonging to their employees.

The systems which are formed to organize succession planning need input from wide range of employee information and the evaluative and analytical data obtained from this information is limited to senior executives.

Few organization are planning to have a firewall between data input evaluation and analysis as internet-based software is very useful for integration of talent management elements but also need high level of security.

4.   Training

The important elements of talent management are assessment, growth and development training and promotion of employees wherein information relating to training must be used by line managers and it should possess close relation with employee assessment data.

Training systems must be simple, effective and require to be updated regularly through new information and tools.

5.   Compensation

Analyzing compensation comprises of base salary, bonuses, and incentives requires close coordination of position planning and employee assessment. Decision making is vital and line managers make narrow decisions regarding decisions on raises and bonuses whereas senior executives make broader decisions related to incentive compensation. Information system needs to be safe but combined with overall information system database.

From past few years, various high level security breaches were developed which guide the companies and compensation systems were updated regularly.

1.1.2 Scope of TM, Need for and Imperatives of TM

Q2.   Explain the need and scope of Talent Management.

Ans :

Need

1.   To align the workforce with the business needs

Talent management is about identifying the right talent for the right role. It implies fitment of right set of skills to the right set of job requirements. This alignment of skills to job tasks ensures synergy between the staffing process and the business demands.

2.   To engage the workforce for establishing and sustaining highest level of productivity

An engaged workforce leads to a productive workforce. Establishing and sustaining highest level of productivity implies a lot of things including creating and maintaining a talent culture. This culture creates an enabling environment for employees to learn, grow and excel at their work.

3.   Effective talent management helps in increasing the employee satisfaction

Employee satisfaction can be understood as cognitive, emotive and social comfort that is achieved by working in an organization which has fair policies that respect employee sentiment.

Developing fair transparent and just employee related policies and ensuring their smooth execution is very much an integral part of talent management.

4. To effectively develop leaders in the organization who can use their expertise to help in the growth of the company

Talent management includes talent development. Developing talent does not only mean developing technical skills and functional skills of employees, it also includes developing behavioural skills of employees including those of the leaders.

5. To effectively balance diversity in workforce enabling highest possible employee engagement

Workforce diversity is a challenging theme. Organizations are today spending on diversity training among other things on a high priority basis. If not dealt with elegance and dignity, it can backfire big time.

Scope

In today's competitive and complicated talent situation in the world and global approach to talent management it has huge potential.

Scope of talent management is very wide and far reaching. Talent management is a key succession planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within organisations which is required for long term planning.

The main area of scope can be the following:

1. Identification of the talent required: It's very important for any organisation to recruit the most talented and skilled employees available.

2. Right selection of talent or human resource: Right person at the right job is the key to having a successful and effective organisation.

3. Clear, competent and competitive compensation plan: Every organisation has to aim at paying the right compensation to the right people. Underpaid employees are generally not effective compared to adequately paid employees.

4. Training and Development of talented individuals: For an organisation to sustain in today's competitive market and fast evolving economy companies have to keep their employees trained and have smart development programs to keep them updated to meet market challenges and requirements.

5. Strong performance assessment system: Efficient and effective employee needs to be assessed properly, systematically and in a planned manner to be appreciated, therefore organisations needs to have a very strong performance appraisal system.

6. Retaining the right and synergised talent: Today every organisation is out to head hunt the best talent and talent management is a perfect tool to retain the talent with the organisation and keep the synergy between employee and organisation smooth and growing.

Q3. Explain the benefits and limitations of Talent Management.

Ans :

Benefits

(i) It helps the organization fulfill its vision with the help of efficient and promising talented people.

(ii) Talent management also assists the organization to build a talent pool comprising a list of talented people to meet future exigencies.

(iii) It makes the organization more competitive and progressive.

(iv) It paves the way for future leadership.

(v) It helps automate the core processes and helps capture data for making better decisions.

(vi) Automates repetitive tasks like creating salaries thereby releasing time and resources for making strategies and more critical decisions.

Limitations

1. The implementation of talent management program could be expensive in terms of time, resources and financial costs.

2. Lack of support from line managers can impede the level of commitment from employees.

3. A core drawback of talent management is, it can contribute in raising the conflicts between HR and management by not reaching to proper agreement or consensus.

Q4. Explain the process of talent management.

Ans :

Talent management process is the procedure to manage the ability, competency, and power of employees within an organisation. Everything that is done to recruit, develop, retain, reward and make employees perform better is a part of talent management, people are undoubtedly the best resources of an organisation.

The various stages of Talent Management are as follows:

(i) Identifying the goals

This is the cardinal stage and pivotal to the success of the entire talent management process. The first step is to identify what the organization aims to achieve and what characteristic qualifications and skills the recruits should possess to realize the goals.

(ii) Attracting the talent

The main aim of talent management process is to hire the best talent for an organization. Organizations at this stage make effort to attract the best talented people from the job market.

(iii) Sourcing the talent

In this stage, the talent management personnel looks for appropriate sources in the job market or industries where the targeted people can be hired or recruited.

(iv) Recruitment

This is the first stage of hiring the best talented people for the organization. Skilled and qualified people are invited to join the organization.

(v) Selection

This is the stage where the objective of talent management becomes a reality. It is when truly talented people are recruited or hired in various roles.

(vi) Training and development

At this stage, the selected recruits are provided with necessary training to make them productive and efficient to work towards the goals of the organization.

(vii) Retention

The notable objective of talent management is not only hiring talent but also ensuring their retention in the organization. Factors upon which the retention rate depends are attractive pay package, job specification, safety and security of the employees, personal development of an employee, recognition and culture of the organization, and the fit between the job and talent.

(viii) Assessment

Periodical assessment of employees' skills, abilities, improvements and competencies enable the organization to know if they are fit for continuation and promotion.

Q5. Explain the principles of talent management.

Ans :

Following are the principles of talent management:

Principle 1: Alignment with Strategy

Corporate strategy is the natural starting point for thinking about talent management. Given the company's strategy, what kind of talent do we need?

For example, GE's growth strategy is based on five pillars: technological leadership, services acceleration, enduring customer relationships, resource allocation and globalisation. But GE's top management understands that implementing these initiatives may have less to do with strategic planning than with attracting, recruiting, developing and deploying the right people to drive the effort.

Principle 2: Internal Consistency

Implementing practices in isolation may not work and can actually be counter-productive. The principle of internal consistency refers to the way the company's talent management practices fit with each other. Our study shows that consistency is crucial.

For example, if an organisation invests significantly in developing and training high-potential individuals, it should emphasize employee retention, competitive compensation and career management. It also should empower employees to contribute to the organisation and reward them for initiative.

Principle 3: Cultural Embeddedness

Many successful companies consider their corporate culture as a source of sustainable competitive advantage. They make deliberate efforts to integrate their stated core values and business principles into talent management processes such as hiring methods, leadership development activities, performance management systems, and compensation and benefits programs.

For example, whereas companies have traditionally focused on job-related skills and experience to select people, some multinationals we studied have expanded their selection criteria to include cultural fit.

Principle 4: Management Involvement

Successful companies know that the talent management process needs to have broad ownership - not just by HR, but by managers at all levels, including the CEO.

Senior leaders need to be actively involved in the talent management process and make recruitment, succession planning, leadership development and retention of key employees their top priorities.

Principle 5: Balance of Global and Local Needs

For organisations operating in multiple countries, cultures and institutional environments, talent management is complicated. Companies need to figure out how to respond to local demands while maintaining a coherent HR strategy and management approach.

Among the companies we studied, there was no single strategy. For example, Oracle emphasised global integration, with a high degree of centralisation and little local discretion. Matsushita, meanwhile, focused on responsiveness to local conditions and allowed local operations to be highly autonomous.

Principle 6: Employer Branding Through Differentiation

Attracting talent means marketing the corporation to people who will fulfill its talent requirements.

In order to attract employees with the right skills and attitudes, companies need to find ways to differentiate themselves from their competitors. P and G, for example, was in one year able to attract about 600,000 applicants worldwide – of whom it hired about 2,700 – by emphasising opportunities for long-term careers and promotion from within.

Q6. Explain various types of talent management.

Ans :   (Imp.)

Talent management includes within its fold those individuals who can make a difference to the organization's goals, either through their immediate contribution or in the long run.

Talent is a composite state made up of various elements. An Individual is said to be talented when he/she possesses or acquires the following elements.

➢ Skills, knowledge, intelligence, and experience

➢ Ability to learn and grow

➢ Judgment, attitude, character

➢ Perseverance and self-motivation

Talent is a set of unique abilities possessed by individuals. There are two types of talent found in an organization. They are unidimensional and multidimensional. Both types of talent have the same objective, however, with different perspectives.
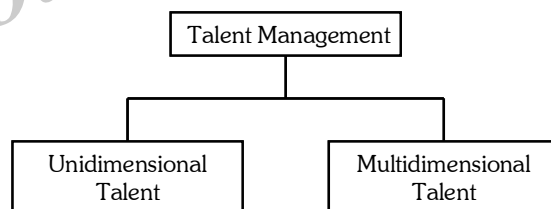
Fig. : Classification of Talent Management

1. Unidimensional Talent

In an organization, we observe that some employees are best in a particular skill and ability. For instance, some employee may be best in administration, some of them best in sales, while some employees may be best in their respective functions.

When individuals possess a singular talent in any particular field, it is called unidimensional talent.

2. Multidimensional Talent

On the other hand, in an organization we also observe that employees are adept at multiple skills and abilities.

For example, one employee is best in administration sales, accounting and production at a stretch. Such an employee is said to possess multi-dimensional talent. Multi-dimensional talent is much sort after by organizations.

Every organization seeks to retain employees with multidimensional talent as they prove highly beneficial in bridging the gap between organizational objectives and goals.

1.2 COMPETENCIES FOR TM

1.2.1 Concept of Competencies, Importance of Competencies

Q7. Define Competency. Explain the importance of Competencies.

Ans :   (Imp.)

Definitions

(i)   **According to Severn Trent Water,** The word competency is defined as "a set of knowledge, skill and behaviours which are needed in the various managerial situations".

(ii) Some authors defined competencies as "Skills and capabilities, which can be monitored, compared and trained easily'. These skills and capabilities are essential for attaining top level organizational performance".

Objectives or goals of the organisation mainly 'What is the performance level, which the organization wants to reach whereas, hand competencies refers to "How such performance levels are attained". In other words competencies acts as a means for achieving deals with objectives.

Importance

Tie following are the important competencies that are required to be possessed by the superiors and leaders,

    (i)   Communication

    (ii) Goals Orientation

    (iii) Measuring employee performance

    (iv) Giving feedback

    (v)   Coaching and developing

    (vi) Recognizing.

(i)   Communication Skills

Good oral and written communication skills along with an ability to establish good relationships is required for maintaining effective communication with employees.

Superiors or team leaders must establish an open door atmosphere where everyone can share their ideas by participating in decision making process.

(ii) Goals Orientation

Supervisors are held responsible for the setting up of both long term and short term goals. Hence, superiors or team leaders must set realistic goals in order to develop confidence among the employees for their achievement/realization.

(iii) Measuring Employee Performance

Employee performance can be measured with the help of both quantitative and qualitative methods. These methods must be understandable and acceptable by the employees to achieve high level of performance.

Supervisors must be competent enough to assess the performance of employees accurately. Good performances management system must be formulated for the correct evaluation of employee's performance.

(iv) Giving Feedback

Supervisors while giving feedback must inform, enlighten and suggest improvements to the employees relating to their work behaviour. Supervisors must convey feedback in a positive way so that employee gets motivation for the completion of their tasks.

(v)   Coaching and Development

Supervisors with their coaching skills analyze and address the developmental needs of their employees. They also build development plans such as training, new assignments, job enrichment, self-study or work details.

(vi) Recognizing

Recognizing employees is another competency for effective performance management. Genuinely recognizing a job when it is done effectively is vital for strengthening employee's commitment

to do their best. Conduction of different award programs such as formal and informal recognition techniques, recognizing employees' commitment by conveying personal thanks or by addressing the contributions of employees in board meetings are some of the competencies needed to be possessed by supervisors.

Q8. Explain the characteristics of competency.

Ans :

The following are the five characteristics of competency,

1. Motives

It "direct, select and drive" person behaviour to achieve some goals, which make him/her distinct from others. Motives are the things that a person always think about and want to achieve them.

Example: To achieve certain goals, challenging goals must be set, personal responsibility to accomplish them must be taken and feedback must be used to do better next time.

2. Traits

Traits are the physical characteristics and the constant response to the present situation.

Example: The physical characteristics of a combat pilot are reaction time and good eyesight.

3. Self-Concept

Person's attitude, self-image and values comes under self-concept.

Example: A person's self confidence that he/she is effective in almost all situations is his/her self-concept.

4. Knowledge

A person having information in specific content areas is regarded as knowledge.

Example: A surgeon will have specific knowledge about the nerves and muscles of the human body.

5. Skill

It is the ability of a person to perform some mental or physical tasks. Mental and physical skills competencies comprises of conceptual thinking and analytical thinking.

Example: The physical skill of a dentist is to fill tooth without damaging the nerve.

1.2.2 Development of Competency Model

Q9. What is a competency model? What are the steps involved in developing a competency framework/model?

(OR)

State various steps in developing a valid competency model.

(OR)

Explain the process of developing a valid competency model.

Ans :   **(Imp.)**

Meaning

Competency model is the "Road Map" which depicts the skills, knowledge and behavioral characte-ristics required to achieve the set-objectives. Competency model not only shows the desired objectives but also shows the ways to achieve such objectives. Each and every employee of the organization is supposed to set standards for themselves.

Steps

The various steps involved in the development of a competency framework/model include,

Step 1: Preparation of a Project Plan

The first and foremost step is to decide about the purpose of the framework. The HR process for which this framework is used.

Development of a business plan which focuses mainly on different areas of organization such as, improved performance management of programmes, making efficient and effective selection process, development of employees, reward management and so on.

A project plan must be prepared, which involves the assessment of various resources and the costs associated with them.

Step 2: Involvement and Communication

As competency framework is established for employees; both employees, line managers objectives of a framework to its staff.

Step 3: Design of Framework for listing of Competencies

In this step, the task force is required to make a list of core competencies and business values which have an impact on the behaviour of employees. This in turn forms the basis for analyzing the competencies that are required by organizational employees.

The main objective of designing is to identify the critical behaviours that are responsible for achieving the success of an organization so as to form a strong link between the competencies of people and the core competencies of an organization.

Brainstorming is an appropriate HR technique for preparing the list of competencies which helps in comparing this list with the examples of other competency frameworks. Such comparisons are done to avoid replications.

A competency framework is essential which should fit and reflects the organizational values, culture, core competencies and operations.

Step 4; Design of Framework by which define Competencies

The definition of competencies should be clear and must ensure that such competencies serve their purpose. The four questions given by Mirabile (1998), to test whether a competency is valid and useful includes,

(i)   Can you describe the competency in terms that others understand and agree with?

(ii) Can you observe it being demonstrated or failing to be demonstrated?

(iii) Can you measure it?

(iv) Can you influence it on some way by training, coaching or by some other method of development.

Step 5: Defining the Use of Competency Framework

Defining the way through which the competency framework is required to be used which is inclusive of various applications such as performance management, learning and development, recruitment, reward and so on.

Step 6: Testing the Framework

The framework should be tested by taking the opinions or reactions of line managers and employees, so as to make them realize the importance of such frameworks. The framework can also be pilot-tested in live situations for its proposed applications.

Step 7: Finalizing the Framework

The framework should be amended as per the requirements of employees. Notes of such framework should be prepared which act as guidelines for employees for its usage.

Step 8: Communication

Everyone in the organization should be communicated about the results of the project prepared, (i.e.,) the details of the framework, its description, the importance and its means of achievement must be communicated to the employees.

Step 9: Train

Training should be provided to the line managers and HR staff explaining them the effective ways of using the framework.

Step 10: Monitor and Estimate

Monitor the applications of framework and subject it to evaluation, so as to make necessary improvements in the framework (wherever it is required).

Q10. What are the different ways in which competency models are developed?

Ans :   (Imp.)

The following are the different ways that are proposed to develop competency models,

    (a)   Common competency models

    (b)   Building models for specific role

    (c)   Building models for job families

    (d)   Behavioural benchmarking.

(a)   Common Competency Models

The common competency model include generic competency models. The life in an organisation represents the functions of people with other people.

The role and responsibilities of each individual, their response to others, interactions among the people play an important role. According to Goleman, an individual's social and emotional intelligence can be represented in four quadrants.

Self-awareness	Social awareness
- Emotional Self-awareness	- Empathy - Organizational Awareness
Self management	**Relationship management**
- Achievement Oriented - Adaptability - Emotional Self control - Positive Outlook	- Coach and mentor - Influence - Inspirational Leadership - Teamwork

Fig. : Social and Emotional Intelligence Quadrants

(b)   Building Models for a Particular Role

Competencies comprises of talent, knowledge, skills and personal characteristic features which are essential for effective performance of an employee in an assigned job/ position/business functions.

In order to outline a competency framework for a particular role, an industry need to develop functional, behavioural and specific competencies. Having all these competencies helps the employees to improve their performance improvement.

(c)   Building Model for Job Families

In order to develop competency models for a job family management team should decide upon the required technical and behavioural attributes to perform a functions. These attributes are the overall business attributes and add value to the organisation. In modelling competencies.

   (i)   First the team should identify the skills, the people required to perform the function.

   (ii)   Second, the capabilities the person should demonstrate to move to this level and the team has to assess this for next levels till grouping the leadership skills.

In this method, the team can prepare a chart representing the skills required to perform the function to accomplish their mission effectively.

(d)   Behavioural Benchmarking

In this model, a firm can model the competencies' required for a role through benchmarking the activities of the best/outstanding performers in the same industry. Unlike generic models, behavioural

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benchmarking compares the performance required in their organisation with the best performers of other companies.

Q11. Discuss McBer's generic managerial competency model in detail.

Ans :

With the introduction of the book named as "The Competent Manger" by Richard Boyatzis. The word competency became popular.

According to Spencer and Spencer "Competency is an underlying characteristic of an individual which is causally related to criterion referred effective and/or superior performance in a job".

1. Underlying characteristics are, the personal characteristic features of a person which depicts his/her behaviour in different conditions or work situations.

2. Casually related refers to the , competencies which are considered as causes of performance/behaviour.

3. Criterion referenced refers to those, competencies which differentiates good performers from the bad performers by measuring the performances against the specified criterion or standard.

McBer consultancy group differentiated threshold competencies from differentiating competencies. Threshold competencies are the competencies which have to be possessed by all the employees to perform their assigned job or to meet the minimum standards and on the other hand, differentiating competencies are the competencies which differentiates excellent performers from the average or bad performers.

McBer competency dictionary was introduced by Spencer and Spencer in 1993. In this dictionary, he had included around 21 generic competencies. These competencies are general/basic competencies and are applicable to various jobs/positions dealt in by McBer group. Separate competency models were developed for varied positions i.e., sales persons, managers and human resources workers.

The table below depicts the McBer generic managerial competency model with the list of competencies and their respective weights.

Competency	Weight
Influence and impact	• • • • • •
Objective/achievement orientation	• • • • • •
Teamwork and coordination	• • • •
Logical thinking	• • • •
Inventiveness/enterprising attitude	• • • •
Developing others	• •
Self-assured/self-reliant	• •
Authoritativeness/confident	• •
Soughting out information	• •
Leadership skills	• •
Psychological thinking	• •

Table: McBer Generic Managerial Competency Model

In the above table, weights are assigned to each competency. The weights indicates the value of the competency in improving the employees performances. Weights helps in differentiating the good performers from average or bad performers.

Some competencies like achievement orientation, authoritativeness, developing others and interpersonal skills plays an important role in managing employees performances. Each of these competencies have different levels (i.e., –1, 0, 1, 2,....) and each level will have different description.

1.2.3 Competency Mapping

Q12. Competency Mapping aims at linking competencies with job roles. Discuss.

Ans :   **(Imp.)**

Competency mapping is an important component of a Performance Management System (PMS). The word "competency" refers to the combination of knowledge, skills and behaviour of employees which are required for achieving desired performances levels. Competency mapping is a process of determining the key competencies that needs to be possessed by the person of a particular role job position.

The extent of knowledge, skills and behaviour to be possessed by an employee is decided on the basis of his job and position. For example, skills are very essential for top level positions whereas knowledge plays a significant role at the bottom level positions of an organization.

The key competencies identified through competency mapping process are used in various HR (Human Resource) practices such as Recruitment, Selection, Performance evaluation, job description, Training and development, performance management, Succession planning and so on.

With the help of performance evaluation process competencies that are lacking in an employee can be identified and developed through proper training and developmental programs.

Competency mapping process leads to preparation of competency map wherein role based competencies are identified. Competency mapping act as a performance index. Through which individual performance can be measured the compared against the possessed by the employees to identify the "Competency Gap". It is analysed by Assessment centres using.

Competency mapping process differs from one organization to organization. Competency model has to be designed on the basis of the organizational strategy customers needs, market conditions and the other factors that are responsible for the of an organization.

There are various methods through which key competencies can be identified in competency mapping process. They are,

- Interviews
- Group discussions
- Intelligence test
- Assessment method
- Psychometric tests
- Simulation exercises
- Personal observations
- Syndicate methods and so on.

Types

Competencies can be categorized in two groups,

1. Core competencies and
2. Threshold competencies.

Core competencies are the competencies essential for managerial levels and threshold competencies are the general characteristics which need to be possessed by all employees irrespective of positions.

As the education system is fail to in build the required competencies among students, HR departments of most of the organizations have started focusing on building competencies among employees through "competency analysis".

Today, the students who have completed their MBA with HR specialization are well trained in competency mapping. Not only MBA's but master in management, master in social sciences or other experienced people can take up the task of competency building or competency mapping.

Methods

Competency mapping process can be done in many ways. Few of them are listed below,

Method 1

In one method, it can be done by directly the employees who are presently working at various levels of organisation to list down the activities which they needs to perform to fulfill their responsibilities and also to determine the knowledge, skills, talent and behaviour essential to undertake such activities. By combine these two lists task force brings necessary modifications.

Method 2

Assign each role to a separate task force to design a competency map for each role.

Competency mapping is gaining wide popularity in business organizations due to its significant role in improving organizational and individual level performances. The importance of competency mapping can be studied by identifying its contribution to human resource activities like manpower planning, recruitment and selection, strategic planning, HR planning, HR development, career planning and development, performance management, training and development and so on.

1.3 COMPETENCY ASSESSMENT & DEVELOPMENT USING ASSESSMENT & DEVELOPMENT CENTERS

Q13. What are assessment / development centres? Explain the features of assessment / development centres.

Ans :   **(Imp.)**

Assessment/Development Centres have a number of key features. They are essentially *multiple assessment processes*, and there are various ways in which that is so: a group of candidates/participants takes part in a variety of exercises, observed by a team of trained assessors/observers, who evaluate each candidate/participant against a number of pre-determined, job-related behaviours. Decisions (for assessment or development) are then made by pooling shared data.

Features

1. Multiple candidates/participants

One of the key features of an Assessment/Development Centre is that a number of candidates/participants are brought together for the event (physically or via information technology – see later section on the impact of information technology).

2. Combination of methods

The focal point of most Assessment/Development Centres is the use of simulations. The principle of their design is to replicate, so far as is possible, the key aspects of situations that an individual would encounter in the job for which they are being considered. To gain a full understanding of a person's range of capabilities, it is usually the case that one simulation is insufficient to develop anything like a complete picture.

Some of the various type of simulations and other exercises are shown in the table overleaf.

(i) Team of assessors/observers

To break out of the difficulties that are associated with the one-on-one interview, used either as a means of selection or in some aspects of performance measurement, it is important to use a team of assessors/observers. Ideally each assessor/observer should be able to observe each participant in at least one of the various situations in which they are asked to perform, to aid objectivity.

Example Exercise Formats

S.No.	Exercise	Description
1.	Presentation	Simulation of briefing to a relevant audience group.
2.	Group discussion	Team interaction exercise based around given information.
3.	One-to-one role play	Communication/negotiation exercise within one-to-one interaction.
4.	In-tray/e-basket	Simulation of role-based in-tray/in-box, requiring action and prioritisation.
5.	Written analysis	Written problem analysis exercise against work-based issue.
6.	Interview	Structured interview, gathering, information against key criteria.
7.	Psychometric Assessment	Standardised assessment of cognitive, personality, motivational or interest profiles (normally these would be purchased direct from test publishers, but could also be developed in-house).

(ii) Job-related behaviours

As with any other method of assessment, the starting point has to be some analysis of the job (or perhaps job level) to determine what are the critical areas that discriminate between the performance of good and poor job incumbents. The number of such areas should not be excessive (normally up to around 10 areas), otherwise effective measurement of these may become more difficult. There are a wide variety of terms for the aspects that discriminate, among them are attributes, dimensions, criteria and most recently competencies.

Successful performance in any job is likely to be founded on a combination of things, such as: disposition, attitudes, particular skills that have been developed over time, energy levels, ways of thinking or problem-solving and knowledge. One of the objectives of a job analysis is to determine which of these things are most important in the target job – particularly in the future. Other aspects of appropriate job analysis include understanding the context that behaviour takes place in and the level of difficulty of common problems encountered in the job. Job analysis should be based on a diverse sample of individuals where possible.

(iii) Shared Data

Data about candidates/participants is shared between the assessors/observers at the end of the process. In the case of a selection decision, no final decision is made until all the evidence is gathered from observations of candidates in all the various situations and the assessors have conferred together to agree a final rating. A team of assessors meet to consider all the evidence at one time having had no previous discussions.

In the case of a Development Centre, a score may not be allocated, as the primary objective of the data sharing is to collect information together to feed back to participants on their comparative strengths and weaknesses. Indeed, in some Development Centres the data is shared with the participants as the centre progresses.

Q14. Explain the criteria for developing assessment / development centres?

Ans :

It is difficult to be adamant about exactly what constitutes an Assessment Centre and even more so when it comes to the variety of different designs that are regarded as a Development Centre. However, the following criteria (or standards) can be seen to qualify an event as an Assessment/Development Centre.

(i) There should be job analysis that clearly demonstrates the link between competencies and effective performance in the target job.

(ii) To ensure that a competency is measured in a reliable fashion across the centre it is usual to duplicate measurement of each competency (through different exercises).

(iii) There are usually at least two simulations, amongst the material that confronts candidates/participants.

(iv) There should be clear separation of the component parts into discrete exercises.

(v) There are assessors/observers who are trained in the Observe, Record, Classify and Evaluate (ORCE) process, and its application in the particular simulations that are used.

(vi) Assessors/observers complete their evaluations independently, including any report form before the integration (or wash-up) session.

(vii) There should be a full integration session involving assessors/observers to summarise and evaluate the behavioural evidence obtained.

(viii) Feedback should be offered to candidates/participants to support development.

(ix) There should be a clear written and published statement of the intent of the Centre, how data will be stored, by whom and rights of access to that data by any individual.

(x) There should be a statement of the limits of the relevance of the Centre overall and/or the limits for a particular exercise.

Q15. Distinguish between assessment and development centres?

Ans :

Whilst many organisations use hybrid models it is helpful to clarify the factors that distinguish between Assessment and Development Centres:

S.No.	Assessment Centres	S.No.	Development Centres
1.	Assessment Centres are constructed principally for selection, recruitment, fast tracking and promotion.	1	Development Centres principally reflect developmental objectives relating to identification of potential and training needs.
2.	Ownership of Assessment Centre data rests principally with the organisation.	2	The Development Centre participant has more ownership/access.
3	Feedback and development always occurs during or at the conclusion of the Development Centres.	3	The Assessment Centre focuses such development on subsequent activities.

Q16. Explain the implementation of assessment / development centres.

Ans :   **(Imp.)**

There are a number of stages to implementing assessment / development centres :

Stage 1: Pre-planning

(i) Identify need: Establish an organisational (or departmental/functional) need for implementing the process.

(ii) Commitment: Establish a commitment amongst relevant stakeholders (e.g. board members, managers, potential participants/ assessors) for implementation of the process.

(iii)   Objectives: Establish clear objectives for the process – e.g. assessment, selection, promotion or development.

(iv)   Establish policy: Initiate an organisational policy for the assessment/ development centres.

Stage 2: Development of Process

(i)   Conduct job analysis: Using rigorous job analysis techniques, formulate a clear set of competencies/ behavioural indicators.

(ii)   Identify simulations: Using the job analysis outcomes, and further investigation, identify and devise appropriate exercises that simulate key elements of the target job/organisational level.

(iii)   Design process: Construct the Centre integrating a number of exercises to measure the range of defined competencies.

(iv)   Design format: Prepare the format, timetable and logistics for the Centre process.

(v)   Training: Design and implement the training to be provided to assessors/observers, facilitators, role players and designers involved in the process.

Stage 3: Implementation

(i)   Pilot/refinement: If possible, pilot Centre, on diverse pool of individuals, to ensure the components operate effectively, fairly and the process as a whole operates according to the timetable.

(ii)   Run Centres: Run the Centre with candidates/participants, including on-going quality checking.

Stage 4: Post-Implementation

(i)   Decision making: Make decisions according to the outcomes of the Centre.

(ii)   Provide feedback: Offer feedback to candidate/participants and development plans according to organisational/participant needs. Also, where appropriate, offer organisational-level feedback on common development needs.

(iii)   Monitoring: Set up procedures to review and monitor outcomes and development of overall Centre. This would include validation to review the relevance of the process to actual work performance.

Short Questions & Answers

1.　Define Talent Management.

Ans :

Meaning

Talent management is an integral part of human resource management. Talent management can be defined as a deliberate approach implemented to recruit or hire, develop and retain people with required aptitude or skills to meet the present and future goals or needs of the organization.

It is the creation and maintenance of a supportive and pro-people organizational culture. Talent management is, therefore, the commitment of an organization to recruit, develop, retain the most talented and qualitative employees available in the job market.

2.　Scope of Talent Management.

Ans :

(i)　Identification of the talent required: It's very important for any organisation to recruit the most talented and skilled employees available.

(ii)　Right selection of talent or human resource: Right person at the right job is the key to having a successful and effective organisation.

(iii)　Clear, competent and competitive compensation plan: Every organisation has to aim at paying the right compensation to the right people. Underpaid employees are generally not effective compared to adequately paid employees.

(iv)　Training and Development of talented individuals: For an organisation to sustain in today's competitive market and fast evolving economy companies have to keep their employees trained and have smart development programs to keep them updated to meet market challenges and requirements.

3.　Limitations of Talent Management.

Ans :

(i)　The implementation of talent management program could be expensive in terms of time, resources and financial costs.

(ii)　Lack of support from line managers can impede the level of commitment from employees.

(iii)　A core drawback of talent management is, it can contribute in raising the conflicts between HR and management by not reaching to proper agreement or consensus.

4.　Principles of Talent Management.

Ans :

Following are the principles of talent management:

Principle 1: Alignment with Strategy

Corporate strategy is the natural starting point for thinking about talent management. Given the company's strategy, what kind of talent do we need?

For example, GE's growth strategy is based on five pillars: technological leadership, services acceleration,

enduring customer relationships, resource allocation and globalisation. But GE's top management understands that implementing these initiatives may have less to do with strategic planning than with attracting, recruiting, developing and deploying the right people to drive the effort.

Principle 2: Internal Consistency

Implementing practices in isolation may not work and can actually be counter-productive. The principle of internal consistency refers to the way the company's talent management practices fit with each other. Our study shows that consistency is crucial.

For example, if an organisation invests significantly in developing and training high-potential individuals, it should emphasize employee retention, competitive compensation and career management. It also should empower employees to contribute to the organisation and reward them for initiative.

5.   Unidimensional Talent.

Ans :

In an organization, we observe that some employees are best in a particular skill and ability. For instance, some employee may be best in administration, some of them best in sales, while some employees may be best in their respective functions.

When individuals possess a singular talent in any particular field, it is called unidimensional talent.

6.   Multidimensional Talent.

Ans :

On the other hand, in an organization we also observe that employees are adept at multiple skills and abilities.

For example, one employee is best in administration sales, accounting and production at a stretch. Such an employee is said to possess multi-dimensional talent. Multi-dimensional talent is much sort after by organizations.

Every organization seeks to retain employees with multidimensional talent as they prove highly beneficial in bridging the gap between organizational objectives and goals.

7.   Define Competency.

Ans :

Definitions

(i)   According to Severn Trent Water, The word competency is defined as "a set of knowledge, skill and behaviours which are needed in the various managerial situations".

(ii) Some authors defined competencies as "Skills and capabilities, which can be monitored, compared and trained easily'. These skills and capabilities are essential for attaining top level organizational performance".

Objectives or goals of the organisation mainly 'What is the performance level, which the organization wants to reach whereas, hand competencies refers to "How such performance levels are attained". In other words competencies acts as a means for achieving deals with objectives.

8.   Common Competency Models.

Ans :

The common competency model include generic competency models. The life in an organisation represents the functions of people with other people.

The role and responsibilities of each individual, their response to others, interactions among the people play an important role. According to Goleman, an individual's social and emotional intelligence can be represented in four quadrants.

9.   Distinguish between assessment and development centres.

Ans :

Whilst many organisations use hybrid models it is helpful to clarify the factors that distinguish between Assessment and Development Centres:

S.No.	Assessment Centres	S.No.	Development Centres
1.	Assessment Centres are constructed principally for selection, recruitment, fast tracking and promotion.	1	Development Centres principally reflect developmental objectives relating to identification of potential and training needs.
2.	Ownership of Assessment Centre data rests principally with the organisation.	2	The Development Centre participant has more ownership/access.

10.   Benefits if Talent Management.

Ans :

(i)   It helps the organization fulfill its vision with the help of efficient and promising talented people.

(ii)   Talent management also assists the organization to build a talent pool comprising a list of talented people to meet future exigencies.

(iii)   It makes the organization more competitive and progressive.

(iv)   It paves the way for future leadership.

Choose the Correct Answers

1. Talent management is a process involves   [d]

    (a) Attracting and retaining high-quality employees

    (b) Developing their skills,

    (c) Continuously motivating them to improve their performance.

    (d) All of the above

2. Talent Management is a _____ Process   [a]

    (a) Constant Process   (b) Planned Process

    (c) Retrospective Process   (d) None of the above

3. The primary focus of Talent Management is to create   [c]

    (a) A support for organisation strategy   (b) Satisfied Work force

    (c) Motivated Work Force   (d) Matching model for organisation strategy

4. Talent Management focus to create a workforce who will _____   [d]

    (a) Compete with each other   (b) Work beyond expectation

    (c) Gain knowledge   (d) Stay in the organisation for the long run

5. It is not enough to expect that just because _____, you are managing talent.   [a]

    (a) you have an HR department   (b) You have good Employees

    (c) You pay good Compensation   (d) Your culture is supportive

6. You need to have a talent management strategy in place designed just for your company [b]

    (a) Attract Employees   (b) to gain optimal results

    (c) Gain Competitive advantage   (d) Increase Morale

7. Which among the following is not an importance of Talent Management   [b]

    (a) helps in business performance   (b) Enhance Production capacity

    (c) Decrease turnover   (d) Motivates others to perform

8. Talent Management Model doesn't include which of the following: [d]

    (a) Transitioning   (b) Retaining

    (c) Attracting   (d) Analyzing

9.   Talent Management process ends with which of the following   [c]

   (a)   Strategy for retention   (b)   Hold performance appraisal

   (c)   Plan for succession   (d)   Specify what skills you need

10.   The components of Integrated Talent Management Model are _____   [a]

   (a)   Assess, Acquire, Deploy, Develop   (b)   Assess, Acquire, Deploy, Develop, Evaluate

   (c)   Assess, Acquire, Develop   (d)   Assess, Acquire, Estimate, Deploy, Develop, Evaluate

Fill in the blanks

1.   _____ management is an integral part of human resource management.

2.   _____ is defined as "a set of knowledge, skill and behaviours which are needed in the various managerial situations".

3.   _____ model is the "Road Map" which depicts the skills, knowledge and behavioral characte-ristics required to achieve the set-objectives.

4.   _____ assessment of employees' skills, abilities, improvements and competencies enable the organization to know if they are fit for continuation and promotion.

5.   Good _____ and _____ cᵃommunication skills along with an ability to establish good relationships is required for maintaining effective communication with employees.

6.   _____ are the physical characteristics and the constant response to the present situation.

7.   A person having information in specific content areas is regarded as _____.

8.   _____ are the things that a person always think about and want to achieve them.

9.   _____ should be provided to the line managers and HR staff explaining them the effective ways of using the framework.

10.   _____ is an underlying characteristic of an individual which is causally related to criterion referred effective and/or superior performance in a job.

ANSWERS

1.   Talent

2.   Competency

3.   Competency

4.   Periodical

5.   Oral, Written

6.   Traits

7.   Knowledge

8.   Motives

9.   Training

10.   Competency

Very Short Questions and Answers

1.   Employee Assessment.

Ans :

The assessment of employee is the key element of talent management systems which acts as a fundamental data system for compensation, training, recruitment and succession.

2.   Competency Mapping.

Ans :

Competency mapping is an important component of a Performance Management System (PMS). The word "competency" refers to the combination of knowledge, skills and behaviour of employees which are required for achieving desired performances levels. Competency mapping is a process of determining the key competencies that needs to be possessed by the person of a particular role job position.

3.   Threshold competencies.

Ans :

Core competencies are the competencies essential for managerial levels and threshold competencies are the general characteristics which need to be possessed by all employees irrespective of positions.

4.   What are assessment / development centres?

Ans :

They are essentially multiple assessment processes, and there are various ways in which that is so: a group of candidates/participants takes part in a variety of exercises, observed by a team of trained assessors/observers, who evaluate each candidate/participant against a number of pre-determined, job-related behaviours.

5.   Traits.

Ans :

Traits are the physical characteristics and the constant response to the present situation.

Example: The physical characteristics of a combat pilot are reaction time and good eyesight.

Implementing Competency based TM: Integrating Competencies with Talent Acquisition, Talent Development, Performance Management, Career Development, Succession Planning and Talent Retention. Using TM to build High Performance Work Teams. Developing Leadership Potential through 360-degree Feedback. Leadership Succession using 9-Box Talent Management Grid. Building a strong Talent Pipeline cum Bench Strength.

2.1 INTEGRATING COMPETENCIES WITH TALENT ACQUISITION, TALENT DEVELOPMENT

Q1. Define talent acquisition. State the objectives of talent acquisition.

Ans : **(Imp.)**

Talent acquisition is the process of planning, sourcing, assessing, hiring, and on boarding of qualified and talented individuals into appropriate positions in the organization.

The process applies to all types of employment relationships including full and part-time employees, contract employees, contingent staff, or outsourced worker relationships. The focus of the process is on attracting talented workers to the organization.

Acquiring and retaining the best talent acts as a competitive advantage, but it is equally important and difficult to find the right person for the right job. Talent acquisition is an important function within HR, responsible for recruiting high-quality people through various sources for given job positions under stringent deadlines and cost constraints.

Objectives

(i) Awareness

Creating a strong employer brand and promoting it to potential candidates are key components of this process.

(ii) Consideration

Encouraging employees to apply for new roles at the organization and collecting inbound applications

(iii) Interest

Leading the conversation with new and existing candidates in order to progress applications through the hiring process.

(iv) Application

Creating and implementing end-to-end sourcing, screening, and selection process to locate and choose qualified candidates.

(v) Selection

Shortlisting and selecting the finest candidates by collaborating across departments.

Q2. Explain the process of talent acquisition.

Ans :

The process of talent acquiring efficiently and effectively involves 5 stages as given Below

1. Branding

Branding is the phase that connects candidates to employers and people to connect with and follow. Sourcing is the phase that converts candidates to applicants for specific roles. The objective of the branding phase is twofold:

➢ Candidate attraction

➢ Company culture visibility

Demonstrating a company's values helps candidates detennine whether to opt in or opt out of the application process. Smart companies are fostering this by thinking of job descriptions as content rather than advertisements, with content and connections being provided by existing employees.

2.   Sourcing and Applying

Sourcing is the process of converting candidates into applicants, and is the entry point of the hiring funnel. Sourcing can be both inbound and outbound. Inbound sourcing is the generation of applicants who have responded to a job advertisement and expressed interest in specific roles.

This may be as a result of advertising, job sharing, referrals, mailing and similar approaches. The objective is to attract applicants or to convert candidates into applicants.

3.   Candidate Screening

Organizations are expanding their screening process to include interview as well as assessments, profiling and testing as a means of gauging applicant tit and suitability, and technology providers are now offering solutions that help remove subjectivity to the interview process through greater collaboration, standardization and results measurement.

This provides a data-based argument for selection based on evidence) As a result, the role of the recruiter is evolving.

4.   Assessments and Interviews

In the past, tests and assessments for talent acquisition were expensive to deploy, and required training to interpret and administer. As a result of this, tests and assessments and background checks were applied at the end of the interview process to validate hiring. Advances in technology and data analytics have really changed the game in this area.

5.   Onboarding

When it comes to onboarding, what works best will vary from organization to organization. The key is that someone takes responsibility for the applicant post offer and guides their transition to new employee.

The traditional approach to onboarding was to receive some form of structured or unstructured training during the first week of employment, but this is shifting to sharing content, connections and other initiatives from the day the offer is accepted.

Including onboarding with the hiring funnel means that onboarding tasks can be automated, but the relationship between recruiter and applicant/ new employee is retained.

Q3.   What is talent development. Explain the benefits of talent development.

Ans :

Meaning

Talent development is the organizational process of positioning employees for career advancement in a way that aligns with the company's mission. This includes identifying workers' aptitude and goals and helping them develop the knowledge and skills they need to achieve those goals and fill the needs of the company.

Talent development program activities can range from mentoring and coaching to formal training, leadership development, succession planning, on-the-job learning and more.

Benefits

1.   Increase Productivity and Performance

Employees who participate in talent development programs tend to:

(i)   Understand their roles better and actively work to gain the skills they need to be successful

(ii)   Have better-defined goals and a good idea of the skills and experience they will need for their future career

(iii) Be more engaged because they have a clear career path

All of this contributes to better performance and higher productivity because employees have the motivation, understanding, skills and tools to maximize their impact.

2.   Attract Better Candidates

For job candidates, career prospects and future opportunities are an important part of evaluating a potential employer. Having a talent development program in place can go a long way toward attracting well-qualified and ambitious hires.

Candidates may become aware of a company's talent development opportunities through recruiting efforts or by word of mouth from existing employees who have benefited.

3.   Improve Legal Compliance

Talent development programs should include training in areas such as non-discrimination and fostering an inclusive culture. Organizations that ingrain these values in the workforce through training show they are serious about their values and set clear expectations for behaviour among workers. Training in law-related matters can also contribute to improved legal compliance.

4.   Develop Standards for Employee Performance

One of the important goals of talent development is to increase performance across an organization. By helping employees gain skills and experience in a personalized way, companies ensure higher capability levels and better performance and raise the bar for the entire workforce.

5.   Increase Customer Satisfaction

Employees who take part in talent development tend to be more engaged in their work. And engaged employees have been shown to offer better customer service.

When employees have a great experience with their company, they are more likely to want to authentically and enthusiastically share that experience, resulting in happier customers.

2.2 PERFORMANCE MANAGEMENT

Q4.   What is Performance Management? State its benefits.

Ans :   **(Imp.)**

Performance management is a cycle of managing employee performance for success, where goals are created, competencies are incorporated, and constructive feedback is provided for continuous improvement.

A performance management system is designed to assist management and employees alike in communicating performance goals, sharing performance information on a regular basis, fostering learning and development, and exploring career opportunities.

Benefits

(i)   Creates a high-performance organization and profession

(ii)   Establishes a clear link between organizational and individual objectives

(iii) Encourages ongoing communication through coaching and meaningful feedback to employees

(iv)   Encourages discussion and development of competencies through training

(v)   Recognizes exemplary performance and accomplishments

Q5.   What are the various guidelines which need to be adopted by the HR Manager for creating the ideal performance management system.

Ans :

The ideal performance management system could be fried by adopting the following guidelines,

1.   Actively Involve the Top Management

For any programme to be successful, the top, management needs to actively participate in the implementation of new programme. It is the responsibility of the top management to set strategic goals, to identify the core competencies and to demonstrate the significance of performance management by implementing appropriate Teams.

2.   Establish Criteria for an Ideal System

The ideal appraisal system must set distinct criteria for different individuals involved in the process of appraisal. The different individuals include:

(i)   The appraiser - These individuals who evaluate the performance of employees.

(ii)   The appraiser - The employees whose performance needs to be evaluated.

(iii) Human resources professionals - The individuals who are responsible for administering and monitoring the performance management system.

(iv)   Senior management group - A group consisting of senior employees who are responsible for leading the organisation into the future.

3.   **Appoint an Implementation Team**

Implementation team consists of both appraisers and the appraisers who are responsible for:

(i)   Designing and implementing the appraisal forms, policies and procedures.

(ii)   Successfully deploying human resources to accomplish the various organizational goals.

Q6.   **Write in detail about the Effective Performance Management (EPM) model.**

Ans :

An organisation can emphasis more on talent management by improving performance reviews through better individual and organisation processes. Effective Performance Management (EPM) consists of Asian integrated business process and performance reviews.

The three important elements of an EPM model include,

     (a)   Leadership

     (b)   Program design

     (c)   Execution.

The significance of each element in creating effective performance management system in an organistion is,

(i)   **Leadership** supports the performance management of an organisation and contributes for the success of EMP program by establishing and reinforcing the effective performance culture in an organisation.

(ii)   **Program Design -** Effective design criteria should be established and the organisation has to develop each program design as per the criteria.

(iii)   **Execution -** Managers and employee should execute the design by utilising the skills and knowledge.

Talent reviews are to be carried out in all areas of the organisation. All the three elements of the model should be maintained in equilibrium in order to develop an effective performance management in an organisation.

A manager can perform the EPM program based on the five conversations coaching model. The objectives of EPM model are,

(i)   To align the individual goals with the organisation goals.

(ii)   To establish individual performance standards based on which an individual can accomplish the goals, objectives, performance expectations, career plans in order to enhance the individual and organisation competencies.

(iii)   To provide opportunities to the employees for continuous development, performance evaluation, providing feedback and establishing plans for future.

(iv)   To facilitate career planning for employees by considering their goals, improvement and development.

(v)   To establish pay and reward systems in such a way to improve and reinforce the performance of employees.

(vi)   EPM model is one of the important business process that can direct the management in planning the performance measures and identify changes in actual performance of employees by assessing the business outcomes and the changing environment conditions.

Both informal and formal performance reviews are included in EPM design in which formal reviews are conducted through evaluation of results and feedback to develop the employee talent.

The informal reviews will assist and strengthen the formal reviews in order to maintain continuity in the coaching and career plans of employees.

Q7.   **Explain detail about leadership support in performance management.**

Ans :

(i)   Leadership supports the performance management of an organisation and contributes for the successful implementation of EPM program. Leadership of an organisation play a crucial role in establishing and strengthening the efficient performance culture in the organisation.

(ii)   The strategic level managers such as CEO, executives and (BOD) Board of Directors need to manage, evaluate, motivate and reward the executives in order to improve their individual as well as organisational performance.

(iii) For which they need to create strong performance management system in the organisation. Employees can be made committed to their goals by communicating business objectives, expectation, coaching/monitoring and through constructive and regular feedback about their performance to enhance their performance and talent.

(iv) An organisation is said to be a successful and high performance organisation in terms of performance and goal accomplishment only if it has effective performance management and the leadership support.

Example: In US, CEO of a high performance organisation has inscribed a message on the start-up screens of all desktops "Do something today that adds value to our company".

(v) An organisation can also become successful by implementing the high performance principle in all their business processes. It has been observed that leadership can influence the employees more than the management. Employees can be influenced and highly committed to their goals by the support of leaders who can establish clear goals, vision and values for employees.

(vi) To implement these high performance principles in organisation leaders should align the purpose objectives and business processes with the performance processes of that organisation. While establishing these principles leaders should confirm the purpose of the business planning whether it is collaborative effort or a negotiation between the different management styles.

(vii) In order to establish and communicate the possible expectations of the organisation, leaders should build a mutual trust with the employees.

Before establishing an effective performance culture, the management need to assess the following aspects,

(a) The way a leader support the performance reviews and management.

(b) The tools and resources used for the effective implementation of EPM.

(c) Whether the performance process is aligned with business processes or not.

Conclusion

Most of the organisations are involved in aligning the performance processes with pay systems instead of business processes. It may not be effective at all levels of organisation.

Thus, a leader should align the performance processes with the other HR and business processes for the creation of effective performance management in an organisation.

2.3 CAREER DEVELOPMENT

Q8.   Define Career Development. State its objectives.

Ans :   **(Imp.)**

Meaning

Career is viewed as a sequence of position occupied by a person during the course of his lifetime. Career may also be viewed as amalgam of changes in value, attitude and motivation that occur, as a person grows older.

The implicit assumption is that an individual can make a different in his career over time and can adjust in ways that would help him to enhance and optimize the potential for his own career development. Career development is important because it would help the individual to explore, choose and strive to derive satisfaction with one so career object.

Through career development, a person evaluates his or her own abilities and interests, considers alternative career opportunities, establishes career goals, and plans practical developmental activities.

Objectives

Career development seeks to achieve the following objectives:

(i)   It attracts and retains the right persons in the organisation.

(ii)   It maps out careers of employees suitable to their ability, and their willingness to be trained and developed for higher positions.

(iii)   It ensures better use of human resources through more satisfied and productive employees.

(iv)   It ensures more stable workforce by reducing labour turnover and absenteeism.

(v)   It utilizes the managerial talent available at all levels within the organisation.

(vi) It improves employee morale and motivation by matching skills to job requirements and by providing job opportunities for promotion.

(vii) It ensures that promising persons get experience that will equip them to reach responsibility for which they are capable.

(viii) It provides guidance and encouragement to employees to fulfil their potential.

(ix) It helps in achieving higher productivity and organizational development.

2.4 SUCCESSION PLANNING AND TALENT RETENTION

Q9. Define Succession planning. Explain the process of succession planing.

Ans :   **(Imp.)**

Meaning

Succession planning is one of the most critical functions of an organization. This is the process that identifies the critical and core roles of an organization and identifies and assesses the suitable candidates for the same.

The succession planning process ramps up potential candidates with appropriate skills and experiences in an effort to train them to handle future responsibilities in their respective roles.

Succession planning is applicable for all critical roles in the organization. The upper management of each practice or department is responsible of coming up with a suitable succession plan for each core position under his or her department.

Steps

There are four main important steps in planning for succession.

Step 1: Recruitment and staffing

This is one of the key steps of the succession planning. Hiring the right and skilled employees is the key to growing human resources in the organization. Sometimes, some companies require a paradigm shift in order to retain in the business.

In such cases, the organization requires to let go or redefine the roles and responsibilities of the portion of existing staff. Then, the organization hires the new blood in order to acquire the required skills and expertise.

When it comes to succession planning, organization should always hire people, who will have the potential to go up the corporate ladder.

Step 2: Training and development

All the organizational training can come under two categories; skills training and management training.

➢ **Skills training:** Employees are trained to enhance their skills, so their day-to-day work becomes easy.

➢ **Management training:** A selected set of employees undergoes training where they are trained to take over management responsibilities.

Step 3: Performance Management and Compensation

Based on their performance, the employees, who have the potential to become leaders in the organization should be appropriately compensated.

These employees should be considered for fast track promotions and special compensation benefits.

Step 4 : Talent management

Talent management is one of the key factors that contribute for succession planning. The right candidate will have the required level of skills in order to execute responsibilities of the new role.

The upper management and mentors of the staff member should always make sure that the employee is constantly enhancing his/her skills by accepting challenging responsibilities.

Q10. What are the typical activities involved in Succession Planning.

Ans :

Succession planning has many activities involved. Some of these activities are sequential and others can be performed in parallel to others.

Following are the core activities involved in succession planning.

(i) Identification of the critical roles for the growth of the company. There are many tools such as Pareto charts in case if you need any assistance in prioritizing the roles.

(ii) Identification of gaps in the succession planning process. In this step, the process of succession planning is analyzed for its strength. If there are weaknesses and gaps, they will be methodologically addressed.

(iii) In this step, the possible candidates for the potential role will be identified. This will be done by analyzing their past performances as well and for some other characteristics such as age.

(iv) All short-listed employees for potential roles will be then educated about their career path. The employees should understand that they are being trained and their skills are being developed in order to fill critical roles in the organization.

(v) When it comes to training and developing people, they should be developed for the positions that exist in the company as well as the positions (roles) that will be introduced in the future.

(vi) Have a clear understanding of the timeline required for filling key roles. For this, an understanding of when key roles will be vacant is necessary.

(vii) Conduct regular meetings on the succession plans of the organization.

(viii) Identify top players of every department and make necessary arrangements to keep them in the company for a long time.

(ix) Review past succession that took place based on the succession plan and review success. If there are issues, make necessary changes to the succession plan.

Conclusion

Every organization requires succession planning. By succession planning, organization's key roles are constantly maintained with talented people, so organizations can maintain its strength.

When selecting people for key roles, their adherence to organization's mission and vision is important. This is how visionary leaders are sprung in organizations with commitment for the company's growth.

Q11. Assess the state of succession planning and management in your organization?

Ans :

1. Current state

➢ Is succession planning currently done? If so, how?

➢ To assess the current state, consider starting discussions among key decision makers and stakeholders, establishing a committee or conducting a survey.

➢ What areas need improvement?

➢ Is succession planning linked with the broad human resources planning process and aligned with business planning?

2. Desired state

➢ How will you involve representatives from other human resources disciplines (e.g. performance management; training, learning and development, staffing and recruitment; and employment equity and official languages) to ensure succession planning is integrated with the broad human resources planning process?

➢ How will you involve representatives from program planning (e.g. corporate and strategic planners) to align succession planning and to minimize the impact of any organizational changes (e.g. changes in priorities, restructuring).

➢ Have you defined the business case and communicated it to enhance engagement of key stakeholders (e.g. managers, employees and bargaining agents)?

➢ Have the roles and responsibilities of stakeholders been determined and clearly communicated?

➢ Which aspects of the succession planning process will be decentralized to the business unit level and which will be kept at the corporate level?

➢ Is there a communications plan, including key messages (e.g. that succession planning does not guarantee promotions for individual candidates)?

➢ How will you ensure the transparency of the process?

➢ What data and technology are needed?

➢ What resources (e.g. financial, human, technological) are needed?

➢ What tools (e.g. procedures, templates) are needed to support the process?

➢ Have you considered implementing a pilot project?

➢ How will effectiveness be tracked, monitored and reported?

Q12. Define Career Planning. Explain the Features of Career Planning.

Ans :

Meaning

(i) A career may be defined as ' a sequence of jobs that constitute what a person does for a living'.

(ii) According to Schermerborn, Hunt, and Osborn, 'Career planning is a process of systematically matching career goals and individual capabilities with opportunities for their fulfillment'.

(iii) Career planning is the process of enhancing an employee's future value.

(iv) A career plan is an individual's choice of occupation, organization and career path.

(v) Career planning encourages individuals to explore and gather information, which enables them to synthesize, gain competen- cies, make decisions, set goals and take action.

(vi) It is a crucial phase of human resource development that helps the employees in making strategy for work-life balance.

Features

The salient features of career planning are:

1. Follows bottom-up approach

It follows a bottom-up approach wherein the process starts when the individual joins the organization from a lower position and works, to proceed towards higher position.

2. Continuous process

Career planning is a continuous process through which an employee determines his/her needs and the means to fulfill those needs on a regular basis.

3. Aligns career goals with opportunities

Career planning helps in aligning the career goals established by the employee with that of the opportunities available.

4. Means and not an end

It is a means to attain progression and organizational efficiency and not an end in itself

5. Collective Responsibility

It is the responsibility of both employees and the organization as well.

6. Performed in a dynamic environment

Career planning is performed in a dynamic environment in which there are rapid and radical changes in demand for, and supply of labor, its characteristics, technology, environmental conditions, and market strategies.

Q13. Explain the Objectives and benefits of career planning.

Ans :

Objectives

The major objectives of career planning are as follows:

1. To identify positive characteristics of the employees.

2. To develop awareness about each employee's uniqueness.

3.   To respect feelings of other employees.

4.   To attract talented employees to the organization.

Benefits

1.   Career planning ensures a constant supply of promotable employees.

2.   It helps in improving the loyalty of employees.

3.   Career planning encourages an employee's growth and development.

4.   It discourages the negative attitude of superiors who are interested in suppressing the growth of the subordinates.

5.   It ensures that senior management knows about the calibre and capacity of the employees who can move upwards.

6.   It can always create a team of employees prepared enough to meet any contingency.

7.   Career planning reduces labour turnover.

8.   Every organization prepares succession planning towards which career planning is the first step.

Q14. Explain the process of career planning.

Ans :   **(Imp.)**

The career planning process involves the following steps:

(a)   Identifying individual needs and aspirations: Most individuals do not have a clear cut idea about their career aspirations, anchors and goals. The human resource professionals must, therefore, help an employee by providing as much information as possible showing what kind of work would suit the employee most, taking his skills, experience, and aptitude into account.

Such an assistance is extended through workshops/seminars while the employees are subjected to psychological testing, simulation exercises, etc. The basic purpose of such an exercise is to help an employee form a clear view about what he should do to build his career within the company.

Workshops and seminars increase employee interest by showing the value of career planning.

(b)   Analysing career opportunities: Once career needs and aspirations of employees are known, the organisation has to provide career paths for each position. Career paths show career progression possibilities clearly.

They indicate the various positions that one could hold over a period of time, if one is able to perform well. Career paths change over time, of course, in tune with employee's needs and organisational requirements.

(c)   Aligning needs and opportunities: After employees have identified their needs and have realised the existence of career opportunities the remaining problem is one of alignment.

This process consists of two steps: first, identify the potential of employees and then undertake career development programmes with a view to align employee needs and organisational opportunities. Through performance appraisal, the potential of employees can be assessed to some extent.

Such an appraisal would help reveal employees who need further training, employees who can take up added responsibilities, etc.

(d)   Action plans and periodic review: The matching process would uncover gaps. These need to be bridged through individual career development efforts and organisation supported efforts from time to time.

After initiating these steps, it is necessary to review the whole thing every now and then. This will help the employee know in which direction he is moving, what changes are likely to take place, what kind of skills are needed to face new and emerging organisational challenges.

Q15. Explain the effective steps involved in career planning.

Ans :

Effective Career Planning

It's clear from the above table that systematic career planning efforts offer innumerable benefits to both the individuals and organisations. To ensure success here, a number of steps should be taken.

Steps

(a)   **Support:** Career planning efforts must receive consistent support and continued blessings from the top management.

(b)   **Goals:** The corporate goals must be laid down clearly. It is not possible to develop appropriate goals for human resources if you are not very sure about your journey in the next 5 or 10 years.

(c)   **Reward performance:** Employees must be willing to expand their abilities; trainers must be willing to coach, counsel and share their knowledge with employees. There must be appropriate rewards for people from both sides who show promise.

(d)   **Placement:** Every effort must be made to put employees on jobs that are in tune with their capabilities. If a talented employee is put on a routine job, he will quit in frustration.

(e)   **Career paths:** The career paths for different types of employees must be laid down clearly. Fast track promotions should be available to talented people, seniors could be used on jobs requiring experience and judgement, juniors could be used for jobs that demand routine application of rules and procedures, etc.

(f)   **Continuous tracking:** Career planning efforts should be carried out on a continuing basis keeping the changing needs of employees and the organisation in mind. A record of career movements of employees must be kept and periodic assessment of who has gone where should be made.

(g)   **Publicity:** Everyone should be aware of the career opportunities within the organisation.

Q16. Explain the advantages and limitations of career planning.

Ans :   **(Imp.)**

Advantages

1.   **Benefits to employee:** The employee has advance knowledge of career opportunities within the company. He knows where he stands, where he wants to go, who is ahead of him, how to scale the corporate ladder. This helps him set his career goals more realistically and take appropriate steps to realise them.

2.   **Benefits to organisation:** Organisations can base their decisions more systematically. Fast tracks for stars could be arranged, training to slow movers can be provided, replacements can be planned in advance, hard-working, talented people can be retained through offering attractive career options and compensation plans; job assignments can be made based on merit, etc.

3.   **Relations:** Relations between the employer and the employee would become more cordial; employee skills could be used properly; valued employees could be retained, there will be an expanded image of the company as a people developer.

Limitations

1.   For small units (where there are very few opportunities for the vertical growth of employees) it is not suitable.

2.   Several environmental factors such as government policy, laws of the land, reservation based on castes, regional pressures, union demands may upset career planning and development efforts

3.   If the organisation fails to focus on any of the career related issues clearly, problems may crop up (e.g., early career issues, mid career issues, late career issues, minority groups, dual career couples, failure to match task and emotional needs, post retirement issues, forced lay-off issues, etc.).

Q17. Distinguish between career planning and succession planning.

Ans :

BASIS FOR COMPARISON	CAREER PLANNING	SUCCESSION PLANNING
Meaning	Career Planning is the process through which an individual selects the goals of his work life and finds ways to reach the goals.	Succession Planning is a process who tends to spot and develop the employees, that can occupy the key positions in the organization, when they become vacant.
Subset of	Career Management	Succession Management
What is it?	Individual Planning	Organizational Strategy
Position	One employee holds different positions, in his/her work life.	One position is held by different employees, over a period of time.
Ensures	Success in one's career.	Continuity in leadership for all key positions.

Q18. Explain briefly about talent retention.

Ans :

(i) Talent retention is the process of keeping your best employees from leaving. Companies need to have a strategy to retain their top talent, as losing talented employees can be costly and disruptive.

(ii) Many factors contribute to employee turnover, so it's important to consider your business's unique needs when creating your retention strategy.

Common strategies for retaining talent include:

➢ Offering competitive salaries and benefits.

➢ Providing career development opportunities.

➢ Creating a positive work culture.

(iii) Happy employees are less likely to leave their jobs, which means you don't have to spend time and resources recruiting and training new employees.

(iv) A study found that organizations with a strong talent retention strategy have 50% lower staff turnover rates.

(v) Talent retention can improve employee morale and motivation, leading to increased productivity and creativity.

(vi) Talented employees are more likely to be engaged in their work, leading to better results for the company.

2.5 USING TM TO BUILD HIGH PERFORMANCE WORK TEAMS

Q19. What are High Performing Team? State the characteristics of High Performing Team.

Ans :   **(Imp.)**

Meaning

A high performing team is an elite group of individuals who leverage their collective skills, diverse perspectives, specialized expertise, and complementary skills to accomplish challenging goals.

These teams are hyper-focused on achieving clear, outstanding results. They thrive on a foundation of trust, collaboration, and a shared sense of purpose. By harnessing their collective talents and aligning their efforts, high performing teams consistently surpass benchmarks and set new standards of excellence.

But high performing teams aren't made by magic. With the right approach to performance management, you'll empower them to collaborate, innovate, and produce work at the highest levels.

Learn how to make performance management easier for everyone in your organization.

Characteristics of a high-performing team

While every team is different, there are common characteristics that high-performing teams share.

1. They have clear goals tied closely to team and organizational priorities

High-performing teams are aligned in their focus, purpose, and priorities. They set team and individual goals that support this shared vision so that their work drives achievement. Goals are not only aligned, but they are clearly defined so everyone knows exactly what they need to do and how to get there.

Our research found that employees who have clearly defined goals are 2X more likely to be engaged at work.

Performance management-employees who set and revise goals more frequently are more likely to be highly engaged in their work.

2. They understand how their work fits into the organizational mission

When employees understand how their job fits into the context of the overall goals and mission of the organization, they are more engaged and productive. High-performing teams know their "why" and work together to support a shared vision.

In fact, 98% of highly engaged employees are 98% favorable on the item "my job helps the organization achieve success" and 94% favorable on "my performance goals are aligned to our organizational goals."

Top performance management drivers of engagement

3. They have defined roles and responsibilities

Conflict can quickly derail an otherwise talented and productive team. High-performing teams minimize unnecessary conflict by defining each person's role and responsibilities clearly. This prevents confusion over project ownership, keeps workflows and deadlines organized, and ensures accountability across the board.

4. They communicate clearly and respectfully

When communication breaks down, conflict arises and performance suffers. High-performing teams set clear expectations and channels for communication so everyone knows when and where to communicate and who they need to connect with. Conflict is normal, but high-performing teams know how to navigate it in a healthy way that doesn't create more obstacles.

5. They thrive on two-way feedback

High performing teams foster a culture of continuous improvement through open and constructive two-way feedback. Team members feel empowered to share their ideas, concerns, and suggestions without fear of retribution. Managers actively seek feedback from their employees, valuing their perspectives and using the insights gained to drive team growth.

This feedback-driven approach not only enhances individual performance but also strengthens team dynamics, leading to increased collaboration and adaptability. Not to mention, collected feedback can be translated into further development opportunities for employees.

6. They manage work and deadlines based on priorities

High-performing teams focus on what matters most and spend their time accordingly. They understand that not all work has equal importance or urgency and they manage projects based on what tasks have the highest priority and highest impact. This keeps work aligned with organizational goals and ensures everyone is focused on work that drives growth.

2.6 DEVELOPING LEADERSHIP POTENTIAL THROUGH 360-DEGREE FEEDBACK

Q20. Discuss the role of leaders in talent management.

Ans :   **(Imp.)**

Earlier organisations used to delegate the function of "talent-management" to the human resource departments. Basically human resource executives were made responsible for developing and managing talent of employees for increasing the productivity of the organisation as well as increasing the confidence levels of the employees.

In the modern era concept of managing talent of employees has been changed many organisations to have started involving the line managers in the talent management. Line managers are also expected to perform various functions like living, unboarding, training and developing staff members and so on.

The line managers are also learning advanced techniques such as "Behavioural Event Interviewing", in order to develop this skills in the interviewing and hiring process.

It is being identified that the line managers holds the direct impact on greater section of people of an organisation and are more closer to the employees when compared to the HR personnels.

The line managers are supposed to identify the gap of talent between the current talent of employees and the need for future talent and must make different tools and use of techniques in order to reduce such gap. Careful consideration and analysis of following points would help for the managers in effectively improving and developing the talent of their sub-ordinates which would further result in successful achievement of future goals and objectives.

(i) Important skills, talent and leadership styles which are required in the future years for smooth functioning of organisation must be identified.

(ii) Evaluating the results of current approaches to answer the question, whether the current approaches are capable enough of attracting the talent of employees or not.

(iii) Selecting employees or subordinates with good performance as well as high potentials for effective performance of challenging roles in future period.

(iv) Training, motivating and developing staff members so that they are being enriched with technical, interpersonal and leadership skills.

(v) Building a good healthy and strong reward and compensation system for satisfying the employees both in monetary as well as non-monetary terms.

(vi) Deploying identified employees for planning and formulating future strategy.

Q21. What is 360-degree Feedback? State the measures and benefits of 360-degree Feedback.

Ans :

Meaning

360-degree feedback, such as our 360 Development solution, is a multi-dimensional development tool that asks for confidential, anonymous feedback from an employee's supervisors, peers, vendors, and direct reports, about a range of workplace competencies. It uses robust, real-time analytics and AI to help you develop business strategies, investments, and make talent management decisions across the whole business.

It measures:

➢ Behaviours and competencies

➢ How co-workers perceive an employee

➢ Planning, listening, and goal-setting skills

➢ Character, teamwork, and leadership ability

360 feedback is, however, not used for measuring employee performance objectives, basic job requirements, technical skills, absence, or sales targets.

360 feedback is a great tool for developing leaders. Leaders' behaviour generally centres around 'soft' skills such as:

➢ Communication

➢ Decision-Making

➢ Teamwork

➢   Problem-Solving

➢   Empowerment

➢   Empathy

These skills have been quite difficult to evaluate and measure with traditional surveys and questionnaires. Misguided insights from those can lead to focusing on the wrong areas for development or encouraging only short-term behaviour change that's not sustained over time.

Benefits

(i)   Organisational leaders need to understand their own strengths and weaknesses to develop professionally, create and lead stronger teams, positively influence workplace culture, and drive organisational impact.

(ii)   Mid-level and frontline managers need to drive operational excellence, help their team work productively, and provide actionable feedback and direction at the right time, place, and scope. Managers need coaching to make ongoing employee development a critical part of their daily job.

(iii) Individual employees want actionable, timely, and unbiased feedback to build the skills and behaviours they need to grow their careers, improve their day-to-day performance, and in turn become leaders. Requesting and receiving unbiased, data-driven, and actionable feedback at the right time is challenging – especially when working remotely.

(iv)   Organisations need critical insights, delivered by 360 feedback, to help identify future leaders and development gaps, and effectively deliver programs that address talent gaps and improve organisational performance.

(v) The 9-box grid is an individual assessment tool that evaluates an employee's current and potential level of contribution to the organization. The vertical columns of the grid indicate growth potential, and the horizontal rows identify whether the employee is currently below, meeting or exceeding performance expectations.

The intersection of the two determines the employee's current standing and where development may be needed.

(vi) The 9-box grid is most commonly used in succession planning as a method of evaluating an organization's current talent and identifying potential leaders.

When leadership performance and potential are assessed and plotted on the graph, individuals in the upper right quadrant (Box 1) are identified as high-potential candidates for succession, while those in the lower left quadrant (Box 9) may need to be reassigned or removed from the organization.

(vii) The boxes on the grid indicate where investment needs to be made to develop future leaders. Those people in box 1 should be ready for top leadership within 6 months to a year; those in boxes 2, 3, or 6 have a longer timeline but can be groomed for eventual movement to box 1.

2.7 LEADERSHIP SUCCESSION USING 9-BOX TALENT MANAGEMENT GRID

Q22. Describe the Talent Management Grid.

(OR)

Write in detail about Talent Management Grid.

(OR)

Briefly explain Leadership Succession using 9-Box Talent Management Grid.

Ans :   **(Imp.)**

The 9-Box Talent Management Grid is a tool commonly used in organizations for leadership succession planning. It involves mapping employees based on their performance and potential.

Here's a brief explanation of how leadership succession is facilitated using the 9-Box Talent Management Grid:

1.   Performance vs. Potential

The grid has two axes – one representing an individual's current performance level and the other indicating their potential for future growth and leadership roles.

2.   9 Boxes

The grid is divided into nine boxes or cells, forming a 3x3 matrix. Each cell represents a different combination of performance and potential.

3.   Leadership Succession

The 9-Box Grid aids in identifying high-potential employees who are not only performing well in their current roles but also have the potential to take on leadership positions in the future.

4.   Talent Development

For succession planning, organizations focus on the top-right quadrant, which typically represents individuals with high potential and high performance. These individuals are often considered as prime candidates for leadership development programs.

5.   Career Planning

Employees placed in different cells of the grid receive different developmental interventions. For those in the high-potential but low-performance quadrant, coaching or skill development programs may be initiated to enhance their current performance.

6.   Identifying Successors

The 9-Box Grid helps organizations identify potential successors for key leadership roles. It ensures that there is a pool of individuals who are not only performing well but are also being groomed for leadership responsibilities in the future.

7.   Mitigating Risks

Succession planning is essential for mitigating risks associated with leadership gaps. By having a clear view of potential leaders, organizations can proactively address leadership transitions and reduce the negative impact of unexpected departures.

8.   Objective Decision-Making

The 9-Box Grid provides a visual representation that supports objective decision-making in talent management. It helps avoid biases and ensures that decisions regarding leadership succession are based on a combination of performance and potential.

9.   Continuous Monitoring

Succession planning is an ongoing process. The 9-Box Grid is not a one-time assessment but a tool used for continuous monitoring and adjustment based on changes in employee performance and potential.

Conclusion

The 9-Box Talent Management Grid is a valuable tool for leadership succession planning. It enables organizations to identify and develop a pipeline of leaders, ensuring a smooth transition of talent into key roles. The grid promotes a systematic approach to talent management and contributes to the long-term success and sustainability of the organization.

2.8 BUILDING A STRONG TALENT PIPELINE cum BENCH STRENGTH

Q23. Explain briefly about Building a Strong Talent Pipeline cum Bench Strength

Ans :   (Imp.)

(i)   Company culture, forms an integral part of talent management and will attract the right talent for future success. For instance, if you work towards being an employer of choice, your employees are more likely to be loyal, and in the end this will make you as a company a favourable option for the people you want to attract.

(ii)   A company's culture is not established overnight and links in strongly with the behaviours of the business leaders, the way decisions are taken, the processes and the day to day running of a business.

(iii)   Talent management adds strategic value to a business and if implemented correctly will help a company to achieve its business goals. In a nutshell it is all about placing the 'right people in the right role' for current and future business plans.

(iv)   A company's talent management strategy should form part of the overall HR strategy and in the end align with the company's overall business plan.

For example, if the company is building a brand of confidence for the external customers; this confidence will have to be demonstrated by the leaders inside the business. Creating a leadership brand is therefore central in supporting the brand internally.

(v) This will help the leaders to focus not only on achieving financial targets but also think of how to motivate and engage employees to achieve these financial goals.

Building a Talent Pipeline

(i) One of the main responsibilities for any manager is to ensure a strong talent pipeline. They have to identify critical skills and competencies required for current and future business goals. In addition to this, the manager also has to identify critical positions and determine which individuals will be capable of taking up these key positions in future.

(ii) An analysis of your current talent can be based on discussions with individuals, the output from assessment tools and evaluating the performance of employees over the last few years.

  ➢ The ability to easily progress to higher and more complex levels

  ➢ Displaying learning agility and is readily adaptable

  ➢ The ability to perform cross-functional assignments and not be limited to geographical or functional discipline

  ➢ Personal aspiration and commitment to succeed.

(iii) This evaluation process is followed by developing people according to a structured plan, based on the gaps identified between the business plan and the current talent available. It is also referred to as a succession plan.

(iv) In any organization, there will always be employees with a specific talent or critical 'know how', on which the company relies heavily. If these employees should exit the business, the impact is usually huge because the skill is not always easy to replace. Managers should aim to reduce the dependency on these critical workers as far as possible.

(v) The succession plan will help to reduce the business risk and the company should have a supply of talent ready to fill this role or be capable of doing broader roles. Replacement plans should be reviewed annually and action plans followed up rigorously - particularly in areas where there are critical gaps.

Short Questions and Answers

1.   Define talent acquisition.

Ans :

Talent acquisition is the process of planning, sourcing, assessing, hiring, and on boarding of qualified and talented individuals into appropriate positions in the organization.

The process applies to all types of employment relationships including full and part-time employees, contract employees, contingent staff, or outsourced worker relationships. The focus of the process is on attracting talented workers to the organization.

2.   Objectives of talent acquisition.

Ans :

(i)   Awareness

Creating a strong employer brand and promoting it to potential candidates are key components of this process.

(ii)   Consideration

Encouraging employees to apply for new roles at the organization and collecting inbound applications

(iii) Interest

Leading the conversation with new and existing candidates in order to progress applications through the hiring process.

(iv)   Application

Creating and implementing end-to-end sourcing, screening, and selection process to locate and choose qualified candidates.

3.   What is talent development.

Ans :

Meaning

Talent development is the organizational process of positioning employees for career advancement in a way that aligns with the company's mission. This includes identifying workers' aptitude and goals and helping them develop the knowledge and skills they need to achieve those goals and fill the needs of the company.

Talent development program activities can range from mentoring and coaching to formal training, leadership development, succession planning, on-the-job learning and more.

4.   Define Career Development.

Ans :

Meaning

Career is viewed as a sequence of position occupied by a person during the course of his lifetime. Career may also be viewed as amalgam of changes in value, attitude and motivation that occur, as a person grows older.

The implicit assumption is that an invididual can make a different in his career over time and can adjust in ways that would help him to enhance and optimize the potential for his own career development. Career development is important because it would help the individual to explore, choose and strive to derive satisfaction with one s career object.

5.   Objectives of career development.

Ans :

Career development seeks to achieve the following objectives:

(i)   It attracts and retains the right persons in the organisation.

(ii)   It maps out careers of employees suitable to their ability, and their willingness to be trained and developed for higher positions.

(iii) It ensures better use of human resources through more satisfied and productive employees.

6.   Define Succession planning.

Ans :   **(Imp.)**

Meaning

Succession planning is one of the most critical functions of an organization. This is the process that identifies the critical and core roles of an organization and identifies and assesses the suitable candidates for the same.

The succession planning process ramps up potential candidates with appropriate skills and experiences in an effort to train them to handle future responsibilities in their respective roles.

7.   Define Career Planning.

Ans :

Meaning

(i)   A career may be defined as ' a sequence of jobs that constitute what a person does for a living'.

(ii)   According to Schermerborn, Hunt, and Osborn, 'Career planning is a process of systematically matching career goals and individual capabilities with opportunities for their fulfillment'.

(iii) Career planning is the process of enhancing an employee's future value.

(iv) A career plan is an individual's choice of occupation, organization and career path.

8.   Objectives of career planning

Ans :

1.   To identify positive characteristics of the employees.

2.   To develop awareness about each employee's uniqueness.

3.   To respect feelings of other employees.

4.   To attract talented employees to the organization.

9.   Talent retention.

Ans :

(i)   Talent retention is the process of keeping your best employees from leaving. Companies need to have a strategy to retain their top talent, as losing talented employees can be costly and disruptive.

(ii)   Many factors contribute to employee turnover, so it's important to consider your business's unique needs when creating your retention strategy.

Common strategies for retaining talent include:

➤ Offering competitive salaries and benefits.

➤ Providing career development opportunities.

➤ Creating a positive work culture.

10. What are High Performing Team?

Ans :

Meaning

A high performing team is an elite group of individuals who leverage their collective skills, diverse perspectives, specialized expertise, and complementary skills to accomplish challenging goals.

These teams are hyper-focused on achieving clear, outstanding results. They thrive on a foundation of trust, collaboration, and a shared sense of purpose. By harnessing their collective talents and aligning their efforts, high performing teams consistently surpass benchmarks and set new standards of excellence.

But high performing teams aren't made by magic. With the right approach to performance management, you'll empower them to collaborate, innovate, and produce work at the highest levels.

Choose the Correct Answers

1. What is defined as the occupational positions a person holds over the years?   [d]

    (a)   A psychological contract   (b)   A promotion

    (c)   Reality shock   (d)   A career

2. Who is responsible for Career Development?   [d]

    (a)   Organization   (b)   Employee

    (c)   Employee`s immediate manager   (d)   All of these

3. Which of the following terms refers to the lifelong series of activities that contribute to a person's career exploration, establishment, success, and fulfillment?   [b]

    (a)   Performance management   (b)   Career development

    (c)   Career management   (d)   Career planning

4. Which of the following is a specific example of a career development activity?   [b]

    (a)   Job evaluation   (b)   Training workshop

    (c)   College recruitment   (d)   Performance appraisal

5. _____ is the ongoing process of identifying future leaders in an organization   [c]

    (a)   Career Planning   (b)   Man Power Planning

    (c)   Succession Planning   (d)   Staffing

6. Succession Planning is developing employees in a structed plan to _____   [a]

    (a)   Replace Leaders   (b)   Replace Management

    (c)   Support Leaders   (d)   Support Management

7. The process of succession planning doesn't include   [b]

    (a)   Studying current workforce   (b)   Focusing only on talented employee

    (c)   Forecasting future trend   (d)   Review Organization strategic plan

8. Succession planning aims that essential knowledge and ability will be maintained when employees in _____ leaves   [d]

    (a)   Top position   (b)   Organization

    (c)   Board of the organization   (d)   Critical Position

9. High performance work system leads to   [a]

    (a)   Superior employee performance   (b)   Low labor costs

    (c)   Safer workplaces   (d)   Less employee turnover rate

10. The process of arming the employees of organization with technology tools, to get the jobs done is called

                                                                                                         [a]

    (a)   Workplace flexibility   (b)   Work hour flexibility

    (c)   Work week flexibility   (d)   Contributory flexibility

Fill in the Blanks

1.   _____ is the phase that connects candidates to employers and people to connect with and follow.

2.   _____ is the process of converting candidates into applicants, and is the entry point of the hiring funnel.

3.   EPM Stands for _____.

4.   _____ supports the performance management of an organisation and contributes for the success of EMP program by establishing and reinforcing the effective performance culture in an organisation.

5.   _____ is viewed as a sequence of position.

6.   _____ planning is one of the most critical functions of an organization.

7.   _____ is a process of systematically matching career goals and individual capabilities with opportunities for their fulfillment'.

8.   _____ represents the key skills, knowledge and abilities (KSA's) required to perform different jobs of an organization.

9.   A _____ team is an elite group of individuals who leverage their collective skills, diverse perspectives, specialized expertise, and complementary skills to accomplish challenging goals.

10.   Succession planning is essential for _____ risks associated with leadership gaps.

Answers

1.   Branding

2.   Sourcing

3.   Effective Performance Management

4.   Leadership

5.   Career

6.   Succession

7.   Career planning

8.   Competency models

9.   High performing

10.   Mitigating

Very Short Questions and Answers

1.   Features of career planning

Ans :

i)   Follows bottom-up approach

It follows a bottom-up approach wherein the process starts when the individual joins the organization from a lower position and works,to proceed towards higher position.

ii)   Continuous process

Career planning is a continuous process through which an employee determines his/her needs and the means to fulfill those needs on a regular basis.

2.   What is 360-degree Feedback.

Ans :

360-degree feedback, such as our 360 Development solution, is a multi-dimensional development tool that asks for confidential, anonymous feedback from an employee's supervisors, peers, vendors, and direct reports, about a range of workplace competencies.

3.   Talent Management Grid.

Ans :

The 9-Box Talent Management Grid is a tool commonly used in organizations for leadership succession planning. It involves mapping employees based on their performance and potential.

4.   Benefits of career planning.

Ans :

i)   Career planning ensures a constant supply of promotable employees.

ii)   It helps in improving the loyalty of employees.

iii)   Career planning encourages an employee's growth and development.

iv)   It discourages the negative attitude of superiors who are interested in suppressing the growth of the subordinates.

5.   Limitations of career planning

Ans :

i)   For small units (where there are very few opportunities for the vertical growth of employees) it is not suitable.

ii)   Several environmental factors such as government policy, laws of the land, reservation based on castes, regional pressures, union demands may upset career planning and development efforts.

Performance Management (PM): Importance of Performance Management. Contribution of PM, disadvantages of poorly implemented PM. Role of HR in PMS. Determinants of Performance: Declarative Knowledge, Procedural Knowledge and Motivation. Linkages of PMS with other HR Processes. Different Approaches to PMS: Traditional Performance Appraisal System, MBO and Balanced Scorecard. Linking PM and Strategy.

3.1 PERFORMANCE MANAGEMENT (PM)

Q1. Define Performance Management. Explain the characteristics of Performance Management.

Ans : **(Imp.)**

Meaning

Performance Management (PM) is regarded as a systematic process by which the overall performance of an organisation can be improved by improving the performance of individuals within a team framework. It is a means for promoting superior performance by communicating expectations, defining roles within a required competence framework and establishing achievable benchmarks.

It is a much broader and a complicated function of HR, as it encompasses activities such as joint goal-setting, continuous progress review and frequent communication, feedback and coaching for improved performance, implementation of employee development programmes and rewarding achievements.

Definitions

(i) **According to Dr T.V Rao,** "Performance management involves thinking through various facets of performance identifying critical dimensions of performance, planning, reviewing, developing and enhancing performance and related competencies".

(ii) "Performance management may be defined as managerial process which consist of planning performance, manaj performance through observation and feedback, appraising performance and rewarding performance"

Characteristics

1. Continuous Process

Performance management is seen as a continuous process of monitoring and feedback rather than annual one-off event and there should be involvement of employees through focus group interviews, surveys etc., in all stages of the design, implementation and review process.

2. Involves Effective Use of Technology

Performance management involves effective use of technology in conveying desired competencies and in monitoring, collecting and giving feedback so there is minimum possible bureaucratisation of administering the system.

3. Emphasises on Training Managers

Performance management emphasises on comprehensive training to managers not just for their own development but also to act as effective coaches as the role of coaching in performance improvement is quite crucial.

4. Dynamic System

Performance management is a dynamic system that is suitable for changing workplace realties, such as working in teams and alternative work arrangements like teleworking, job sharing, etc.

5. Linked to Other Systems of HRM

Performance management system is closely linked to other systems of human resource management, particularly career planning, succession planning and training and development.

6. Based on Critical Success Factors

Performance management is closely aligned with the organisational context and culture without

being influenced by passing fads and strategically linked to clearly defined organisational objectives. Therefore, performance measure is based on the critical success factors derived from the corporate and business strategy.

Q2. State the functions of Performance Management.

Ans :

Performance management performs the following functions,

1. Employees Development

Performance Management function as a developmental tool for employees and organization. The main objective of performance management team is to improve employees skills, knowledge and competencies by conducting various training programs. As a result, such activities may improve the performance of employees and organization.

2. Job Performance Plans

Performance Management team prepares a plan of job description under which requirements for a job are specified such as competencies required for performing jobs, standard of job, job description, job specification and so on. Based on this plan, right person can be recruited.

3. Right Person for Job

Performance management helps in performing the process of recruitment and selection of employees effectively. It may also help to place right person on right position.

4. Healthy Work Environment

HR manager works with an aim of creating healthy work environment in the organization which may allow the employee to be open minded, trust worthy, mutually understandable, work with team spirit and co-operation.

5. Performance Standards

As the Human Resource performs the function of performance management, it fixes the standards of employee's performance with the consultation of top level management experts and consultants.

6. Performance Measurement

The performance manager evaluates and measures the performance of employees at work place based on certain criteria which may include number of hour worked, output produce per hour/shift, quality of work, discipline commitment and so on.

7. Performance Feedback

Performance manager gives feedback to the employee after evaluating their performance. Besides feedback, manager also suggests different ways to unprove the lacking areas which may clarify their doubts.

3.1.1 Importance of Performance Management

Q3. Briefly discuss the importance of Performance Management

Ans :   **(Imp.)**

1. It Provides a Look into the Future

By consistently monitoring and managing workplace performance, leaders can see potential future problems. Like with any type of issue, early detection is key. The earlier problems are confronted the less effect that they will likely have.

For instance, if the company notices that a certain employee is not a team player, they can either move that employee to a position that does not require teamwork, provide training to that employee revolving around teamwork, or let that employee go before it becomes a problem.

2. Provides Clarity in the Organization

It is a common problem that many employees are unsure of what exactly their role entails, what is expected of them, and who they are to report to. Through performance management, the company can make all of this very clear. A lack of understanding often leads to a lack of productivity.

Therefore, by providing clarity for employees, the result will often be increased productivity and confidence.

3. Provides the Opportunity for Exchanging Feedback

A lack of communication in a relationship is grounds for trouble, and this includes working relationships. Quite often, management speaks to employees about their perfor-mance, but employees do not very often get a chance to voice concerns or frustrations.

Effective performance management provides an avenue through which both the employer and the employee exchange feedback. In addition to gaining insight, employees often feel much more valued when they can voice their thoughts.

4. Increases Employee Retention

Performance management also encourages organizations to reward and recognize their employees. Lack of recognition is a big reason some employees leave a job and look for another.

They want to be appreciated for their hard work. In addition to the clarity, the ability to share feedback, and the additional training when needed, rewards and recognition can play an important role in employee retention.

5. Boosts Employee Engagement

Performance management, when it truly involves employees, will boost employee engagement. When there is a disconnect between management and employees, it is almost as though employees are just going through the motions of the day. Their position becomes merely a job as opposed to a rewarding career.

However, performance management has the capability of engaging employees fully and making them feel invested in the company. This leads to job satisfaction and employee loyalty, all of which increase productivity.

6. Helps to enforce goal setting and achievement

A good performance management system helps employees to understand the goals of the company and what they are expected to do to achieve these goals. This means they understand how their contributions affect the overall growth of the business.

7. It offers mentoring for increasing performance

The ultimate aim of performance manage-ment is to improve performance. It will help managers to devise ways through which they can increase performance while providing the opportunity to talk about career prospects and direction.

In all, it will help the executive manager and/or HR manager to provide additional mentoring and training which will be useful in developing criteria for promotions.

Q4. Explain the principles of Performance Management.

Ans :

Performance management can bring quality and effectiveness only when certain basic and fundamental principles are followed. These include:

1. Transparency

The system should be transparent, free from partiality, bias and discrimination among the employees. If not, the base of the system itself will not be strong to build anything above that.

For example, work allocation, promotions, transfers, incentives, and bonus – if based on Performance management, then the system should be transparent and gives no room for employees to complaint.

2. Employee Empowerment

Participative and empowered employees take the responsibility well. They develop the belongingness towards the organisation. Recognizing and rewarding the employees brings them together to work and achieve.

3. Organisational Values and Culture

A fair treatment and ensuring due satisfaction to the employees, empathy and trust, respect and treating people equally – are all the foundations for the development of the Culture and values of the organisation, which reflects in overall output.

4. Amicable Workplace

A work environment which attracts the employee rather than expecting the week end to be away from the workplace is the principle.

The workplace should be congenial, warm and amicable to the employees. This helps in improving the quality of work life and balancing the work life

Q5. Explain the process of Performance Management.

Ans :   **(Imp.)**

The following are the components which are involved in performance management process.
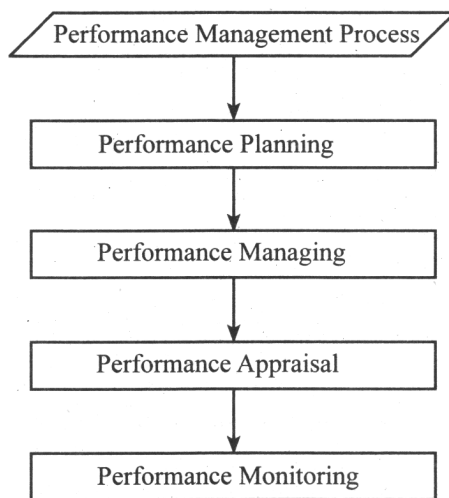
Fig: Steps in Performance Management Process

1. Performance Planning

According to Rao (2004), "Performance planning may be defined as a systematic outlining of the activities that the manager is expected to undertake during a specified period so that he is able to make his best contribution to developmental and organizational outcomes".

According to Armstrong (2000), "Performance planning define expectations - the results to be achieved and the skills, knowledge, expertise and capabilities required to attain these results".

2. Performance Managing

Performance managing is defined as working towards the performance expectations decided at performance planning stage. In other words, performance managing involves ensuring that the resources needed to perform according to planning are present and making sure that organizational resources are used to the optimum extent.

3. Performance Appraisal

The following are the various definitions of performance appraisal.

(a) Formally Dale S. Beach defines Performance Appraisal as "the systematic evaluation of the individual with regard to his/her performance on the job and his/her potential for development".

(b) Edwin B.Flippo says that "Performance Appraisal is a systematic, perodic and an impartial rating of employee's excellence in matter pertaining to his/her present job and his/her potential for a better job".

4. Performance Monitoring

According to Flaynes (1984), "Performance monitoring makes a contribution in the evaluation of work methods and employee performance".

Q6. Explain the objectives and dimensions of Performance Management.

Ans :

Objectives

The major objectives of performance management are discussed below:

1. To enable the employees towards achieve-ment of superior standards of work perfor-mance.

2. To help the employees in identifying the knowledge and skills required for performing the job effi ciently as this would drive their focus towards performing the right task in the right way.

3. Boosting the performance of the employees by encouraging employee empowerment, motivation and implementation of an effective reward mechanism.

4. Promoting a two way system of communication between the supervisors and the employees for clarifying expectations about the roles and accountabilities, communicating the functional and organizational goals, providing a regular and a transparent feedback for improving employee performance and continuous coaching.

5. Identifying the barriers to effective performance and resolving those barriers through constant monitoring, coaching and development interventions.

6. Creating a basis for several administrative decisions strategic planning, succession planning, promotions and performance based payment.

7. Promoting personal growth and advancement in the career of the employees by helping them in acquiring the desired knowledge and skills.

Dimensions

Dimensions of performance management are as follows:

1. Time Dimension

Time has been described as both a source of competitive advantage and a fundamental measure of performance. A set of performance measures can be derived for the time dimension, specifically for workflows, consisting of lead time, and throughput time.

Lead time is the time it takes to handle an entire case. Throughput time is the time between the moment a task is completed and the moment the next task is completed. Throughput time is composed of - service time, queue time, wait time, move time, and set-up time.

2. Cost Dimension

Cost dimension is closely related to the other dimensions. **For example,** long lead times can result in a more costly process, low quality can lead to expensive rework, and low flexibility can also result in a more costly process execution.

3. External Quality Dimension

Quality of a workflow can be judged from atleast two angles. External quality is defined from the customer's side, i.e., the person or organisation that initiates the workflow and will receive the output. Internal quality is defined from the worker's side.

External quality can be measured as client satisfaction with either the product (output) or the process. Satisfaction with the product is the degree to which the customer feels that the product is according to specification or feels satisfaction with the delivered product. The satisfaction of a customer with the process relates to the way a workflow is executed.

4. Internal Quality Dimension

Internal quality can be seen as the quality of a workflow from an operator's perspective. In this context, internal quality involves the working conditions.

Task design characteristics and social factors are very important. High internal quality can result in high motivation, high job satisfaction, high psychological well-being, high external quality, and low absenteeism.

5. Flexibility Dimension

Flexibility is the least noted criterion to measure the effect of a redesign effort. Flexibility can be defined as "the ability to react to changes". It appears that flexibility can be identified for individual resources, for individual tasks, and for the workflow (process) as a whole.

Five types of flexibility can be distinguished.

(i) **Mix Flexibility:** The ability to process different kinds of cases e.g., per resource, task, or workflow.

(ii) **Labour Flexibility:** It reflects the ability to perform different tasks e.g., per resource or per workflow.

(iii) **Routing Flexibility:** It is the ability to process a case by using multiple routes, e.g., the number of different sequences in the workflow.

(iv) **Volume Flexibility:** It is the ability to handle changing volumes of input.

(v) **Process Modification Flexibility:** It is the ability to modify the process, e.g., the number of sub-flows in the workflow, complexity, number of outsourced tasks, etc.

6. Result and Output

Most acceptable and visible as well as measurable dimension of performance is result or the output. The sales figures, number of customers, financial targets, etc., are all stated in result form. They are called key result areas.

Q7. Explain the scope of Performance Management.

Ans :

1. Framing Reward/Cajreer Policies

Performance Management (PM) is the most important factor that helps the human resource department to formulate policies relating to career development, reward and recognition, competency development programs etc. All such policies are formulated based on the performance driven activities of an organization.

2. Business-HR Partnership

Performance management helps to know the contribution of the company's human resource towards key organizational goals such as profits, sales turnover etc. Top management can get a clear idea about the value-addition by each employee only through performance management program.

3. Organizational Survival

In today's highly competitive business environment, human resource is the most valuable resource of any organization. Infact, it is the key to the survival of any organization. Performance management help firms to deal with various performance related issues of the organizational workforce.

4. Assists in Human Resource Practices

Performance management helps to fulfill the human resource practices that aim to satisfy the needs of employees such as self esteem, self actualization etc., by providing an interesting and challenging work environ-ment, rewarding the employees for good performance and updating employee competencies.

3.2 CONTRIBUTION OF PM

Q8. Explain the contributions of Perfor-mance Management.

Ans :   (Imp.)

A performance management system can make the following important contributions:

1. Motivation to perform is increased.

Receiving feedback about one's performance increases the motivation for future perfor-mance. Knowledge about how one is doing and recognition of one's past successes provide the fuel for future accomplishments.

2. Self-esteem is increased.

Receiving feedback about one's performance fulfils a basic need to be appreciated and valued at work. This, in turn, is likely to increase employees' self-esteem.

3. Managers gain insight about subordi-nates.

Direct supervisors and other managers in charge of the appraisal gain new insights into the person being appraised.

The importance of knowing your employees is highlighted by the fact that the Manage-ment Standards Centre has recognised that developing productive relationships with colleagues is a key competency for managers (www.management-standards.com, Standard D1: Develop productive working relationships with colleagues). Gaining new insights into a person's performance and personality will help the manager build a relationship with that person.

Also, supervisors gain a better understanding of each individual's contribution to the organisation. This can be useful for direct supervisors as well as for supervisors once removed.

4. The job definition and criteria are clarified.

The job of the person being appraised may be clarified and defined more clearly. In other words, employees gain a better understanding of the behaviours and results required of their specific position.

Employees also gain a better understanding of what it takes to be a successful performer (i.e., which criteria define job success).

5. Self-insight and development are enhanced.

The participants in the system are likely to develop a better understanding of themselves and of the kind of development activities of value to them as they progress through the organisation.

Participants in the system also gain a better understanding of their strengths and weaknesses, which can help them better define future career paths.

6. Personnel actions are more fair and appropriate.

Performance management systems provide valid information about performance, which can be used for personnel actions such as merit increases, promotions and transfers, as well as terminations. In general, a performance management system helps ensure that rewards are distributed on a fair and credible basis.

In turn, such decisions based on a sound performance manage-ment system lead to improved interpersonal relationships and enhanced supervisor–subordinate trust.

7. Organisational goals are made clear.

The goals of the unit and the organisation are made clear, and the employee understands the link between what he or she does and organisational success.

This is a contribution to the communication of what the unit and the organisation are all about and how organisational goals cascade down to the unit and the individual employee. Performance management systems can help improve employee acceptance of these wider goals (i.e., organisational and unit level).

8. Employees become more competent.

An obvious contribution is that the performance of employees is improved. In addition, there is a solid foundation for developing and improving employees by establishing developmental plans.

9. There is better protection from lawsuits.

Data collected through performance management systems can help document compliance with regulations (e.g., equal treatment of all employees regardless of sex or ethnic background).

When performance management systems are not in place, arbitrary performance evaluations are more likely, resulting in an increased exposure to litigation.

10. There is better and more timely differentiation between good and poor performers.

Performance management systems allow for a quicker identification of good and poor performers.

Also, they force supervisors to face up to and address performance problems on a timely basis (i.e., before the problem is too costly and cannot be remedied).

11. Supervisors' views of performance are communicated more clearly.

Performance management systems allow managers to communicate to their subordi-nates their judgements regarding perfor-mance.

Thus there is greater accountability in how managers discuss performance expectations and provide feedback. Both assessing and monitoring the performance of others are listed as key competencies for managers by the Management Standards Centre (www.management-standards.com, Standard D6: Allocate and monitor the progress and quality of work in your area of responsibility).

When managers possess these competen-cies, subordinates receive useful information about how their performance is seen by their supervisor.

12. Organisational change is facilitated.

Performance management systems can be a useful tool to drive organisational change. For example, assume an organisation decides to change its culture to give top priority to product quality and customer service.

3.3 DISADVANTAGES OF POORLY IMPLEMENTED PM

Q9. What are the advantages and disadvantages of performance management?

Ans :   **(Imp.)**

Advantages

1. Knowledge of Self Capabilities and Developmental Needs

Performance management system helps employees to be aware of themselves i.e., the capabilities they possess and the capabilities they need to develop to meet the future requirements of the organization.

2. Enhanced Motivation Levels

In performance management, performances of employees are assessed and feedback is provided on regular basis. This feedback acts as a motivational factor for the employees and encourages them towards high performance levels.

3. Properly Conveying the Manager's Opinion on Performance

PMS provide an opportunity to managers to convey their opinion on performance to the employees.

4. Improvement in Employees Capabilities

In PMS, various developmental activities are undertaken in order to improve the performance levels of poor performers. This will enhance capabilities of employees.

5. Unbiased and Adequate Decisions

PMS provides some essential data on the basis of which the decisions like promotions, demotions, transfers, increments etc., are taken.

This method does not encourage unbiased and unfair practices in the organization and helps in developing a trustworthy relationship between superiors and subordinates.

6. Supervisors will get to know about Employees

According to Management Standards Centre (MSC) and other government organizations of United Kingdom, building effective relationship with subordinates is one of the essential skills of manager (supervisor). Appraiser can know the contribution of each employee in the achievement of organiza-tional objectives.

Disadvantages

1. Time Consuming

It is recommended that a manager spend about an hour per employee writing performance appraisals and depending on the number of people being evaluated, it can take hours to write the department's PA but also hours meeting with staff to review the PA.

2. Discouragement

If the process is not a pleasant experience, it has the potential to discourage staff. The process needs to be one of encouragement, positive reinforcement and a celebration of a year's worth of accomplishments.

It is critical that managers document not only issues that need to be corrected, but also the positive things an employee does throughout the course of a year, and both should be discussed during a PA.

3. Inconsistent Message

If a manager does not keep notes and accurate records of employee behaviour, they may not be successful in sending a consistent message to the employee.

We all struggle with memory with as busy as we all are so it is critical to document issues (both positive and negative) when it is fresh in our minds so we have it to review with the employee at performance appraisal time.

4. Biases

It is difficult to keep biases out of the PA process and it takes a very structured objective process and a mature manager to remain unbiased through the process.

Performance appraisal rater errors are common for managers who assess performance so understanding natural biases is important to fair evaluations.

3.4 ROLE OF HR IN PMS

Q10. Define performance management system. State the objectives of performance management system.

Ans : (Imp.)

Meaning

Performance Management System (PMS) is the heart of any "people management" process in organisation. Organisations exist to perform. If people do not perform organisations do not survive. If people perform at their peak level organisation can compete and create waves.

Performance management system if properly designed and implemented can change the course of growth and pace of impact of organisations. In the past organisations as well as the HR function have wasted a lot of time by wrongly focusing on performance appraisals rather than performance management.

Objectives

1. Strategic Purpose

The first purpose of performance management systems is to help top management to achieve strategic business objectives. By linking the organisation's goals with individual goals, the performance management system reinforces behaviours consistent with the attainment of organisational goals.

Moreover, even if for some reason individual goals are not achieved, linking individual goals with organisational goals serves as a way to communicate what are the most crucial business strategic initiatives.

2. Administrative Purpose

The second purpose of performance management systems is to furnish valid and useful information for making administrative decisions about employees.

Such administrative decisions include salary adjustments, promotions, employee retention or termination, recognition of superior individual performance, identification of poor performers, layoffs, and merit increases.

Therefore, the implementation of reward systems based on information provided by the performance management system falls within the administrative purpose.

3. Informational Purpose

Performance management systems serve as an important communication device.

(i) They inform employees about how they are doing and provide them with information on specific areas that may need improvement.

(ii) It related to the strategic purpose, they provide information regarding the organisation's and the supervisor's expectations and what aspects of work the supervisor believes are most important.

4. Developmental Purpose

Feedback is an important component of a well-implemented performance management system. This feedback can be used in a developmental manner. Managers can use feedback to coach employees and improve performance on an ongoing basis.

5. Organisational Maintenance Purpose

The fifth purpose of performance management systems is to provide information to be used in workforce planning. Workforce planning comprises a set of systems that allows organisations to anticipate and respond to needs emerging within and outside the organisation, to determine priorities, and to allocate human resources where they can do the most good.

6. Documentational Purpose

Finally, performance management systems allow organisations to collect useful information that can be used for several documentation purposes. First, performance data can be used to validate newly proposed selection instruments.

Q11. Explain the functions of performance management system.

Ans :

Performance management system can fulfi ll different functions for different organisations. The given below are the key functions of PMS:

1. Helps in clarifying the mission, vision, strategy, and values of the organization to the employees in order to enable them achieve the same

2. Helps in improving various business processes as the defi ciencies are high-lighted.

3. Helps in attracting and retaining talents in the organization and helps in establishing a robust talent review system.

4. Facilitates competency mapping, training and development needs identifi cation, and implementation as part of the performance development tool (employees have the competencies to met both the present and emerging requirements of the organization).

5. Assists management in validating their recruitment and selection process and techniques.

6. Helps employees attain their full potential and attain a balance between work and personal life.

7. Improves organization's ability to change faster by highlighting the gap between potential capabilities and present ability.

8. Helps in making a shift from industrial relations to individual relations with a focus for employee growth an development.

9. Enables sustainable organizational competitiveness, innovation, and low employee turnover by helping in reviewing organization structure and plan succession.

10. Builds the intellectual capital not only at managerial level but at front-line level also.

Q12. Explain the role of HRM in performance management system.

Ans :　　　　　　　　　　　　　　　　**(Imp.)**

1. Line Competencies

Line competencies assist all the functions to update their own processes, systems, skills and practices, by offering appropriate internal and external training, expertise and development. Creativity and flexibility would be more significant in the new organizations instead of loyalty and endurance.

There will be less scope for the employees to get promoted to management and supervisory ranks as new organization will be leaner and flatter. So, the employees who are flexible and carry out multiple functions are considered as the most valuable employees.

2. Contemporary Expertise

Contemporary expertise is one of the major challenges that HR professional confronts both professionally and personally.

The HR professionals are required to keep the organization and themselves equipped with HR methodologies through adaptation and innovation at a global level.

3. HR Competencies

At every stage, the HR professional must upgrade the competencies of the HR functionaries which are required in formulating and implementing HR systems, structures, policies and practices, dealing with individuals and collectives. He/she should also update their business environment knowledge, challenges, other functions and the rising HR requirements.

An HR profession need to be flexible to respond to the quickly changing customer demands and expectations as the future organizations would be leaner, flatter and aggressive.

4. Customer Value

It is essential for HR professional to assist the whole organization in understanding the customers preferences and requirements in creating value by means of suitable products and services; and deliver the value.

Customers not only refer to the external customers but it also refers to the internal customers (i.e., the human resources) and the hidden customers (i.e., the society and the shareholders). So the demands and expectations of both the internal and external customers has to be met by the HR professional.

5. People Orientation

Today, it is difficult to sustain improved performance in business operation. There is an increased pressure to enhance performance with minimum resources.

In this situation, the organizations will become successful by capturing the minds and hearts of the people working with them and assure their commitment, contributions and involvement at the maximum potential.

So, it is the people's talent based on which the organization can achieve success. It is essential for HR professional to assist the organization in making talent magnet by means of people compatible culture and policies.

6. Competitive Advantage

HR professional should create competent and committed workforce who can serve as a

significant reservoir of competitive advantage for organizational growth and survival. HR professional should ensure that the organization attracts the suitable talent mix, develop, motivate, retain and utilize it perfectly.

7.   Inspiring Culture

People work in organizations not only for compensation but also for satisfaction and survival.

The human resources in effective organi-zations are maintained in the most efficient manner by motivating employees to invest in themselves by offering a good learning environment. HR professional should provide assistance in building a positive culture with deep core values, empowering leadership styles and consistent self-directed learning.

8.   System

The HR professionals need to be more IT Savvy as most of the organizations are using electronic performance management.

The HR professionals along with the users have to design, introduce and stabilize suitable systems for performance management and its connection with ITS (Information Technology Systems) to ensure easy modification and operation.

9.   Business Focus

The top management and functional manage-ment could have been directed and guided the HR professional about their notions, preferences and fads in a less global and less competitive domestic economy prior to globalization and liberalization.

But in the present scenario of globally competitive environment, the HR should align his role according to the business requirement for competitive advantage, customer value, stakeholder wealth etc.

10.   Corporate Social Responsibility

Corporate social responsibility includes the legal, economic, ethical and discretionary expectations which society has form the organizations.

An HR professional should ensure that the organization make direct and sustainable (indirect) contribution to HR development in the neighbouring communities around its different locations by bearing in mind the current global societal concerns regarding the good governance, social safety nets and corporate governance.

3.5 DETERMINANTS OF PERFORMANCE

3.5.1 Declarative Knowledge, Procedural Knowledge and Motivation

Q13. Explain the Determinants of Performance.

Ans :

Performance is determined by a combination of three factor and all three determinants of performance must be present for performance to reach satisfactoiy (and better) levels:

(i)   Declarative Knowledge

information about facts and things including information regarding a given task's requirements, labels, principles, and goals.

(ii)   Procedural Knowledge

combination of blowing what to do and how to do it includes; cognitive, physical, perceptual, motor, and interpersonal skills.

(iii)   Motivation

Job performance depends mainly on the motivational level of an employee and motivation depends upon the following decisions, like decision to perform a task, decision regarding performance level and decision to hold some degree of efforts.

Factors Determining Performance

Declarative Knowledge	Procedural Knowledge	Motivation
Facts	Cognitive skill	Choice to perform
Principles	Psychomotor skill	Level of effort
Goals	Physical skill	Persistence of effort
	Interpersonal skill	

Declarative knowledge, procedural knowledge and skills and motivation are the internal factors and directly influences the job-performance of the employee.

Individuals required to perform all the determinants i.e., declarative knowledge, procedural knowledge and motivation equally to reach high levels. If any of the determinant is not followed/implemented efficiently then, it becomes difficult for an individual to move towards success.

3.6 LINKAGES OF PMS WITH OTHER HR PROCESSES

Q14. Explain the linkage of PMS with other HR Processes.

Ans :   **(Imp.)**

Performance management is like a continuous communication process between employees and immediate supervisors. It has included clarity regarding the below points.

➢   What is the employee's contribution to the organization's vision?

➢   What are the employee's key performance areas?

➢   Organization standards and expectations

➢   How can improve the performance?

1.   Human Resource Planning

Usually, all organization has to do some human resources planning activities at least once a year. During the planning activities, the main concern is what is the human resource requirements to achieve the organizational goals during the next year.

During the performance evaluation, the organization identify performers as well as non-performers. If someone is nonperfor-ming continuously organization has to take the decision relating to the terminations.

And also usually some members leave the organization for better opportunities. That means every year organization may have some vacant positions because of the above two reasons

2.   Recruitment & Selection

Based on the human resource planning, the HR department has to conduct the recruitment and selection activities in a timely manner.

During the selection process HR has to go through the requirements of the particular vacant or new position, what are the defined objectives for that position and whether the interviewee's profile match the requirement.

Objectives, JDs are defined during the performance management mechanism and because of that there is a direct link between recruitment and performance management.

3.   Learning & Development

According to the performance management mechanism, the organization has to conduct frequent performance reviews. During the reviews organization can understand the gap between employee achievements and organization expectations.

If it happens based on the knowledge of employees, the organization has a clear responsibility to train and develop employees to achieve their targets. Also, the organization has a great responsibility to develop employees for the next position based on their achievements.

4.   Career Planning

If some employee work in the organization for a reasonable period, the organization achieve great results. Every member expects some personal career growth. if some person performs well in the organization, the organization has a great responsibility to keep that employee in the organization.

So, the HR team has to plan each and every member's future career within the organization. Another name is succession planning. To identify a good performer, a performance management system is required.

5.   Performance Evaluation

If there is a performance management system, the organization can set up a performance evaluation mechanism. Performance evaluation is one of the major HR functions and it is crystal clear that there is a direct relationship between performance manage-ment systems and performance evaluation.

6.   Rewarding

When considering the manufacturing organization there are mainly two categories. Management level and associate level.

The associate-level rewarding organiza-tion has to do a daily basis based on their target achievement. Management level rewarding at least organization has to do yearly basis based on the proper performance evaluation.

To evaluate the performance first organization has to setup a proper performance management system.

7.   Industrial Relations

The HR department has some level of responsibility to manage industrial relations. It is supported to maintain the standard also.

From the HR point of view, the organization should be a preferred organization throughout similar types of other organizations. Then the candidate's attraction creates regarding the vacancies. A better performance management mechanism will support HR to maintain that standard.

8.   Employee participation and communication

For organizational development, employee engagement is very essential requirement. One of the Main goals of HR is to create employee engagement. This is and take scenario. Everyone likes to give something if they receive some reasonable things back.

So, the Performance management system creates some platform for to employees engage, contribute to the organizational achievements, and take some reasonable benefits.

9.   Health & Safety

Assuring health and safety is one of the major functions of the HR department. However, it has no direct relationship with performance management mechanisms.

10.   Administrative responsibilities

The HR department has to take responsibility for a lot of admin-related activities. Drive all members into the same goals without internal argument is one of the admin functions.

If there are some bias situations in the organization HR department has to face several difficulties. If an organization has a proper performance evaluation mechanism, HR can treat all employees in an equal manner and it will support their administrative activities.

3.7 DIFFERENT APPROACHES TO PMS

Q15. Explain the different Approaches to PMS.

Ans :   **(Imp.)**

Three approaches can be used to measure performance: behavior, results, and trait.

1.   Behavior Approach

Emphasizes what employees do on the job and does not consider employees' traits or the outcomes resulting from then behaviors.

Process-oriented approach that emphasizes how an employee does the job. The behavior approach is most appropriate under the following circumstances:

(i)   The link between behaviors and results is not obvious

(ii)   Outcomes occur in the distant future

(iii) Poor results are due to causes beyond the performer's control

2.   Results Approach

Emphasizes the outcomes and results produced by the employees. It does not consider the traits that employees may possess or how employees do the job.

This is a bottom-line approach - not concerned about employee behaviors and processes but, instead focuses on what is produced.

It is also cost effective data resulting from a results approach are objective and intuitively appealing. The results approach is most appropriate trader the following circumstances:

(i)   Workers are skilled in the needed behaviors

(ii)   Behaviors and results are obviously related

(iii) Results show consistent improvement over time

(iv)   There are many to do the job right

3.   Trait Approach

Emphasizes the individual performer and ignores the specific situation, behaviors, and results. Raters evaluate relatively stable traits. This approach is justified based on the positive relationship found between abilities and personality traits and desirable work-related behaviors. The trait-oriented approach can be most useful as:

(i)   part of a business strategy to anticipate drastic structural changes for reorgani-zation of most functions and the resulting reallocation of employees

(ii)   Challenges/Disadvantage: traits are not under the control of individuals and in most cases they are fairly stable over one's life span.

They are not likely to change even if an individual is willing to exert substantial effort to do so (development of these traits are beyond their control).

The fact that an individual possesses a certain trait does not mean that this trait will necessarily lead to desired results and behaviors.

The relative emphasis given to each of these approaches to measuring performance should be influenced by the organization's business strategy.

3.8 TRADITIONAL PERFORMANCE APPRAISAL SYSTEM

Q16. Define performance appraisal. Explain its characteristics.

Ans :

Meaning

Performance appraisal is a method of-e'varhiatirig the behaviour of employees in the work spot, normally including both the quantitative and qualitative aspects

of job performance. Performance here refers to the degree of accomplishment of the tasks that make up an individual's job. It indicates how well an individual is fulfilling the job demands.

Performance is always measured in terms of results. A student, for example, may exert a great deal of effort while preparing for the examination but may manage to get a poor grade. In this case, the effort expended is high but performance is low. Job performance can be observed by immediate supervisor, subordinates, self-appraisal, customers served, and computers.

Definitions

The following are the various definitions of performance appraisal.

(a) **According to Formally Dale S.** Beach defines Performance Appraisal as "the systematic evaluation of the individual with regard to his/her performance on the job and his/her potential for development".

(b) **According to Edwin B.Flippo says** that "Performance Appraisal is a systematic, perodic and an impartial rating of employee's excellence in matter pertaining to his/her present job and his/her potential for a better job".

Characteristics

Performance appraisal has the following characteristics,

1. **Systematic Process**

The appraisal is a systematic process involving three steps:

(i) Setting work standards.

(ii) Assessing employee's actual performance relative to work standards.

(iii) Offering feedback to the employee so that he can eliminate deficiencies and improve performance in course of time.

2. **Evaluating Process**

It tries to find out how well the employee is performing the job and tries to establish a plan for further improvement.

3. **Periodic Process**

The appraisal is carried-out periodically according to a definite plan. It is certainly not a one shot deal.

4. **Future-Oriented**

Performance appraisal is not a past-oriented activity with the intention of putting poor performers in a spot. Rather, it is a future-oriented activity showing employees where things have gone wrong, how to set everything in order, and deliver results using their potential in a proper way.

5. **Determines Employee's Potentialities**

Performance appraisal refers to how well an employee is doing the assigned job.

6. **Employee Development**

Performance appraisal is not limited to 'calling the fouls'. Its focus is on employee development. It forces managers to Become coaches rather than judges.

The appraisal process provides an opportunity to identify issues for discussion, eliminate any potential problems, and set new goals for achieving high performance.

7. **Formal or Informal Process**

The informal evaluation is more likely to be subjective and influenced by personal factors. Some employees are liked better than others and have, for that reason only, better chances of receiving various kinds of rewards than others.

The formal system is likely to be more fair and objective, since it is carried out in a systematic manner, using printed appraisal forms.

Q17. Explain the advantages and dis-advantages of Performance Appraisal.

Ans :

Advantages

The advantages of performance appraisal are as follows,

(i) It helps in distributing rewards like compensation and promotion on a fair and credible basis.

(ii) It improves the self - esteem of the employee.

(iii) It clearly defines the objectives and strategies of the organization which can be accepted easily.

(iv) The appraisal information will enable the organization to effectively perform human resource planning, test validation and development of training programmes.

(v) When the performance of an employee is appraised, he will develop an improved motivation to perform effectively.

(vi) It allows an effective communication to take place between manager and the employee.

(vii) It clearly defines the job of employee being appraised.

Disadvantages

The disadvantages of performance appraisal are as follows,

(i) Huge amount of time is wasted.

(ii) The relation among individuals may become worse any may create conflicts in the organization.

(iii) The employee's self - esteem and the manager who is doing the appraisal may be damaged.

(iv) Waste of money on forms, training and a host of support services.

(v) There are many reasons for the lowered motivation of employees. It includes the feeling that improper measurement of performance means no reward for performance i.e., biased appraisal including favouritism towards few employees.

Q18. Explain the traditional methods of Performance Appraisal.

Ans :

Following are the traditional methods of Performance Appraisal.

1. Essay Method

In this method, appraiser evaluates each individual in his own words and by taking into consideration some parameters like,

(i) Employee's awareness regarding rules, regulations

(ii) Employee's strong and weak points.

(iii) Employee's Awareness regarding job activities etc.

An essay method generates important data regarding an employee which is more accurate and definite and can be used in evaluating employees performances.

Few limitations of this method are, chances of appraiser bias in evaluation process, some evaluators may not have the capability to describe employee in his own words.

Essay method is highly subjective/personalized. An effective appraisal relies upon rater's skill and talent rather than on employee's capability and work performance.

2. Graphic Rating Scale

Graphical rating scale/linear rating scale is a popular method of performance evaluation system. In this method, a separate hard copy is prepared for each employee (assessee).

Hard copy looks like a form consisting of numerous traits and work performance of employees. Each trait/work performance is given a scale and sometimes one scale is used to rate all the traits/ work performances. Traits may be leadership skills, innovativeness, evaluating capabilities etc.

Work performances like punctuality, targets attained, activities undertaken and so on. In graphical rating method, appraiser rates the employee on a scale consisting of various points. Points in a scale may be represented through words or through numericals.

Words like excellent, very good, better average, bad, very bad and worst or numerical points like 7, 6, 5, 4, 3, 2 and 1.

Each point indicates the extent to which an employee has that trait/work performance. In case of numerical points, '7' indicates excellent and '1' indicates worst. Points may be defined in other ways also like high, low, good, bad etc.

One limitation of this method is that it is difficult to describe the points of each trait and

work performance but it is the best method to evaluate work behaviours of employees.

3. Field Review

In this method, attained member from HR department is appointed to appraise employees performance. Apart from infor-mation gathered from records, interviews with supervisors and subordinates provide good basis for evaluating the work performance of employees.

Field review method is mostly used to take up promotion activities. Field review method has the following two disadvantages,

➢ In field review method, performance is evaluated by HR department member who has no chance to watch employees activities throughout the year except at interviews.

➢ People other than supervisors may not have knowledge regarding the factors effecting work performance of employees.

4. Forced - Choice Rating

In forced choice method, an evaluator is forced to follow a normal distribution while evaluating employees performances. A scale consisting of five points like excellent, very good, average, very bad and worst is used in forced choice method.

For instance, out of 100 employees 10 employees are assumed to be excellent performers, 20 employees as very good performers, 40 employees as average performers, 20 employees as bad performers and remaining 10 as worst performers. This method is usually used to evaluate work performance and promotability.

5. Critical Incident Method

The main objective of critical incidents method is to identify and evaluate employees who are capable of working in critical situations. The step by step procedure followed in critical incidents method are,

(i) The list of critical activities taken up by an employee during the performance period are recorded in a written form. The critical activities may indicate either negative or positive behaviour of employees.

(ii) Some specialists are appointed to allocate weights to each critical event based on their significance in a particular job.

(iii) A checklist of events (incidents) determining good and bad employees is prepared.

6. Work Standards Approach

In case of work standards approach, the organizations set measured daily work standards to employees rather than asking them to set their own criteria of performance.

The work standard technique set work and employee targets directed towards enhancing productivity. Practically when used, this method not only appraise employees performance accurately but also makes the objective attainment possible.

The standards should be clear and fair inorders to ensure effectiveness. Therefore, sufficient time is spent on noticing the employees on the job, making easy and enhancing the job (if possible) and trying to reach at feasible output standards.

Q19. Explain the modern methods of performance appraisal.

Ans :

Modern or future-oriented appraisal methods emphasise future performance by assessing employees' potential for achievement and by setting targets for both short- and long-term performance.

Modem/future-oriented methods are detailed below:

1. Balanced Scorecard

Robert Kaplan and David Norton created the balanced scorecard approach in the early 1990s. The balanced scorecard focuses on the measures that drive the employee performance. The balanced scorecard approach is used and applied at both the individual and the organisational level.

It provides a balanced approach to evaluate the employees' performance in a comprehensive manner rather than a partial view. In most of the organisations, the common practice of measuring

the employee performance refers to only the comparison of their action plans and behaviours with the standards set, i.e., without actually measuring the results of their actions like profits and increase in market share.

This conventional practice can lead to the appraisal of most of the employees without any or little progress towards achieving the goals and objectives of the organisation. Thus, the balanced scorecard gives the complete view of the employees and the organisational performance and helps to align the employee performance/ action plans with the organisational goals.

2.   360 -Degree Performance Appraisal

360-degree appraisal system measures in detail the behaviours and competencies shown by the individual or group in achieving goals. 360-degree appraisal system is not a quick process.

There are important stages after feedback has been collected and reported on which are essential for changing behaviour. 360-degree feedback has become popular recently because of changes in what organisations expect of their employees, increasing emphasis on performance measure-ment, changing management concepts and more receptive attitudes.

Other names for 360-degree appraisal are multi-rater assessment and feedback system, multi-source feedback, full-circle appraisal, and group performance review.

3.   Management by Objectives (MBO)

It was Peter F. Drucker who first gave the concept of MBO. It is an individual evaluation method which measures task outcomes rather than behaviours. It is also called appraisal by results.

MBO aims to increase organisational performance by aligning goals and subordinate objectives throughout the organisation. Ideally, employees get strong input to identifying their objectives, timelines for completion, etc. MBO includes ongoing tracking and feedback in the process to reach objectives.

MBO involves joint goal-setting in which both the superior and subordinates sit together and set goals. Subordinates are given a chance to set goals for theiiswork-related areas.

So this joint goal-setting would reduce confusion and increases more clarity about the job.

4.   Behaviourally Anchored Rating Scales (BARS)

BARS sometimes called behavioural expectation scales are rating scales whose scale points are determined by statements of effective and ineffective behaviours.

They are said to be behaviourally anchored in that the scales represent a range of descriptive statements of behaviour varying from the least to the most effective. A rater must indicate which behaviour on each scale best describes an employee's performance.

5.   Assessment Centres

Assessment centres are being used for evaluating executive or supervisory potential. An assessment centre is a central location where managers may come together to have their participation in job-related exercises evaluated by trained observers.

The principal idea is to evaluate managers over a period of time, say one to three days, by observing (and later evaluating) their behaviour across a series of selected exercises or work samples.

Assesses are requested to participate in in-basket exercises, work groups (without leaders), computer simulations, role-playing, and other similar activities which require the same attributes for successful performance, as in the actual job. After recording their observations of rate behaviours, the raters meet to discuss these observations.

The decision regarding the performance of each assessee is based upon this discussion of observations.

3.9 MBO

Q20.   What is management by objective. State the features of management by objective.

Ans :

Meaning

Management by Objective is a process whereby the superior and the subordinate managers of an

enterprise jointly identify its common goals. It is a rational and systematic approach to management wherein measurable goals are set up in consultation with subordinate managers and the contribution of each individual is judged in terms of such goals.

This concept was originated by "Peter F. Drucker" in the year 1954 in his book – The Practice of Management and he is also known as the Father of MBO (Management by Objectives). MBO guides the subordinates to fulfil the specified objectives within the given time deadline. It critically reviews organizational performance on a regular basis.

Definitions

(i) **According to Koontz and Weihrich,** "Management by Objectives is a compre-hensive managerial system that integrates many key managerial activities in a systematic manner and it consciously directed toward the effective and efficient achievement of organizational and individual objectives."

(ii) **According to George Odiorne** "MBO is a process whereby the superior and sub-ordinate managers of an organization jointly identify its [the organization's] common goals, de- fine each individual's major area of responsibility in terms of the results expected of an individual, and use these measures as guides for operating the unit and assessing the contribution of each of its members."

Features

1. Goal-oriented

MBO is goal-oriented rather than work-oriented as it focuses on what must be accomplished rather than on how it is to be accomplished.

2. Participation of all

It involves the participation of subordinate managers in the goal-setting process. It requires all key personnel to contribute the maximum to achieve the overall objectives.

3. Focuses on KRAs

MBO focuses on measurable and verifiable goals in the key result areas. It helps to balance the goals of all the key personnel.

4. Dynamic

MBO is a dynamic system which integrates company's needs to achieve the objective.

5. Managerial philosophy

Management by Objectives is a managerial philosophy and not just a simple technique or method. Because a philosophy directs and influences every element of management, whereas a technique is only useful in certain areas. MBO is an approach involving different techniques to more finest management.

6. Serve as a criterion

To evaluate the complete performance of the organization, corporate, functional and personal goals under Management by Objectives serve as a criterion. Managers will be able to assess the efficiency of subordinates through the comparison of goals and actual results, and in some ways, the top level can assess the efficiency of other managers too.

7. Continuous process

MBO is a continuous process of goal setting, periodic appraisals and modification of goals and performance.

Q21. Explain the objectives of management by objective.

Ans :

The objectives of Management by Objective are:

1. To aid employees in realizing their responsibilities at work

Each employee has key result areas customized to their interest, areas of expertise, and academic background. The staff members are aware of what is required of them because of MBO.

2. To make employees feel valuable in the organization

Every employee plays a unique role in helping the company achieve its goals and objectives. Each employee plays a different role at work. Each person eventually begins to feel devoted to the group and feels valuable in the organization. They typically stay with the company for a longer period and provide significant contributions.

3. To guarantee the effectiveness among employees

It fosters an encouraging atmosphere at work, allowing people to appreciate their jobs rather than viewing them as an obligation. Employees who use the MBO process are extremely enthusiastic and dedicated.

4. To produce clearly specified hierar-chies

It guarantees open-mindedness on all fronts. The Managing Director is not approachable directly by any superior in any company.

First, he or she would communicate with their reporting boss, who would then convey the information to the senior, and so on. Each person understands where they fit within the company.

5. To set a benchmark for every employee

For each member of the team, the managers establish different organizational and personal goals. Detailed job lists are provided to each employee. Eventually, it eliminates unnecessary complica-tions and works incompatibility.

6. To serve as a device for organizational control and integration.

7. To serve as a basis for judgements about salary and promotions.

Q22. Explain the advantages and disadvantages of management by objective.

Ans :

Advantages

The following are the certain advantages regarding Management by Objectives (MBO):

1. More Clarity towards Objectives

MBO aids in defining organizational structures and responsibilities. According to the demands of the job given, authority and responsibility are allocated. Setting objectives without giving the necessary people the necessary power is useless.

The organizational roles should be designed around the primary outcomes predicted by those holding them. Adopting Management by Objectives in the organization will help the organization in identifying its shortcomings.

2. Better Management

MBO leads to enhanced and superior management. Setting goals for each action and person, and ensuring that they are met, are necessary for better management. In addition to assisting in goal-setting, MBO also makes sure that goals and resources are coordinated.

Better and more goal-oriented preparation is required for setting goals. MBO encourages strategic planning as opposed to simply scheduling tasks or activities. Managers will come up with strategies for accomplishing goals. The goals also serve as performance standards and controls.

3. Enhanced Individual Commitment

The primary advantage of MBO is that it motivates employees to dedicate themselves to achieving predetermined goals. People typically just complete the tasks that have been given to them.

They carry out their job as usual and adhere to the directives of their superior. But in the case of MBO, each individual's goal is well stated and with their own agreement.

Individuals in the organization get the chance to present their own thoughts to employers, debate the benefits and drawbacks of different recommendations, and take part in determining the ultimate goals.

4. Establishing Controls

MBO system aids in the creation of efficient controls. Setting standards and determining any variations from those standards are necessary steps in establishing controls. Verifiable targets are established in MBO, and overall performance will help in determining any shortcomings in the outcomes.

Everyone knows what is required of them, these yardsticks serve as unambiguous checks. In order to achieve control, MBO must be observed.

5. Improved Communication

Managers and staff members establish and manage goals collectively, so they get to communicate more frequently to discuss these goals' progress. This provides employees with more choices to communicate issues or ask queries from managers.

Success requires effective communication, which can lead to increased productivity, improved interpersonal relationships, and work satisfaction. It is for this reason that it is said communication is the key.

6.   Motivation and Morale

Because of MBO interpersonal relations are better as there is involvement and recognition of people at all levels. It provides greater opportunities to make personal contributions and accept more responsibility. Commitment and morale of the employees are high because of participative goal setting and two-way communication.

Disadvantages

The following are some of the disadvantages/limitations related to the Management by Objectives:

1.   Goal-setting problem

The primary focus of the MBO technique is to set targets or goals. Setting goals is not a simple process. To reach the findings, a lot of knowledge is needed. In order to assess the performance, the goals must be provable.

Some goals might not be able to be verified, so caution should be observed while identifying them. The targets should not be established immediately otherwise MBO could hold the company accountable.

2.   Time-consuming

As MBO requires a great deal of time in setting measurable goals through consensus, it is a time-consuming process. Several meetings have to be held to instil confidence in subordinates.

3.   More focus on short-term objectives

Short-term goals are frequently established in the majority of MBO programs. The tendency of managers to establish goals for a year or less is to place an excessive emphasis on short-term objectives at the expense of long-term objectives.

They should accomplish their short-term objectives in a manner that also aids in the accomplishment of their long-term objectives. It's possible that a specific issue will make short-term and long-term goals incompatible. Therefore, both short-term and long-term targets should be properly prioritized.

4.   Incapable to provide guidelines to goal setters

MBO will not be successful if the people who set goals aren't provided with the right instructions for doing so. The managers who will assist in establishing goals should be aware of the key organizational policies and the position they are placed at.

They should be knowledgeable about future planning theories and assumptions. If these crucial elements are not understood, this method or this new technique will actually fail.

5.   Inflexibility

MBO may introduce inflexi-bility in the organization. Once the goals are set down, the superior may not like to modify them due to fear of resistance from the subordinate.

6.   Increased paperwork

MOB requires lots of newsletters, booklets, manuals, reports, etc., Employees have to fill in forms and submit detailed reports on their performance, which reduces the effectiveness of MBO.

3.10 BALANCED SCORECARD

Q23. Define balanced score card. Explain various perspectives of balanced score card.

Ans : **(Imp.)**

Meaning

The concept of Balanced Scorecard was introduced by Robert Kaplan and Davied Norton in 1992. Balanced scorecard identifies and links key performance measures (both financial and non-financial) to provide a comprehensive view of the business.
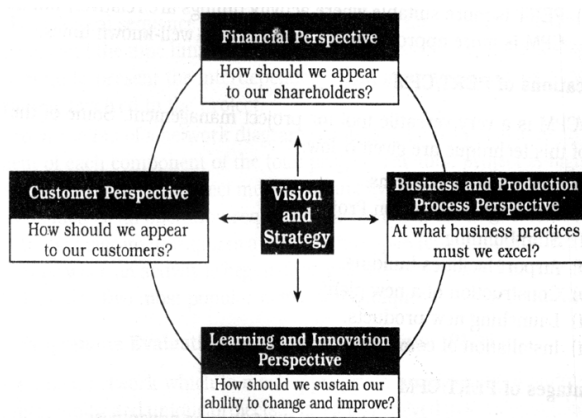
Fig. : Balanced Scorecard

The four perspectives of the balanced scorecard are described below:

1. Financial Perspective

The financial measures provide a common language for analysing and comparing companies. The key financial performance indicators include: growth, profit margin return on investment, economic value added, and shareholder market value.

Each perspective of the balanced scorecard includes objectives, measures of those objectives (metrics), targeted values of those measures, and initiatives needed to achieve targets.

2. Customer Perspective

A large, satisfied customer base means more revenues, which, other things remaining the same, should lead to improved financial outcome.

The customer perspective requires an organization to know how it should create value for its customers if it is to succeed. The key overall performance indicators under this perspective are: customer satisfaction, customer retention, market share, and customer profitability.

An organization should determine metrics for the processes underlying these broad strategic objectives: delivery time, defect rates, number of returns, warranty claims or customer satisfaction ratings.

3. Internal Process Perspective

This is the most critical perspective for the success of an organization. It includes internal business processes which ensure highest quality of products and services.

The managers should ensure that their businesses, based on internal processes are running well and that the firm's products and services are meeting the customers' requirements and creating value for them.

This perspective helps the firm to determine its competencies and the processes where it must excel to create customer delight. The key objectives are: process improvement and suppliers' relations. The processes for determining metrics are cycle time, quality performance, productivity, and after-sales service.

4. Learning and Growth Perspective

This perspective focuses on innovation, creativity, competence, and capability. It also focuses on people their attitude, culture, knowledge, development, etc. and their ability to learn and grow for managing and sustaining change and improvement.

In any organization, and particularly, a knowledge-based organization, human resource is the most critical resource. In the current environment of rapid technological changes, employees need to continuously learn.

The learning and growth perspective, thus, emphasises employee training and building a corporate culture that facilitates individual self-improvement and corporate development and growth.

It is important to recognise that 'learning' is more than 'training'. Managers should act as coaches, continuously guiding and mentoring the employees. The organizational communication system should allow for easy interaction to learn from and get help from each other in understanding and solving problems.

Q24. Explain the Advantages and Disadvantages of Balanced Scorecard

Ans :

Advantages

1. Increase in Customer Focus

More and more companies, due to the recent developments leading to heightened competition and customer activism, are becoming customer-focused.

They are discovering the balanced scorecard as a comprehensive tool to understand their target customers, their requirements, the performance gaps, and determine the value propositions that they should offer to create delight for their target customers.

2. Focus on Creating Intangible and Intellectual Capital

Most companies realise that future competition will be fought on the strength of intangible assets and human competency. Hence, they are investing in competency building, technology, branding, R&D, IT, marketing systems, etc. The traditional financial performance systems have an in-built bias against these initiatives.

They are not seen as long-term investments but as expenditures to be expensed when incurred. Thus, they are seen as depressing the current profitability. The balanced scorecard provides a logic for these initiatives in terms of leading variables influencing the future profitability of an organization.

3. Business Excellence and Growth

Pursuing a growth strategy with business excellence requires non-financial initiatives. Financial measures with their short-term orientation fail to appreciate such strategy and allocate funds.

The balanced scorecard is able to articulate such strategy and communicate downwards to all levels of an organization. Therefore, it is quite useful in strategy formulation and implementation.

4. Align Strategy to Operations at all Levels of the Organization

The balanced scorecard enables employees to understand strategy and link strategic objectives to their day-to-day operations. They realise exactly what their actions and tasks should be to help achieve their objectives and influence the overall corporate results.

5. Real-time Review

The operational part of a balanced scorecard is a result-tracking device. Organizations create simple information system (for a large number of companies, the Excel spreadsheets may be useful) linked to the scorecard for built-in review and feedback in real-time. The data are continuously transferred from reporting system to the on-line balanced scorecard.

Disadvantages

1. It is very essential to manage the balanced score card effectively, as it encourages a league table culture of number games.

2. Many times well planned measures are not explained clearly and may be considered as an organizational scheme for an organizational person who is exercising total control over the employees lives.

3. Balanced score card may face a significant challenge when there are several measures resulting in bureaucracy and when there are very few measures which are insufficient.

Q25. How to enhance performance through balance score card?

Ans :

(i) In such constantly shifting environments, managements must learn to continuously adapt to new strategies that can emerge from capitalizing on opportunities or countering threats.

(ii) A properly constructed balanced scorecard can provide management with the ideal tool in reacting to the turbulent environment and helping the organisation to correct the course to success.

(iii) Scorecard provides managers with feedback, thus, enabling them to monitor and adjust the implementation of their strategy – even to the extent of changing the strategy itself. In today's information age, organisations operate in very turbulent environments.

(iv) Planned strategy, though initiated with the best of intentions and with the best available information at the time of planning may no longer be appropriate or valid for contemporary conditions.

(v) As companies have applied the balanced scorecard, they have begun to recognize that the scorecard represents a fundamental change in the underlying assumptions about performance measurement.

(vi) The scorecard puts strategy and vision, not control, at the centre. It establishes goals but assumes that people will adopt whatever behaviours and take whatever actions are necessary to arrive at those goals. The measures are designed to pull people toward the overall vision.

(vii) Senior managers may know what the end result should be, but they cannot tell employees exactly how to achieve that result, because the conditions in which employees operate are constantly changing.

(viii) This new approach to performance measurement is consistent with the initiatives under way in many organisation: cross-functional integration, customer supplier partnerships, global scale, continuous improvement, and team rather than individual accountability.

By combining the financial, customer, internal process and innovation, and organizational learning perspectives, the balanced scorecard helps managers understand, at least implicitly, many interrelationships.

This understanding can help managers transcend traditional notions about functional barriers and ultimately lead to improved decision-making, problem-solving and enhanced performance. The balanced scorecard keeps organisations moving forward.

Q26. What are the steps for building a balance score card.

Ans :

The detailed approach of Kaplan and Norton can be made successful by taking into consideration, the three important aspects which result in the progress of a performance management system inclusive of the balanced scorecard. The three important aspects are explained as follows,

1. Rigour in Purpose

On the basis of business objective, different industries hold different metrics. These metrics must be achieved in accordance with the company goals and four inter-related view points of the balanced scorecard. During a pilot exercise, metrics need to be clearly explained, validated and accepted by users.

2. Rigour in Measurement

The success of the derived metrics would be based on the efficiency of gathering data and controlling the systems. This may differ from manual process on a spreadsheet to a difficult data warehouse.

3. Rigour in Application

An organized and systematic, monitored balanced scorecard would be worthless if in case the data is not being utilized in enhancing and maintaining the performance.

A process must be used in order to review the metrics constantly and appropriate decisions must be taken for enhancing the performance. All the measures must have a target both for the present year as well as the 'best in class' for the future. In order to show the correct utilization of balanced scorecard, these measures need to be changed or altered.

Q27. Explain the principles and applications of balance score card.

Ans :

Principles

The principles of balanced scorecard of an organization are as follows,

1.   The cause and effect relationship which exists between the measurement and evaluation of different categories (departments or individuals) should be defined.

2.   The essential drivers or measures of success should be efficiently identified.

3.   The business strategy or strategic plan of organization should be ready to measure performance.

Applications

The balanced scorecard is used and implemented in various organizations across the globe successfully.

1.   It acts as a useful management tool for senior executives who emphasize on strategies and long-term objectives.

2.   Balanced scorecard is also used to ascertain the performance at the tactical operational level.

3.   The use of the balanced scorecard has changed the evaluating performance techniques of company with the help of financial indices.

4.   The characteristics of the design and the usage needs of the balanced scorecard are made use in the collaborative culture of the integrated supply chain.

3.11 LINKING PM AND STRATEGY

Q28. Define Strategic Planning. Explain the purpose of Strategic Planning.

Ans :

Meaning

Strategic planning refers to developing specific business plans, putting them into action, and analyzing the results regarding a company's overarching long-term goals or objectives.

Definition

According to 'Anthony', "Strategic planning is the process of deciding on objectives of the organization, on changes on these objectives, on the resources used to attain these objectives and on the policies that are to govern the acquisition, use and disposition of these resources".

Purpose

1.   It enables organizations to evaluate their environment which helps them to improve their ability to change accordingly with environmental changes and also estimate future changes.

2.   It acts as a good corporate eye opener as it develops new opportunities and options for expanding new markets and offering new products to the customers.

3.   It acts as a powerful tool for assisting employees in routine activities as it determines important behaviours and results.

Q29. What are the steps involved in the process of Strategic Planning.

Ans :

Step 1 : Developing the Mission and Vision

Mission

Thomson (1997) defines mission as the "essential purpose of the organization, concerning particulars why it is in existence, the nature of the businesses it is in, and the customers it seeks to serve and satisfy.

Organizations legitimize themselves by performing some functions that are valued by society. A mission statement defines the basic reason for the existence of that organization. Such a statement reflects the corporate philosophy, identity, character and image of an organization.

Vision

The vision statement helps the organizational members to know where the organization is going to be in future. Vision mainly deals with the "what and where" aspects of the company.

All the individuals should participate while creating a vision, so that it can be accepted by everyone in the organization.

A strategic vision is defined as an imaginary view of future which all the organizational members believe in and is not easily achieved.

Step 2 : Analyzing the Environment

In environmental analysis, both internal and external parameters are determined to understand issues of industry. Analysis of external environment involves opportunities and threats and internal environmental involves strengths and weaknesses.

Step 3 : Setting Objectives

"Objectives may be defined as the means of the achievement of specific result for which an organization is striving". Formulation of clear and correct objectives is very important for an organization as they give the direction for planning, resource allocation, prioritizing activities, etc.

Objectives are of two types i.e, Long term objectives and short term objectives. Short term/annual objectives are those objectives which can be accomplished within or less than one year. Long term objectives are the objectives which require more time for their accomplishment (i.e., more than 1 year) and are found to be very much important for the success of an organization.

Step 4 : Developing the Strategy

A strategy acts as a source for attaining the objectives. A strategy is an amalgamated or integrated plan which helps in connecting all the components of an organization together. A strategy is formulated mainly for assuring that the organizational objectives are effectively attained by implementing it in the organization.

Step 5 : Implementing and Controlling Strategies

The strategic plans are assigned to the middle level management by the top level management for its execution.

Once the plan is assigned to the middle level management, the top level management starts monitoring the strategic planning process.

The five steps of strategic planning process mentioned above may differ upon the needs of the organization. The sequence of these steps may not be same always.

Q30. Define vision. Explain the Characteristics of an Effectively Worded Vision Statement.

Ans :

Meaning

A vision statement is sometimes called a picture of your company in the future. Vision statement is your inspiration; it is the dream of what you want your company to accomplish.

A strategic vision is defined as an imaginary view of future which all the organizational members believe in and is not easily achieved. Strategic vision provides an overview of an organization in the coming future.

Definitions

Vision has been defined in several different ways.

(i) **According to Kotter** "Description of something (an organization, corporate culture, a business, a technology, an activity) in the future."

(ii) **According to Namaki** "Mental perception the kind of environment and individual, or an organization, aspires to create within a broad time horizon and the underlying conditions for the actualization of this perception.

Characteristics

The following are the Characteristics of an Effectively Worded Vision Statement are :

➢ **Directional** : A well-stated vision says something about the company's journey or destination and signals the kinds of business and strategic changes that will be forthcoming.

➢ **Focused** : A well-stated vision is specific enough to provide managers with guidance in making decisions and allocating resources.

➢ **Flexible :** A well-stated vision is not a once-and-for-all-time pronouncement-visions about a company's future path may need to change as events unfold and circumstances change.

➢ **Feasible** : A well-stated vision is within the realm of what the company can reasonably expect to achieve in the time.

➢ **Desirable :** A well-stated vision appeals to the long-term interests of stakeholders–particularly shareowners, employees and customers.

➢ **Easy :** A well-stated vision is explainable is less than 10 minutes and ideally can be reduced to a communicate simple, memorable slogan (like Henry Ford's famous vision of "a car in every garage").

Q31. Define mission. Explain the characteristics of a effective mission statement.

Ans :

Meaning

Mission is what an organization is and why it exists. Organizations relate their existence to satisfying a particular need of the society. They do this in terms of their mission.

Mission is "a statement which defines the role that an organization plays in a society".

Definitions

(i) **According to Thompson** "Mission is the essential purpose of the organization, concerning particularly why it is in existence, the nature of the business(es) it is in, and the customers it seeks to serve and satisfy".

(ii) **According to Hunger and Wheelen (1999)** "Mission is the purpose or reason for the organization's existence".

(iii) **According to Drucker** "Mission focuses the organization on action. It defines the specific strategies needed to attain goal. It creates a disciplined organization.

The business purpose and business mission are so rarely given adequate thought, is perhaps the most important single cause of business failure and business frustration".

Characteristics

1. It should be feasible

A mission should always aim high but it should not be an impossible statement. It should be realistic and achievable its followers must find it to be credible. But feasibility depends on the resources available to work towards a mission.

2. It should be precise

A mission statement should not be so narrow as to restrict the organization's activities nor should it be too broad to make itself meaningless.

'Manufacturing bicycles' is a narrow mission since it severely limits the organi-

zation's activities while 'mobility business' is too broad a term, as it does not define the reasonable contour within which an organization could operate.

3. It should be clear

A mission should be clear enough to lead to action. It should not be a high-sounding set of platitudes meant for publicity purposes. Many organizations do adopt such statements but probably they do so for emphasizing their identity and character.

4. It should be motivating

A mission statement should be motivating for members of the organization and of the society, and they should feel it worthwhile working for such an organization or being customers.

5. It should be distinctive

A mission statement, which is indiscriminate, is likely to have little impact. If all Scooter manufacturers defined their mission in a similar fashion, there it would not be much of a difference among them.

But if one defines it as providing scooters that would provide value for money, for 1 year it creates an important distinction in the public mind.

6. It should indicate major components of strategy

A mission statement, along with the organizational purpose, should indicate the major components of the strategy to be adopted.

7. It should indicate how objectives are to be accomplished

Besides indicating the broad strategies to be adopted, a mission statement should also provide clue regarding the manner in which the objectives are to be accomplished.

These mission statements specifically deal with objectives to be achieved within a given time period.

Q32. Explain how a strategic plan determines various choices regarding individual and team performance / management system design.

Ans :

(i) The performance management system must encourage employees to exhibit the behaviors and provide results necessary to assist the mission, vision and goals of the units as well as organization.

(ii) It is also important to align the developmental plans with unit and organizational priorities.

(iii) A well designed performance management system show a clear way to individual and team performance through mission, vision and goals of the organization.

(iv) It is important because there is direct relation of organisational success with alignment of collective and individual objectives.

(v) As a guide for individual and team performance, knowledge relating to a mission and vision of unit as well as organization provides information for designing performance management system.

(vi) There are many ways of designing a system. For instance, the system can focus more on behaviour than results or focus more on short term criteria than long-term criteria. The knowledge of vision and mission of unit and organisation enables HR to make decisions relating to choice of design.

(vii) For instance, an organization which is involved in producing mature products in a stable industry will focus more on behaviour instead of results as relation between processes and outcomes is known and priority is that employees show reliable and consistent behaviours in the manufacturing of the product. Irrespective of criteria used, it must be observable and verifiable.

Q33. Distinguish between performance management and performance appraisal.

Ans :

S.No.	Basis of Difference	Performance Management	Performance Appraisal
1.	**Types of Objectives**	Emphasis on integrating, organisa-tional, team, and individual objec-tives.	Individual objectives.
2.	**Types of Performance Measures**	Competency requirements as well as quantified measures.	Qualitative and quantitative.
3.	**Frequency**	Continuous review with one or more formal reviews in a year.	Annual appraisal.
4.	**Rating System**	Joint or participative process, ratings less common	Top-down system, with ratings.
5.	**Reward Linkage**	Does not have direct link to reward.	Often linked to pay.
6.	**Corporate Alignment**	Integrated business-driven system aimed at organisational and people development	Isolated system not linked to organisational goals.
7.	**Focus of Performance Reviews**	Future focused.	Generally, focus is on past performance.
8.	**Questions Asked**	What can be done to help employees perform as effectively as possible?	How well was the work done?

Short Questions and Answers

1. Define Performance Management.

Ans :

Definitions

(i) **According to Dr T.V Rao,** "Performance management involves thinking through various facets of performance identifying critical dimensions of performance, planning, reviewing, developing and enhancing performance and related competencies".

(ii) "Performance management may be defined as managerial process which consist of planning performance, manaj performance through observation and feedback, appraising performance and rewarding performance"

2. Objectives of Performance Management.

Ans :

The major objectives of performance management are discussed below:

(i) To enable the employees towards achievement of superior standards of work performance.

(ii) To help the employees in identifying the knowledge and skills required for performing the job efficiently as this would drive their focus towards performing the right task in the right way.

(iii) Boosting the performance of the employees by encouraging employee empowerment, motivation and implementation of an effective reward mechanism.

3. Define performance management system.

Ans :

Meaning

Performance management arrived in the late 1980s partly as a reaction to the negative aspects of merit-rating and management by objectives referred to earlier. Of course, it at first incorporated many of the elements of earlier approaches; for example, rating, objective-setting and review, performance pay and a tendency towards trait assessment.

4. Determinants of Performance.

Ans :

Performance is determined by a combination of three factor and all three determinants of performance must be present for performance to reach satisfactory (and better) levels:

(i) Declarative Knowledge

information about facts and things including information regarding a given task's requirements, labels, principles, and goals.

(ii) Procedural Knowledge

combination of blowing what to do and how to do it includes; cognitive, physical, perceptual, motor, and interpersonal skills.

(iii) Motivation

Job performance depends mainly on the motivational level of an employee and motivation depends upon the following decisions, like decision to perform a task, decision regarding performance level and decision to hold some degree of efforts.

5.   Define performance appraisal.

Ans :

Definitions

The following are the various definitions of performance appraisal.

(a)   According to Formally Dale S. Beach defines Performance Appraisal as "the systematic evaluation of the individual with regard to his/her performance on the job and his/her potential for development".

(b)   According to Edwin B.Flippo says that "Performance Appraisal is a systematic, periodic and an impartial rating of employee's excellence in matter pertaining to his/her present job and his/her potential for a better job".

6.   Advantages of performance appraisal.

Ans :

(i)   It helps in distributing rewards like compensation and promotion on a fair and credible basis.

(ii)   It improves the self - esteem of the employee.

(iii)   It clearly defines the objectives and strategies of the organization which can be accepted easily.

(iv)   The appraisal information will enable the organization to effectively perform human resource planning, test validation and development of training programmes.

(v)   When the performance of an employee is appraised, he will develop an improved motivation to perform effectively.

7.   What is management by objective.

Ans :

Meaning

Management by Objective is a process whereby the superior and the subordinate managers of an enterprise jointly identify its common goals. It is a rational and systematic approach to management wherein measurable goals are set up in consultation with subordinate managers and the contribution of each individual is judged in terms of such goals.

This concept was originated by "Peter F. Drucker" in the year 1954 in his book – The Practice of Management and he is also known as the Father of MBO (Management by Objectives). MBO guides the subordinates to fulfil the specified objectives within the given time deadline. It critically reviews organizational performance on a regular basis.

8.   Features of MBO

Ans :

(i)   Goal-oriented

MBO is goal-oriented rather than work-oriented as it focuses on what must be accomplished rather than on how it is to be accomplished.

(ii)   Participation of all

It involves the participation of subordinate managers in the goal-setting process. It requires all key personnel to contribute the maximum to achieve the overall objectives.

(iii)   Focuses on KRAs

MBO focuses on measurable and verifiable goals in the key result areas. It helps to balance the goals of all the key personnel.

(iv)   Dynamic

MBO is a dynamic system which integrates company's needs to achieve the objective.

(v)   Managerial philosophy

Management by Objectives is a managerial philosophy and not just a simple technique or method. Because a philosophy directs and influences every element of management, whereas a technique is only useful in certain areas. MBO is an approach involving different techniques to more finest management.

9.   Define balanced score card.

Ans :

Meaning

The concept of Balanced Scorecard was introduced by Robert Kaplan and Davied Norton in 1992. Balanced scorecard identifies and links key performance measures (both financial and non-financial) to provide a comprehensive view of the business.

10.   Define Strategic Planning.

Ans :

Meaning

Strategic planning refers to developing specific business plans, putting them into action, and analyzing the results regarding a company's long-term goals or objectives.

Definition

According to 'Anthony', "Strategic planning is the process of deciding on objectives of the organization, on changes on these objectives, on the resources used to attain these objectives and on the policies that are to govern the acquisition, use and disposition of these resources".

Choose the Correct Answers

1. Balanced scorecard can act as a powerful   [d]

    (a) Development framework   (b) Operations framework

    (c) Service framework   (d) Organizing framework

2. Personal scorecard consists of information of   [b]

    (a) 2 levels   (b) 3 levels

    (c) 4 levels   (d) 5 levels

3.   Balanced Scorecard measures with benchmark for performance in   [b]

    (a) Financial areas   (b) Nonfinancial areas

    (c) Development areas   (d) Structural areas

4. Which is not a past-oriented method of performance appraisal ?   [d]

    (a) Rating Scales   (b) Checklists

    (c) BARS   (d) 360 degree appraisal

5. The process of rewarding employees by giving them part ownership in the company, which further enhances
    their performance is called   [c]

    (a) High flyer scheme   (b) Golden parachute scheme

    (c) Employee stock option scheme   (d) Retention planning scheme

6. The role of the organization in career planning is to introduce and strengthen systems to ensure _____ of
    employees.   [a]

    (a) Career progression   (b) Self-development

    (c) Economic development   (d) Skill enhancement

7. If a manager develops a new idea and gives a plan for development of a new product in his workplace, then
    he is carrying out which of the following roles?   [d]

    (a) Disturbance handler   (b) Liaison

    (c) Disseminator   (d) Entrepreneur

8. Usually in which one of the following performance appraisal technique, subjects self-ratings are negatively
    correlated with their subsequent performance in an assessment center?   [c]

    (a) Appraisal by subordinates   (b) 360 - Degree feedback

    (c) Self-ratings   (d) Peer Appraisals

9. The process for enabling employees to better understand and develop their career skills and interests and to
    use these skills and interests most effectively both within the company and after they leave the firm, is known
    as   [c]

    (a) Career development   (b) Career planning

    (c) Career management   (d) Career counselling

10. Which of the following code represents the full form of the term "BARS" in performance management
    systems ?   [c]

    (a) Business Appraisal and Rating Systems   (b) Balanced Assessment Reviewing Scorecard.

    (c) Behaviourally Anchored Rating Scale.   (d) Benchmarking Appraisal Reviewing Strategy

Fill in the Blanks

1. _____ Management function as a developmental tool for employees and organization.

2. _____ managing is defined as working towards the performance expectations decided at performance planning stage.

3. Performance management helps to fulfill the human resource practices that aim to satisfy the needs of _____

4. _____ can fulfi ll different functions for different organisations.

5. Based on the human resource planning, the _____ department has to conduct the recruitment and selection activities in a timely manner.

6. _____ as "the systematic evaluation of the individual with regard to his/her performance on the job and his/her potential for development".

7. _____ gives reassurance to employees by saying that they are contributing and doing right things.

8. _____ is a process whereby the superior and the subordinate managers of an enterprise jointly identify its common goals.

9. The concept of Balanced Scorecard was introduced by _____ and _____ in 1992.

10. _____ planning refers to developing specific business plans, putting them into action, and analyzing the results regarding a company's overarching long-term goals or objectives.

ANSWERS

1. Performance

2. Performance

3. Employees

4. Performance management system

5. HR

6. Performance Appraisal

7. Performance Appraisal

8. Management by Objective

9. Robert Kaplan, Davied Norton

10. Strategic

Very Short Questions and Answers

1. Performance Planning.

Ans :

According to Rao (2004), "Performance planning may be defined as a systematic outlining of the activities that the manager is expected to undertake during a specified period so that he is able to make his best contribution to developmental and organizational outcomes".

2. Objectives of PMS.

Ans :

(i) To leverage the performance of organization, given that goals are complex

(ii) To ensure role clarity performance objectives at all the levels of organisation

3. Declarative Knowledge

Ans :

Information about facts and things including information regarding a given task's requirements, labels, principles, and goals.

4. Procedural Knowledge

Ans :

Combination of blowing what to do and how to do it includes; cognitive, physical, perceptual, motor, and interpersonal skills.

5. Motivation

Ans :

Job performance depends mainly on the motivational level of an employee and motivation depends upon the following decisions, like decision to perform a task, decision regarding performance level and decision to hold some degree of efforts.

UNIT IV

PMS Process & Implementation: Performance Planning & Agreement on Goals, Key Result Areas (KRAs), Key Performance Indicators (KPIs) and Performance Metrics. Measuring Behaviors and Results. Gathering Performance Information, Presentation of Information, Interpretation and Taking Corrective Action. Determining the Overall Rating of Performance.

4.1 PERFORMANCE PLANNING AND AGREEMENT ON GOALS

Q1. Define performance planning state the characteristics of performance planning.

Ans : (Imp.)

Meaning

The performance-planning part of the performance-management sequence is primarily a joint exploration of what individuals need to do and know to improve their performance and develop their skills and competences, and how their managers can provide the support and guidance they need. This requires Competence Mapping & Machine & potential development.

The performances aspect of the plan obtained agreement on what has to be done to achieve objectives, raise standards and improve performance. It also establishes priorities–the key aspects of the job to which attention has to be given.

Definitions

(i)   According to Rao (2004), "Performance planning may be defined as a systematic outlining of the activities that the manager is expected to undertake during a specified period so that he is able to make his best contribution to developmental and organizational outcomes".

(ii) According to Armstrong (2000), "Performance planning define expectations - the results to be achieved and the skills, knowledge, expertise and capabilities required to attain these results".

Characteristics

The characteristics of performance planning are as follows,

1.   Performance planning is basis for successful performance management especially when employees and manager combinely set the criteria for performance.

2.   It is consider as a basic managerial function and an integral part of performance management system (PMS).

3.   It ensure continuous communication which results in mutual understanding, alignment and expectations for excellent outcomes.

4.   It gives an appropriate basis for differentiating performance levels.

5.   It defined the action which is needed to achieve each goal and expectation.

6.   It identifies resources which are needed for the success of individual and work unit.

Q2. Explain the objectives of performance planning.

Ans :

The key objective of performance planning as given as below:

1.   Performance planning clearly defi nes the purpose of the organisation and to establish realistic goals and objectives consistent with that mission in a defi ned time frame within the organization's capacity for implementation.

2.   Communicate those goals and objectives to the organization's constituents.

3.   Ensure the most effective use is made of the organization's resources by focusing the resources on the key priorities.

4.   Provide a base from which progress can be measured and establish a mechanism for informed change when needed.

5.   Listen to everyone's opinions in order to build consensus about where the organization is going.

6.   Provides clearer focus for the organization, thereby producing more effi ciency and effectiveness.

7.   To clearly identify the performance metrics used to measure employee's success in meeting predetermined targets.

8.   Produces great satisfaction and meaning among planners, especially around a common vision.

9.   Increases productivity from increased effi ciency and effectiveness.

10.   Solves major problems in the organization

11.   To provide an ongoing on-the-job feedback

Q3.   Explain the importance of performance planning.

Ans :

Performance planning is mostly the first step in the overall performance evaluation process. To evaluate performance of an individual in an organization there should be fair and global parameters against which a performance can be evaluated. For an athlete for example, it can be time taken to finish a race.

Importance

The following points discuss the importance of performance planning:

1.   Performance planning helps in aligning the individual goals with the organisational goals.

2.   Performance planning makes the process of performance management more accountable and objective.

3.   Performance planning focus on key results area and key performance area.

4.   Performance planning helps in maximum utilisation of resources.

5.   Performance planning is important to make clarity in role and responsibilities of employees.

Q4.   Explain the process of performance planning .

Ans :   **(Imp.)**

There are many advantages to both supervisors and employees in having an effective performance planning and review process and the process should identify clearly what is expected of the employee, which in turn provides the opportunity' to recognize good performance and identify areas that need corrective action or added training.

Four areas that must be identified in a performance plan are:

1.   Job responsibility: What has to be done?

2.   Performance measure: How will this be checked or measured?

3.   Performance standard: How well must it be done?

4.   Target date: When will it be checked?

While building a performance plan, you need to obtain information in these areas from the job description and you would also look to the organization needs to clarify which duties have priority' and the standard they' must be performed to.

An effective performance plan should outline results expected, performance measures, standards to be achieved and target dates for measurement.

The following are the key components of the performance planning process:

1.   Preparation of Performance Plans

Performance plans are usually prepared at the beginning of annual review period, or when an employee fi rst starts their new job. Preparing for the initial planning meeting should be undertaken by both the supervisor and the employee.

Both supervisor and employee should be reviewing the goals, objectives and needs of the work unit and looking at the current job description.

The supervisor should list the things in the job that they intend to measure, and the standards you will measure to. The employee could write down the ways they think each of their tasks could be measured and how well each should be performed.

2. Identifi cation of Key Success Factors

Performance objectives and results to be achieved should be focused on results and set in order of priority. Measures should be specific to each task, with clear standards which include dates and times when appropriate.

3. Setting Departmental and Individual Objectives

After setting the organisational goals and objectives the departmental goals and objectives are defi ned. The departmental objectives are further categorised into individual goals. The individual goals include the key duties and responsibilities to achieve the fi nal goals of the organisation.

4. Providing Regular Feedback

The next step in the process is providing regular feedback. The supervisor should be maintaining a log of performance facts, which will ensure that important issues are given the attention that is required and will help the formal review proceed in a more focused and potentially more positive way.

The employee should also maintain a record of accomplishments and special achievements, or issues that need to be resolved. Discussion of these things during scheduled or spontaneous feedback sessions will allow resolution of problems in a timely manner.

5. Performance Review

Reviewing performance gives the supervisor and the employee the opportunity to look at results that have been achieved in relation to the original plan and standards of performance that were established.

At this meeting, you should review all performance records and assess each task, discussing whether they met the standards of performance or not, and whether they exceed those standards.

Review any outside factors that may have had an effect on performance. At this time, the supervisor should be identifying any areas where improvement may be necessary or performance

could be enhanced. The employee should also have the opportunity to discuss areas where they could have used more help.

6. Action Planning

Another important aspect to completing this cycle is action planning. This is where the supervisor and employee would plan for any training that needs to occur, and could also be where you discuss career planning.

Q5. Describe the methodologies of performance planning.

Ans :   (Imp.)

The key methodologies of setting up a performance criteria are as follows:

1. Key performance area

2. Key results area

3. Task and target identifi cation

4. Goal setting exercises

5. Organizational objectives and strategy

6. Assessment of organizational performance needs

7. Setting organizational performance expectations

8. Establishing performance management process

9. Measuring effective of performance management

1. Key Performance Area

Key performance area includes the identifi cation of priority area to an employee and subsequent working on the specifi ed area. The process of key performance area involves the following steps:

(a) Identifi cation of important task and activities

(b) Determining the area of priority

(c) Setting goals in the identifi ed area

(d) Seeking the employee's commitment for identifi ed work

(e) Making arrangements for required resources

2. Key Results Area

The term key results area may be defi ned as general area of outcomes for which a role is responsible. Identifying KRAs helps individual employees in a number ways as enumerated here:

(a) Clarify their roles.

(b) Align their roles to the organization's business or strategic plan.

(c) Focus on results rather than activities.

(d) Communicate their role's purposes to others.

(e) Set goals and objectives.

(f) Priorities their activities, and therefore improve their time/work management.

(g) Make value-added decision

3. Tasks and Target Identifi cation

Tasks and target identifi cation involves the identifi cation of roles, responsibilities, tasks and key targets of the employees. Each and every employee should know their duties and key targets.

4. Goal Setting Exercises

An organization's ultimate goals determine its strategy.

5. Organizational objectives and strategy:

(a) Organization's ultimate goal

(b) Organization's competitive position

(c) Comparing organization's strength with changing environment

(d) Examining organization's critical issues

(e) Analysing organization's opportunities

(f) Exploring best approaches in view of organizational resources and competencies

6. Assessment of organizational performance needs:

(a) Identifying competencies necessary for achieving organizational objectives and strategy

(b) Gathering information about critical issues

(c) Determining new and future performance needs

(d) Prioritizing organizational improvement measures

(e) Recognizing core organizational values

7. Setting organizational performance expectations:

(a) Determining required vs. desired performance

(b) Determining current performance status

(c) Understanding, aligning, and agreeing on performance expectations

(d) Formulating key performance indicators

(e) Evolving job objectives

(f) Aligning individual goals with organizational strategy

8. Establishing performance management process:

(a) Designing a framework of performance management encompassing

(b) Performance planning

(c) Performance managing

(d) Performance appraisal

(e) Performance monitoring

9. Measuring effective of performance management:

(a) Identifying opportunities for performance development

(b) Providing performance counseling including 360 degree feedback

(c) Devising reward strategy and administering reward system

(d) Instituting performance management audit

(e) Improvement in competitive position of the organization

4.2 KEY RESULT AREAS (KRAs)

Q6. Define key result areas. Explain the process of identifying key result areas.

Ans :

Meaning

KRAs are also called as key work outputs (KWOs). Key results areas refers to general areas of outputs or outcomes for which a role is responsible.

Individual employees are benefited from KRAs in various ways as follows,

(i) KARs define roles of individual employees clearly.

(ii) Link employes roles with the business or strategic plan of the organization.

(iii) Emphasis is laid on outcomes instead of activities.

(iv) Communicate the objectives of employees roles to others.

(v) Specify, objectives and goals.

(vi) Set priorities for employees activities which there by improve time management or work management. Take value added-decisions.

Process of Identifying (KRAs)

The following are the steps taken up by individuals to identity KRAs for their roles,

(i) Identify major day-to-day responsibilities/ activities.

(ii) For every activity, raise a question 'Why I undertake this activity"?

(iii) Analyze the answers to 'why' questions, seeking for common areas or themes.

(iv) Find out KRAs from such areas or themes.

(v) Communicate KRAs with the people whom they report, with whom they work and with the people who report to them.

Generally, the individuals who recognize their KRAs will,

(i) Work with the people to whom they report with whom they work and with the people who report to them to recognize their KRAs. Thus, everyone in a team will have clarity about outcomes.

(ii) Specify goals and objectives and set plans to attain such goals and objectives.

(iii) Keep control over times/work management strategies.

4.3 KEY PERFORMANCE INDICATORS (KPIs)

Q7. Define key performance indicators. Explain different types of Key Performance Indicators.

Ans :

Meaning

Key Performance Indicators (KPIs) are metrics used by organizations to measure their employees' efforts and suggest improvements. Every company gives their employee a fixed number of tasks at the beginning of their evaluation period.

It is essential to evaluate their performance against those duties during or after the completion of that period. It also helps the management understand their employees' contribution to overall organizational goals and suggest course corrections if required.

Types

The KPIs for employees depends on – their job role and the department to which they belong. Eventually, the growth of an employee depends on both fulfillment of department goals and scores against individual KPIs. A KPI-based evaluation framework helps companies reward top performers and also provide meaningful feedback.

1. Revenue Growth

Revenue growth is a KPI that monitors the performance of sales over a period of time. It is an important metric to calculate and measure profitability which is the barometer of success of a business.

It helps to know the negative growth that may require immediate action. Also, it is one of the key metric to look for in a candidate's profile when hiring sales executive.

2. Income Sources

The income source metric is a KPI that helps to know the sources of revenue and the performance of each revenue source. Companies can use this metric to calculate revenue generated per client or on every product sold to get a clearer picture of the company's growth trajectory.

3. Profitability Over Time

It is the most critical KPI as it helps the company to track income and expenses that can be compiled to know the profit or loss the company may have incurred.

It helps in analyzing the business over a period of time. It helps to know areas where expenses can be reduced. This helps in eliminating unnecessary expenses.

4. Working Capital

Working capital is the day-to-day fund needed to run the business operations in the company. It is another important metric because it ensures that the organization has enough funds to carry out all essential activities.

Q8. Distinguish between Key Performance Indicator and Key Result Areas.

Ans :   **(Imp.)**

Though both KPI and KRA are interdependent on each other yet they are different from each other.

S.No.	Key Performance Indicator	S.No.	Key Result Areas
1.	Key Performance Indicator is a financial or non-financial metric that measures progress at different levels to check how effectively the firm is performing.	1.	Key result areas are the crucial and important areas of business that require favorable outcomes to achieve a company's goals. These areas of business require excellent performance.
2.	KPI is a metric that calculates the level to which business goals are achieved.	2.	KRA is a strategic factor that requires a lot of effort to achieve the desired goals.
3.	KPIs are quantitative and can be easily measured. A KPI calculates the performance of the product, service, or the business in the market.	3.	KRA however, is qualitative and subjective. It determines the areas that may help in achieving high value for the organization.
4.	On the contrary, KPI helps in measuring the progress of an.	4	KRA helps in finding out the scope of a particular product, service or a unit.

4.4 PERFORMANCE METRICS

Q9. Define Performance Metrics. Explain the benefits of Performance Metrics.

Ans :   **(Imp.)**

Meaning

Performance metrics for employees help measure the behavior, activities, and performance at work. Through set parameters, data is tracked within a range, allowing one to derive conclusions depending upon the achievement of overall business goals by an individual. Metrics are put in place to promote an output-driven culture.

Business performance metrics and employee performance metrics go hand in hand in modern organizations. A Business Metric is a quantifiable measure. It tracks and assesses the status of a specific business process. This process is impossible to implement if you don't spend time understanding the performance of employees at work.

Example

The Marketing team tracks marketing and social media metrics. For a sales team, sales performance metrics can be lead-conversion and the number of demos delivered during a month.

Benefits

1. Aligns employee goals, team goals, company goals in one single direction through strategy.

2. Metrics help you run more effective and short meetings.

3. Help make business decisions by promoting accountability among employees.

4. Metrics clarify performance expectations and Motivate employees to perform better at work.

5. Metrics drive business execution and helps in Metrics focusing people's attention on what is important.

Q10. Explain different types of Performance Metrics for employees.

Ans :   **(Imp.)**

Employee performance metrics can be divided into four core categories.

1. Work Quality Metrics

Work quality metrics reflect the quality of an employee's work.

(i) Management by Objectives (MBO)

A strategic model that helps organizations strategize and improve the performance of their employees.

The manager defines goals. The employee works towards these goals and the manager tracks the progress. Upon successful completion, a report is provided to the employee to define performance.

(ii) Employee Appraisal

In most companies, employee perfor-mance evaluation happens once a year.

Nowadays, performance tools are used to measure performance. One of the key employee assessment methods is using a 9-box matrix system. It's a 3*3 table that divides employees between high performance and poor performance. This process is helpful for succession planning.

(iii) NPS (Net Promoter Score)

Indicator of employee performance, Net promoter score (NPS) has a scale of 1 to 10. A customer can recommend your company/ product/ services to other potential businesses/ clients. It's a simple method. Higher the score, the better. The problem is that employees ask customers to give them higher ratings, and it can be misleading.

(iv) 360 Degree Feedback

By being multi-dimensional, the 360-degree feedback system helps employees receive feedback from every possible angle and direction. Multiple stakeholders are allowed to provide feedback, and this helps in identifying the scope of performance effectively.

2. Work Quantity Metrics

Work quality metrics are often easier to calculate than the quality of work.

(i) Number of Sales

Sales is numbers-driven. You calculate the number, and you get the revenue, profits, loss, and so much more. It's a great example of a purely outcome-driven metric.

(ii) Units/Handling time

This metric is important for the manufacturing industry. However, it is now used in service-based industry as well. For example, a customer care executive's performance is measured by the number of tickets closed in a day.

3, Work Efficiency Metrics

Efficiency measures create a balance between quality and quantity. For example, a content writer is writing 2000 words a day. But the content is not worth reading and also not ranking on different channels.

So, the quantity is there, but the quality isn't. Similarly, someone might be writing great content but only about 100 words a day. Here, the quantity part is missing. A balance is required, and that's where efficiency comes into the picture.

4. Companywide Employee Performance Metrics

Depending upon the requirements, organizations can use performance metrics to assess the level of competitiveness.

(i) Revenue per employee

This metric shows an estimate of how much money an individual is generating for the company. Low revenue means low cash reserves, and this can impact the organization's short-term and long-term decisions.

Also, higher recurring revenue might lead to higher profits, which is the ultimate goal of every business.

(ii) Profit per employee

This metric focuses on total profit instead of revenue. A high profit per employee means that the company is stable and sound when it comes to business health.

A company's profit = Revenue – Expenses.

(iii) Human Capital ROI

Every organization's human capital adds a certain to the success of the organization. Through knowledge, habits, attributes, employees at any organization play a significant role in building the company. The human capital ROI assesses the value of human capital.

(iv) Overtime

While some organizations push their employees to work overtime (some don't even pay extra), this will hamper the performance in the long run, and your workforce might lose the motivation to work. Result: A high attrition rate.

It is not possible to understand the performance of employees using a single metric. Understand your requirements and use different metrics for different situations, departments, and individuals.

4.5 MEASURING BEHAVIORS AND RESULTS

Q11. Define competency. What are the different types of competencies?

Ans :

Meaning

The measuring of performance through behaviour approach involves evaluation of competencies. Competencies are combination of knowledge, skills and abilities which facilitates in ascertaining the way of achieving results.

Definition

According to - Severn Trent Water, The word competency is defined as "a set of knowledge, skill and behaviours which are needed in the various managerial situations".

Types

Competencies are classified into two types, they are as follows,

1. Competencies of Differentiating

The competencies which enable a person to differentiate between the average performers and superior performers are referred as competencies of differentiating.

Example: For a project manager of Information Technology (IT), Process Management will be the competency of differentiating.

2. Competencies of Threshold (Beginning)

The competencies which need to be shown by a person for performing a job at minimum adequate standard are referred as compe-tencies of threshold.

Relationship Between Competency and its Indicators

Competency and indicators are closely related with each other. Indicators are the sources through which the extent of competency dan be measured. Every indicator is considered as an observable behaviour which gives the information regarding the competency of a person.

In simple words, the relationship between competency and indicators can be defined as "Indicators are the measures which provide information that whether a person/employee possesses the required competencies or not."

The following figure shows the relationship of competency with five indicators.
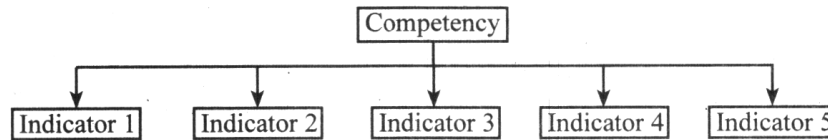
Fig. : Relationship of Competency with Indicators

Q12. Explain different types of systems used to measures competencies.

Ans : (Imp.)

The following are the types of systems used to measure competencies,

1. Comparative Systems

Under comparative systems, employees are compared with each other with the help of following methods.

(a) Simple Ranking Method

Ranking method is a conventional and the easiest method wherein each employee is ranked in comparison with all other employees. Ranks are provided by taking into consideration some traits or characteristics.

2. Absolute Systems

In absolute system of evaluating competencies, employees are compared based on the pre-established performance standard of the organization. This system uses the following method/s to compare the employees performance for evaluating their competencies,

(a) Essays Method

In this method, appraiser evaluates each individual in his own words and by taking into consideration some parameters like,

(i) Employees awareness regarding rules, regulations

(ii) Employees strong and weak points.

(iii) Awareness regarding job activities etc.

An essay method generates important data regarding an employee which is more accurate and definite and can be used in evaluating employees perfor-mances.

Few limitations of this method are, chances of appraiser bias in evaluation process, some evaluators may not have the capability to describe employee in his own words, highly subjective/personalized etc.

(b) Behavior Checklist Method

In checklist method, the human resource department is entrusted with the job of setting a list of questions for each position/job of an organisation describing the work behaviour of employees.

Each question is to be answered in two alternatives i.e., yes or no. An appraiser is required to tick any one alternative on the basis of the behaviour of employee with respect to such questions.

After the completion of checklist, a detailed report is sent to the personnel department to perform some additional activities.

(c)   Critical Incidents Method

The main objective of critical incidents method is to identify and evaluate employees who are capable of working in critical situations. The step by step procedure followed in critical incidents method are,

(i)   The list of critical activities taken up by an employee during the performance period are recorded in a written form.

(ii)   Some specialists are appointed to allocate weights to each critical event based on their significance in a particular job.

(iii)   A checklist of events (incidents) determining good and bad employees is prepared.

Q13.   Discuss how performance can be evaluated when result approach adopted.

Ans :

When results approach is adopted to evaluate the performance of employees then, one need to focus on following three areas such as,

1.   Determining accountabilities

2.   Determining objectives

3.   Determining performance standards.

1.   Determining Accountabilities

The measuring of results begins with identification of accountabilities to gather information relating to job. Job description which is emerged from job analysis is a primary source and considered strategic priorities at unit and organization level.

Job description give information relating to tasks performed which are classified into clusters depending on relatedness.

These clusters or accountabilities includes broad area of job which makes employee responsible for generating results.

In order to identify the importance of accountabilities following questions are to be asked,

(i)   What is the percentage of time spent by an employee in carrying out each accountability?

(ii)   Is there any impact on units mission if accountability is not carried out effectively?

(iii)   Whether employee suffered from any injury due to inadequate performance of accountability results.

(i)   Process Leadership

Process leadership guides strategy and assigned processes. It integrates all related projects and organize resources which is one of the key function for target leadership and the capability of executives to achieve strategic business goals. If process leadership is not managed properly, then it may results in loss of time and money.

(ii)   Supervision of Nonexempt Staff

The nonexempt staff operating in the unit is supervised as it is important for operating the work unit. Ineffective supervision of nonexempt staff will result in undermining of development of employees and the ability to achieve business targets.

(iii) Coaching

One on one executive coaching is carried out with managers and executives. It is very essential for develo-ping internal leaders. If proper coaching is not given to executives and managers to enhance their performance then it results in loss of time and money.

(iv)   Team Building Consultation

Assistance is provided to company leaders for planning and conveying their team building sessions and other interventions which are necessary for the progress of teams. Improper team building will not meet their capabilities and involve in wasting of time and resources in carrying out team sessions.

(v)   Assessment Instrument Feedback

Feedback must be provided depending on scores acquired on assessment instruments of skills, ability, personality and other

individual features. If assessment is not effective then it may divert the development of leaders.

(vi) Product Improvement

There is never ending attempts and execution of opportunities to utilize technology in order to enhance effectiveness of leadership and team development programs. Thus this needs to perform effectively for the success of training delivery and increasing system efficiently.

2. Determining Objectives

The key statements which can measure the outcome and ensure the progress of accountability on accomplishment are known as objectives.

The main purpose behind setting up of objectives is to determine few key results that may influence the overall success of organisation on accomplishment. Employees should be rewarded on achieving their objectives on time.

The objectives serve as a guide to facilitate employees and to be useful.

Characteristics of Objectives

Objectives must possess the following characteristics,

(i) Specific and Clear

Objectives should be easily under-standable, verifiable and measurable for every individual.

(ii) Challenging

Objectives must be challenging in nature but they should be impossible to achieve. They can be prolonged but under the reach of employees.

(iii) Agreed upon

Objectives must be set up only after the agreement between manager and employee. When employees are allowed to participate in setting up of objectives then aspirations and acceptance of objectives will increase and objective resistance will decrease.

(iv) Prioritized

All objectives are not equal, so they should be achieved based on priority.

(v) Bound by Time

Objectives which include deadlines and mileposts are considered as effective and those objectives which does not have time dimension are often neglected.

3. Determining Performance Standards

Performance standards refers to the predetermined performance yardsticks against which the employees performance would be measured.

These standards help the management to understand the extend to which the objectives have been achieved. They also help the appraiser (rater) to rate the appraisee (ratee) objectively, and award appropriate rating according to his performance.

Quality, Quantity and Time are the three important elements which are considered while judging the performance of the employee.

Characteristics of Good Performance Standards

The essential characteristics of good performance standards are discussed as follows,

(a) Related to the Position

An important characteristic feature of a good performance standards is that it focuses upon the major aspects of thfe job rather than dealing with individual characteristics!, difference among employees etc.

(b) Specific and Measurable

Good jperformance standards are specific and measurable. Tjius, it helps the rater in the appraisal process and facilitates them in differentiating the performance level of different emplo-yees. Thus, it helps to find whether the performance meets the expectations or not.

(c) Practical to Measure

Good performance standards are meaningful in nature. They would focus upon meaningful elements of the job and

would measure objectives, which would help the firm to achieve its mission and vision to satisfy its customers.

(d)   Meaningful

Good performance standards are formulated taking into consideration elements such as cost, reliability, accuracy etc. An important feature of good performance standards is to provide practical information which can be measured.

4.6 GATHERING PERFORMANCE INFORMATION

Q14. Explain in detail the various methods involved in Gathering Performance Information.

Ans :   **(Imp.)**

1.   Surveys and Questionnaires

Surveys and questionnaires is the cheapest type of data collection method. Data is usually collected from a massive people who might be situated at different places.

Even though this method is helpful in eliminating the problems, but it is being observed that people finds it difficult to complete a survey. Thus, it is necessary to reduce the amount of time and efforts required to gather information for organization including customers, suppliers and employees.

2.   Observations

Observation is another useful method of gathering performance information. In this, the observer acts as a passive onlooker/outsider and totally gets involved in the activities in order to observe the situations.

This method provides much better understanding of the experience to the observer. Data is recorded in the form of score sheets, narrative reports, audio taping/video taping, checklists and so on relying on the type/degree of the information needed.

3.   Focus Groups

Focus groups are nothing but the group discussions which involves interaction between people where

the participants of focus group expresses and shares their opinions, ideas and experiences. Usually, the group has 5-20 participants. This method is helpful in collecting good and qualitative information.

4.   Peer-to-peer Assessment

Peer-to-peer assessment method involves performance assessment wherein the participants vote/ assess each other regarding performance. They openly assess each other and sometimes anonymously.

This method is helpful to the participants in learning and considering their own .performance from the perspectives of other participants.

Q15. Define Appraisal Form. Explain the major components of appraisal form.

Ans :

Meaning

Appraisal form refers to a paper or electronic form in which information related to employee's performance is collected by the human resource department. Most organizations prefer collecting such information in electronic format, as it is easily storable and retrievable for future use.

Further, performance information which is stored in electronic form can be easily modified if required.

Components

Appraisal form includes the following components:

1.   Employee Information

Generally, it is the first section of an appraisal form which includes basic employee I information such as

(i)   Employee name and Employee ID

(ii)   Job Title, division and department

(iii)   Pay grade, salary classification etc.

2.   Accountability, Objectives and Stan-dards

It is a major component t)»f the appraisal form. It consists of the previously set performance objectives and standards, against which the employee's performance would be measured.

3. **Behavioural Assessment**

The behavioural assessment approach help the H.R department to highlight the various behavioural competencies of employees which would be assessed along with indicators.

4. **Developmental Goals**

Under this section, information about the extent to which developmental goals had been achieved would be highlighted.

For example, employee may mention any new job related skill which he had learned during the review period. Sun Micro System Limited is an organization which provides a separate form to the employees goals.

5. **Developmental Needs**

This section of the appraisal form is future oriented and mentions the new skills and goals for the development of employee.

6. **Stakeholder Feedback**

This section is filled by the people who interact with the employee on a regular basis for example, they may include team leader, team members, subordinates etc.

7. **Employee Feedback**

Under this section of appraisal from, space is provided to the employee to mention any performance related information which he perceives to be worth mentioning. Thus it provides the employee an opportunity to be a part of the appraisal process.

8. **Sign.iture**

It is the final component of the appraisal form where space is provided for signature of the employee, reporting supervisor, E .R manager etc.

Q16. Explain briefly the characteristics of appraisal form.

Ans :

The following are the desirable characteristics to be present in a typical appraisal form,

1. **Objective and Comprehensive**

The appraisal form need to be objective and cover all the major performance areas which need to be appraised.

2. **Relevant to Job**

Good appraisal forms include over all performance information, which is relevant to the job task being performed by the employee. If the form does not cover such vital information, it would be perceived as wasteful.

3. **Descriptive in Nature**

An important characteristic of a good appraisal form is descriptiveness. It should provide space for the rater (supervisor) to describe the performance of the rate (employee) in detail and highlighting all the important points.

4. **Easy and Simple**

The basic characteristic of a good appraisal form is that, it need to be simple and easily understandable for all the users. If an appraisal form is long and complicated, it may be difficult for the employee to correctly fill the form. Thus, simplicity is an important characteristic.

5. **Flexible and Adaptable**

It is a necessary feature that the appraisal form should allow managers of different departments to adapt and flex the appraisal form as per their departmental requirements.

Q17. Discuss the various sources of Performance Information.

Ans :

Performance information can be collected from various sources. Each source play an important role in evaluating performance.

1. **Supervisors**

Supervisors are found to be one of the most important source of performance information. As they have a close eye on their subordinates performances, they can provide useful insights on various activities of an employee.

Even they are well aware and experienced about the type of work and its consequences like they know that a specific type of task can be completed with in a specific period of time.

Most of the times reviewers rely on supervisors information. But under certain circumstances, only supervisors information may not be profitable.

2. Subordinates

Subordinates also have close contact with their managers and supervisors. They are well aware of the working style, motivation and supportive behaviour of the managers. In some organisations, subordinates are asked to rate their supervisors on the following aspects,

> ➢ Deciding plans.

> ➢ Eliminating performance barriers.

> ➢ Improving employees competencies.

> ➢ Developing required skills.

Information from subordinates about their supervisor's performance will also be useful in appraisals.

3. Customers

Feedback from customers on performance of employees is another source of information. This source is mainly used for salesforce mobile network agencies, healthcare and so on.

Customers are requested to fill a feedback form highlighting, how they felt the service. Federal Express (Fedex) is one of the organisation that consider this source for acquiring performance information.

4. Peers

Performance Evaluation by peers is one of the traditional source which is mostly used by organisations. Peers are found to provide more appropriate and accurate performance information, as they clearly understand the strategic goals and objectives of the company.

Though information from peers is widely used source, but it may have certain limitation due to which supervisors are termed as more beneficial source.

5. Self

Self information is another source wherein the employee himself/herself evaluate his/her performance. It gives various benefits to both employee and supervisor. Also this source make supervisors to understand the difficulties faced by employee while performing the tasks.

4.7 PRESENTATION OF INFORMATION, INTERPRETATION AND TAKING CORRECTIVE ACTION

Q18. Define metrics. Explain different types of metrics.

Ans :   **(Imp.)**

Meaning

The indicators which are used for managing an organization is known as metrics or measures. These indicators will facilitate information with respect to the different processes that are performed in organization and their results.

Managing organization refers to managing employees performance, different sections and departments of the organization to make sure that overall strategic goals of organization are attained.

Performance metrics play an important role in facilitating the desired and appropriate data to the decision makers which is relevant to performance in terms of process or outcome or combination of two.

Types

This information in commercial organizations can be categorized as those that relate to,

    1. External metrics

    2. Internal metrics

    3. Critical success factors and

    4. Key performance indicators.

1. External Metrics

(i) External metrics will facilitate the information relating to external environment in terms of product/services in market, which can be attained from customers or information with respect to how a specific organizations product or service compares with other competing products or services and how the rating is given to each product

or service by the external agencies by considering the characteristic features of the product.

(ii) These metrics will generally emphasize on customers to identify how firm is responsive towards needs of customer in comparison to competitors and focused on external stakeholders such as rating agencies, whose impact will be on customers or incorporate customer feedback in rating process if that rating is related to the strategy of organization.

(iii) The ratings which are given by external agencies are experts in their relevant industries will also play an important role in facilitating information about external environment and create a significant external metric.

(iv) These rating are not only important from public relations perspective but also strengthens the differentiation of organization through competition.

2. Internal Metrics

(i) According to "Alan Walker", "Any business needs to look at both internal and external measures to gauge its health".

(ii) Internal metrics facilitate information with respect to the processes involved in the organization internally.

(iii) These metrics are generally used by the management for controlling internal process particularly tq examine the effectiveness and efficiency of processes.

(iv) In some cases, the information on internal metrics will not be made available to the external environment.

3. Critical Success Factors

(i) Critical success factors is an another important categories of metrics used in an organization for knowing the performance.

(ii) There should be a selective information available to a decision maker with respect to the performance, if not the decision maker will face a lot of problems in analyzing and providing data in a timely manner.

(iii) The decision makers should considered the data which is helpful in meeting the goals of organization first.

(iv) Critical success factors usually highlight the tasks or processes and outcomes that required to be emphasized to make organization successful.

(v) In 1961, Ronald Daniel articulated the concept of success factors for the first time, in his article "Management Information Crisis" published in Harvard business review.

(vi) This concept is used in olden days by the successful business men who are emphasizing on certain critical aspects of business.

(vii) Previously, the concept of critical success factors is used only at an organizational level whereas low it developed at departments and sections level.

(viii) The starting point for the development of metrics was organization's strategy which is utilized as critical success factors for the organization.

(ix) The firm are combination of both internal and external metrics, the critical success factors are generally internal metrics.

4. Key Performance Indicators

The another important category of metrics which is used by organizations is a quantified indicators referred as key performance indicators. These are used to achieve its critical success factors, set by the organizations. Key performance

4.8 DETERMINING THE OVERALL RATING OF PERFORMANCE

Q19. What are the issues involved in managing the metrics.

Ans :   (Imp.)

Organizations will use the metrics that are obtained accurately tracking the performance on critical metrics. Actual data on important indicators will provide information which simultaneously exist and indicates that whether the managerial interference is required or not.

The metrics which are used by management should present the information in an easy manner to understand and take action when ever required by performance metrics. The issues which are included in managing metrics are as follows,

1.   Designing Metrics

The steps involved in designing metrics are discussed below,

Step-1: Metric Selection

For selecting a metric one should recognize the critical success factors for the organization, external indicators which should monitored by organization and the critical success factors are translated to the Key Performance Indicators (KPI's) at organizational level and for every process within the organization.

Step-2: Dashboard Design

Different options should be studied for presenting the data in visual form and the various metrics are associated in cascading manner with high results at front and data on contributing process at the back.

Step-3: Implementation

For implementing the metric, the organization should assign responsibility of each process along with specified authority to employees, set control limits or performance targets for metrics and ascertain monitoring, interpretation, feedback procedures and guidelines.

2.   Presentation of Performance Infor-mation

Decision makers require information which can be easily and quickly understood. Huge volume of reports does not provide the clear understanding as relevant and important information gets twisted in considerable quantity of text. But in contract, graphical presentation of data seems to be a superior alternative.

The visual presentation of information enables rapid identification of trends along with early interference of organization depending on the direction of trends. This presentation can be used in business as well as in political domain in order to track the performance in different regions.

Dashboards

The critical/significant indicators are combinely provided in dashboards in order to get the complete information in one snapshot. Dashboards are also known as business dashboards, operational dashboards, executive dashboards, performance dashboards, etc.

Dashboards includes different metrics which are presented graphically in the form of dials, alerts, gauges or graphs for exhibiting the performance of organization. The dashboards can be' updated by gathering the data from the internet where many dashboards are allowed on web.

Q20. Explain briefly about ownership and responsibilities.

Ans :

In an organization, every process will have a process owner who is held responsible for managing the process with an objective of attaining the goals and getting good results.

The owner is responsible and answerable for the results obtained. This practice will make sure that the relationship between Key Performance Indicators (KPIs) and key Result Areas (KRA's) is maintained. It is very difficult for the owner to maintain accountability in absence of such relationship.

The outcomes of KRA's are connected with KPI's as organization considers it as essential for attaining the strategic goals.

Usually, the translation of KPI's to KRA's is a single step, but the organization will often forget to allocate the required authority and resources. As a result of mismatch between authority, answerability and resources the whole performance management process will break down.

Short Questions & Answers

1.   Define performance planning.

Ans :

Meaning

The performance-planning part of the performance-management sequence is primarily a joint exploration of what individuals need to do and know to improve their performance and develop their skills and competences, and how their managers can provide the support and guidance they need. This requires Competence Mapping & Machine & potential development.

2.   Objectives of performance planning.

Ans :

The key objective of performance planning as given as below:

(i)   Performance planning clearly defi nes the purpose of the organisation and to establish realistic goals and objectives consistent with that mission in a defi ned time frame within the organization's capacity for implementation.

(ii)   Communicate those goals and objectives to the organization's constituents.

(iii)   Ensure the most effective use is made of the organization's resources by focusing the resources on the key priorities.

3.   Key Performance Area.

Ans :

Key performance area includes the identifi cation of priority area to an employee and subsequent working on the specifi ed area. The process of key performance area involves the following steps:

(a)   Identifi cation of important task and activities

(b)   Determining the area of priority

(c)   Setting goals in the identifi ed area

(d)   Seeking the employee's commitment for identifi ed work

(e)   Making arrangements for required resources

4.   Key Results Area.

Ans :

The term key results area may be defi ned as general area of outcomes for which a role is responsible. Identifying KRAs helps individual employees in a number ways as enumerated here:

(a)   Clarify their roles.

(b)   Align their roles to the organization's business or strategic plan.

(c)   Focus on results rather than activities.

(d) Communicate their role's purposes to others.

(e) Set goals and objectives.

(f) Priorities their activities, and therefore improve their time/work management.

(g) Make value-added decision

5. Distinguish between Key Performance Indicator and Key Result Areas.

Ans :

Though both KPI and KRA are interdependent on each other yet they are different from each other.

S.No.	Key Performance Indicator	S.No.	Key Result Areas
1.	Key Performance Indicator is a financial or non-financial metric that measures progress at different levels to check how effectively the firm is performing.	1.	Key result areas are the crucial and important areas of business that require favorable outcomes to achieve a company's goals. These areas of business require excellent performance.
2.	KPI is a metric that calculates the level to which business goals are achieved.	2.	KRA is a strategic factor that requires a lot of effort to achieve the desired goals.

6. Define Performance Metrics.

Ans :

Meaning

Performance metrics for employees help measure the behavior, activities, and performance at work. Through set parameters, data is tracked within a range, allowing one to derive conclusions depending upon the achievement of overall business goals by an individual. Metrics are put in place to promote an output-driven culture.

Business performance metrics and employee performance metrics go hand in hand in modern organizations. A Business Metric is a quantifiable measure. It tracks and assesses the status of a specific business process. This process is impossible to implement if you don't spend time understanding the performance of employees at work.

7. Define competency.

Ans :

Meaning

The measuring of performance through behaviour approach involves evaluation of competencies. Competencies are combination of knowledge, skills and abilities which facilitates in ascertaining the way of achieving results.

Definition

(i) According to - Severn Trent Water, The word competency is defined as "a set of knowledge, skill and behaviours which are needed in the various managerial situations".

8.   Define Appraisal Form.

Ans :

Meaning

Appraisal form refers to a paper or electronic form in whicn information related to employee's performance is collected by the human resource department. Most organizations prefer collecting such information in electronic format, as it is easily storable and retrievable for future use.

Further, performance information which is stored in electronic form can be easily modified if required.

9.   Characteristics of appraisal form.

Ans :

The following are the desirable characteristics to be present in a typical appraisal form,

(i)   Objective and Comprehensive

The appraisal form need to be objective and cover all the major performance areas which need to be appraised.

(ii)   Relevant to Job

Good appraisal forms include over all performance information, which is relevant to the job task being performed by the employee. If the form does not cover such vital information, it would be perceived as wasteful.

(iii)   Descriptive in Nature

An important characteristic of a good appraisal form is descriptiveness. It should provide space for the rater (supervisor) to describe the performance of the rate (employee) in detail and highlighting all the important points.

10.   Define metrics.

Ans :

Meaning

The indicators which are used for managing an organization is known as metrics or measures. These indicators will facilitate information with respect to the different processes that are performed in organization and their results.

Managing organization refers to managing employees performance, different sections and departments of the organization to make sure that overall strategic goals of organization are attained.

Performance metrics play an important role in facilitating the desired and appropriate data to the decision makers which is relevant to performance in terms of process or outcome or combination of two.

Choose the Correct Answers

1. What is defined as the occupational positions a person holds over the years?   [d]

    (a) A psychological contract   (b) A promotion

    (c) Reality shock   (d) A career

2. Who is responsible for Career Development?   [d]

    (a) Organization   (b) Employee

    (c) Employee`s immediate manager   (d) All of these

3. Which of the following terms refers to the lifelong series of activities that contribute to a person's career exploration, establishment, success, and fulfillment?   [b]

    (a) Performance management   (b) Career development

    (c) Career management   (d) Career planning

4. Which of the following is a specific example of a career development activity?   [b]

    (a) Job evaluation   (b) Training workshop

    (c) College recruitment   (d) Performance appraisal

5. _____ is the ongoing process of identifying future leaders in an organisation   [c]

    (a) Career Planning   (b) Man Power Planning

    (c) Succession Planning   (d) Staffing

6. Succession Planning is developing employees in a structed plan to _____   [a]

    (a) Replace Leaders   (b) Replace Management

    (c) Support Leaders   (d) Support Management

7. The process of succession planning doesn't include   [b]

    (a) Studying current workforce   (b) Focusing only on talented employee

    (c) Forecasting future trend   (d) Review Organisation strategic plan

8. Succession planning aims that essential knowledge and ability will be maintained when employees in _____ leaves   [d]

    (a) Top position   (b) Organisation

    (c) Board of the organisation   (d) Critical Position

9. High performance work system leads to   [a]

    (a) Superior employee performance   (b) Low labor costs

    (c) Safer workplaces   (d) Less employee turnover rate

10. The process of arming the employees of organization with technology tools, to get the jobs done is called

         [a]

    (a) Workplace flexibility   (b) Work hour flexibility

    (c) Work week flexibility   (d) Contributory flexibility

Fill in the blanks

1. _____ planning is basis for successful performance management especially when employees and manager combinely set the criteria for performance.

2. Performance planning helps in aligning the individual goals with the _____ goals.

3. Performance planning helps in maximum utilisation of _____.

4. _____ area includes the identifi cation of priority area to an employee and subsequent working on the specifi ed area.

5. KRAs are also called as _____.

6. KPIs stands for _____.

7. metrics for employees help measure the behavior, activities, and performance at work.

8. The _____ which enable a person to differentiate between the average performers and superior performers are referred as competencies of differentiating.

9. _____ method is a conventional and the easiest method wherein each employee is ranked in comparison with all other employees.

10. _____ form refers to a paper or electronic form in which information related to employee's performance is collected by the human resource department.

ANSWERS

1. Performance

2. Organisational

3. Resources

4. Key performance

5. Key work outputs

6. Key performance indicators

7. Performance

8. Competencies

9. Ranking

10. Appraisal

Very Short Questions and Answers

1.   Methodologies of performance planning.

Ans :

The key methodologies of setting up a performance criteria are as follows:

i)   Key performance area

ii)   Key results area

iii)   Task and target identifi cation

iv)   Goal setting exercises

v)   Organizational objectives and strategy

vi)   Assessment of organizational performance needs

vii)   Setting organizational performance expectations

2.   Key performance indicators.

Ans :

Key Performance Indicators (KPIs) are metrics used by organizations to measure their employees' efforts and suggest improvements. Every company gives their employee a fixed number of tasks at the beginning of their evaluation period.

3.   External Metrics.

Ans :

External metrics will facilitate the information relating to external environment in terms of product/services in market, which can be attained from customers or information with respect to how a specific organizations product or service compares with other competing products or services and how the rating is given to each product or service by the external agencies by considering the characteristic features of the product.

4.   Critical Success Factors.

Ans :

(i)   Critical success factors is an another important categories of metrics used in an organization for knowing the performance.

(ii)   There should be a selective information available to a decision maker with respect to the performance, if not the decision maker will face a lot of problems in analyzing and providing data in a timely manner.

5.   Behavior Checklist Method.

Ans :

In checklist ilnethod, the human resource department is entrusted with the job of setting a list of questions for each position/job df an organisation describing the work behaviour of employees.

	PM: Employee Development, Reward & Legal Systems: Personal Development
UNIT V	Plans: Objectives, Content and Activities. Direct Supervisor's role. 360-Degree Feedback Systems. Ongoing Feedback. PM Sills for Managers: Coaching, Using Different Styles of Coaching and Involving in Ongoing Coaching Process. Reward Systems: Traditional vs Contingent Pay Plans, Pay for Performance. Pay Structures: Job Evaluation, its Methods, and Broad-banding. PMS and Law, Legal Principles affecting PMS.

5.1 PERSONAL DEVELOPMENT PLANS

5.1.1 Objectives

Q1. Define personal development plan. State its objectives.

Ans : (Imp.)

Meaning

A personal development plan is a framework that allows an individual employee and their manager to identify learning needs, set objectives to meet them, and pinpoint the resources necessary to do so.

The main focus is on employee development, which means that the goals for development must be agreed upon between the employee and manager.

As an effect of digital transformation, there is an increased need for overseeing employees' continuing professional development to make their skills competitive for the future.

Formally, the performance assessment cycle consists of a performance interview, a development interview, and an appraisal interview with managers. In the performance assessment process, the managers of respective teams and the employee can use a personal development plan

Objectives

1. Time Management

Good time managers know how to make the best use of their time, both inside and outside work. They arrange their day efficiently to deliver important tasks.

They arrive or commence work on time and meet deadlines. But as workloads and life responsibilities increase, you may find you need to develop your time management skills to deliver all that's required of you, both personally and professionally. This makes time management goals important for personal development plans.

2. Digital literacy

Knowing how to effectively use technology allows you to live and work successfully in society. Developing your digital literacy skills will improve how you bank, budget, shop and communicate, for instance.

At work, you'll use the technology required to perform your role more efficiently. Including digital literacy as a goal in your personal development plan therefore makes sense for life at home and work.

3. Communication

Communication is a catch-all term for a wide set of skills that allow you to strengthen and maintain healthy relationships, collaborate and socialise. These include everything from active listening to body language to good email etiquette. It's a key soft skill for job readiness and personal success.

5.1.2 Content and Activities

Q2. Explain the content and activities of personal development plans.

Ans : (Imp.)

Contents

The contents of developmental plan should include the following important aspects,

1. Objectives

Developmental plan must describe step-by-step procedure with specific objectives to reach.

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2. Strategies

It must specify appropriate strategies to be used for achievement of specified objectives of plan.

3. Consider Needs of Employee and Organization

It must be prepared based on the needs of employees and organization.

4. Practical and Specific

All the objectives and content of plan should be prepared or designed by the supervisors and employees. These objectives must be practical, time oriented and specific in nature.

Activities

Employees can accomplish the objectives of developmental plans with the help of certain developmental activities.

These activities include,

1. On Job Training

On job training is given by co-workers to the employee. A detail training course is designed and training hours are decided on daily basis.

2. Courses

Organizations may provide either in-house course structure, online course structure or out of the house course structure.

3. Self Training

Employees can :rain themselves by reading books and studying through other resources.

4. Mentoring

Organization provides mentors (qualified seniors) to its employees through which they can learn targeted skills. The process of mentoring involves one to one relationship between senior and junior employees.

5. Conference

Employee can acquire knowledge and improve skills by attending organizational conferences and trade shows.

6. Job Rotation

Employee can also learn from job rotation i.e., performing different jobs for temporary period of time.

7. Assignments

Temporary assignments provided to employees also improve their skill to perform a job/task with a limited time period.

8. Certification of Degree

Sometimes, organization sponsors educational programs like MBA's program so as to make employees, certified candidates for specific positions.

5.2 DIRECT SUPERVISOR'S ROLE

Q3. What role does supervisor play in developing the performance of Direct Supervisor's Role?

Ans :

What are the responsibilities of a supervisor in the workplace?

A supervisor's responsibilities often include:

1. Managing workflow

One of a supervisor's most important responsibilities is managing a team. Often, supervisors create and oversee their team's workflow, or the tasks required to complete a job. Supervisors must define goals, communicate objectives and monitor team performance.

2. Training new hires

When a new employee joins the team, their supervisor should help them understand their role and support them during their transition. This might include providing workplace orientation and explaining company policies or job duties.

The supervisor may manage all onboarding activities, or they may work with the human resources department to make sure the new hire receives the guidance and information they need.

3. Creating and managing team schedules

In some cases, organizations have set hours for their entire workforce, and supervisors won't need to adjust them. However, when team members work in shifts, supervisors are usually responsible for creating schedules.

For example, if you are a supervisor of restaurant waitstaff, you will want to make sure you have an appropriate number of servers scheduled for each shift. This usually means scheduling more people during the busiest time of day and balancing shifts so that the staff does not feel overworked.

Managing employee schedules also means being flexible and prepared when employees need to make changes, such as requesting a day off, calling in sick or handling a family emergency.

4. Evaluating performance and providing feedback

Supervisors are often tasked with developing or executing employee feedback and recognition programs. This responsibility might include setting employee and team goals and choosing appropriate rewards for achievements.

For example, if a salesperson exceeds their monthly quota, they may be eligible for a bonus. This time should also be used to provide both positive and constructive feedback.

5. Identifying and applying career advancement opportunities

Because supervisors work closely with employees, they often help decide who is eligible for promotions. In some cases, supervisors may directly award promotions.

However, even when supervisors don't have the authority to directly promote employees, senior management professionals often consult supervisors during the promotion process.

6. Helping to resolve employee issues and disputes

When employees are unhappy with their workplace experience, they may approach their supervisor before speaking with HR. Supervisors must use active listening skills to understand employee complaints and to work with them to reach a solution.

If an employee complains that another employee or member of management has violated company policies, the supervisor will likely need to report the issue to HR for an investigation.

In the case of minor disagreements between employees, supervisors may act as mediators and help the two parties come to a resolution.

5.3 360-Degree Feedback Systems Ongoing Feedback

Q4. What do you mean by 360-Degree Feedback? Discuss its advantages and disadvantages.

Ans :   (Imp.)

Meaning

360 degree feedback, also known as multi-rater feedback, is a system in which anonymous feedback is gathered about a member of staff from various people they have working relationships with.

This is usually their managers, peers, direct reports, subordinates - hence the name "360 degree". It's designed so a range of people can share their opinion to provide a well-rounded view on the individual.

It's used mostly as a development tool because it provides information about a subject's work competencies, behavior and working relationships. It's also mainly used for individuals higher up in the organization's hierarchy.

Advantages

If a 360 feedback system is implemented well, it can have a number of benefits for the individual, their team and the organisation:

1. Valuable development tool

The 360 feedback system shows the subject the differences between how they see themselves and how others see them. This increases their self-awareness which means that the subject is more conscious of their personality, strengths, weakness, beliefs, motivations etc.

With this information they can adjust their behaviour and identify their training needs. Consequently, the subject can become more effective in their role and for the role they may be aiming for.

2. Multiple sources

A variety of people have contributed to the feedback, so the information is thought to be more valid and objective than feedback from,

for example, just one manager. Also, the feedback is more likely to be accepted if multiple individuals "agreed" on the answers.

3.   Motivation

Knowing multiple individuals gave the same feedback provides the subject with the drive to develop.

4.   Company competencies

The company's fundamental competencies will be reinforced, not only for the subject, but also for the respondents. During the survey the respondents will be answering questions which remind them of what behaviours and values are important to the company.

5.   Customer service

Customer service can improve if customers and clients have completed the survey.

6.   Method over outcomes

The 360 feedback system assesses the method rather than the outcome. It's more important to do something the right way even if it doesn't produce the correct outcome - nothing is ever certain so by focusing on the method you give yourself the best chances of producing the preferred outcome.

For example, a tight deadline is coming up, but a manager tells his staff that they can only work a maximum of one hour overtime a day and no work is allowed on the weekends.

The manager has made this decision because he believes that stress and over-working can increase the chances of mistakes being made and of producing poorer outcomes.

7.   Large teams or autonomous workers

This type of feedback is significant in organisations where the subject works independently or with several teams because their manager will be unable to observe everything.

8.   Safe environment

Answers are safely given as the system is confidential. A lot of the feedback would be too uncomfortable for colleagues to share and it would probably never be given if the system was not anonymous.

9.   Improves communication

Communication increases between the team because the subject understands how others perceive them which in turn assists with teamwork.

10.   Addresses personality and behaviour

It helps subjects understand how their behaviour affects themselves, their department and the organisation. This is also useful for reducing conflict.

11.   Career development

The organisation benefits by this feedback improving career development planning and execution of this. This also promotes the organisation's assurance of employee development which aids recruitment and staff retention

Disadvantages

If a 360 degree feedback system is implemented poorly, this can create distrust, conflict and low motivation amongst the team:

1.   Conflicting feedback

Feedback can be conflicting and there is no way to be sure which feedback is more accurate.

2.   Concentrating on negatives

Organisations sometimes make the mistake of discounting strengths and focusing completely on weaknesses. If all of the negatives were listed one after the other, it would be discouraging for the employee - they may either shut off or not trust the feedback. Staff should be working on their weaknesses and continuing to play to their strengths.

3.   Importance of the leader

If the organisation's leader believes that this feedback is not important or they do not contribute then it's unlikely that other organisation members will treat it seriously. When the leader thinks it's important, and that this will benefit the organisation, these beliefs will work down the hierarchy to persuade everyone else.

4.   Smaller organisations

360 degree feedback can be less effective in small organisations as there are fewer sources and reduced objectivity.

5.   Vague questions

Vague questions should be avoided because it's difficult to convert the answers into measurable behaviour. Questions that will give the subject actionable information should be used.

6.   Lack of customisation

If the survey is not tailored to the needs of the organisation, it may not be useful.

7.   Accuracy

The amount of time an individual has known the subject affects the accuracy of the feedback given. Eichinger (2004) found that staff who had been at an organisation long enough to get past first impressions (known the subject for 1-3 years), but not long enough to lose their objectivity (known the subject for more than 3 years), gave the most accurate ratings. Individuals who knew the subject for less than 1 year provided the second most accurate ratings.

8.   Personal feedback

Respondents may provide personal rather than constructive feedback which can upset the subject and not have much value. It must be clear to staff why they're doing the survey - that it must be constructive and not personal.

9.   Not applicable for all

It's important to keep in mind that 360 degree feedback is not useful for all organisations or for all jobs within an organisation.

10.   Feedback never provided

Providing the feedback must be planned before the distribution of the surveys. Individuals cannot make changes if their feedback is not provided and if a development plan isn't formed.

11.   No follow-ups

A lack of follow-ups can make the review worthless because people may not be sticking to their development plans. Follow-ups should be carried out quarterly for two years, with the survey being re-administered every 6-12 months.

12.   Lacking anonymity

A lack of anonymity can undermine the whole process. Confidentiality must be ensured or respondents will not be truthful. Also, external coaches can be hired to assist employees through their follow-ups as staff are likely to be more comfortable speaking with external sources rather than HR.

13.   Inter-rater reliability

Greguras and Robie (1998) found that feedback from direct reports are the least reliable from: direct reports, peers and managers. This suggests that more people are needed to contribute to create a reliable outcome.

Q5.   Explain the characteristics of 360 degree feedback system.

Ans :

A good 360 degree feedback system has the following characteristics,

1.   Unknown and Confidential

A good system must maintain its feedback confidential, as it generates honest performance ratings. Especially, when any subordinate give rating to his superiors.

2.   Feedback from Experience Persons

In a good 360° system, information about employee's performance is gathered and evaluated from the persons who have good knowledge and experience.

3.   Feedback from Interested Persons

It allows to gather feedback about an employee from the person who is fully interested in the development of employee. Mostly, supervisor provides feedback of all employees who are Working under him.

4.   Creation of Developmental Plan

After gathering information, it is necessary to have a follow up action. A developmental plan should be prepared as soon as receiving the feedback.

5.   Used for Employees Development

The feedback collected from various sources should only be used for employees development and it should not be used for any other administrative purposes.

6. Eliminates Survey Fatigue

The survey of too many employees create survey fatigue or exhaustion. It can be avoided by conducting programmes or surveys at different time intervals.

7. Emphasis on Competencies

A good 360° system mainly includes both competencies of employees and results, but focuses more on behaviours. Such an activity may help to identify the actions which a rated employee needs to take for improving his performance.

5.4 PM SKILLS FOR MANAGERS

Q6. Explain different types of performance management skills.

Ans :   **(Imp.)**

To become a performance manager or implement a successful performance management plan in a business, it's important to develop performance management skills.

Here are some necessary skills for performance managers:

1. Leadership

Performance managers act in a managerial capacity, so it's essential for them to have good leadership skills.

This can help them coordinate employees under their management and help them reach the objectives they've established for them.

Effective leaders can also give guidance and feedback constructively, in addition to having admirable qualities that encourage people to follow them.

2. Organisation

It's important to have good organisation skills when managing employee performance. This is because it can involve various tasks, such as assigning goals, tracking progress and monitoring performance.

These skills can also help you prioritise tasks and use your time effectively. With strong

organisational skills, it may be easier to manage multiple people's performance simultaneously and achieve the best outcomes for employees.

3. Communication

An important part of performance manage-ment is communicating expectations to employees, offering guidance and providing tailored feedback. It's also the performance manager's job to relay information to upper management and ensure employees understand how their work contributes to meeting organisational goals. For these reasons, strong communication skills are essential.

4. Problem-solving

Finding ways to improve employee performance and ensuring staff members meet the expectations of their organisation is a form of problem-solving. Conflict resolution also involves solving problems and determining the best way to address a situation, so these skills are important for performance managers. Good problem-solvers may overcome performance issues by devising strategies to address them.

5. Decision-making

Performance managers make important decisions that impact the organisations for which they work. This means it's essential for them to have good decision-making skills.

For example, if an employee is struggling to achieve their objectives, it's necessary to decide how to fix the problem, such as by providing more training. Effective decision-makers can evaluate the benefits and disadvantages of decisions and select the most useful ones.

5.4.1 Coaching, Using Different Styles of Coaching and Involving in Ongoing Coaching Process

Q7. Define coaching. State the characteristics of coaching.

Ans :

Meaning

Coaching is the process of providing guidance to employees by their supervisors so as to improve their performance. Coaching is an informal unplanned

training and development activity provided by the supervisors for improving the performance of the employees to make them capable of facing competition and to overcome barriers.

Characteristics

The various characteristics of coaching are as follows.

1. Coaching is Beneficial to the Organi-zation

Coaching does not require any additional cost because it is provided within the premises of the organization with their own supervisor for which organization need not pay any special remuneration.

2. Secondary Learning

After selecting the employee, the first process is to provide them with proper training to learn the basic skills of the job. Whereas, coaching constitutes the secondary learning which is a continuous process.

3. Continuous Process

Training is provided only for a specified period of time. Whereas coaching tends to be a continuous affair which will be continuing till the existence of supervisor employee relationship.

4. Coaching Acts as a Practice in the Job

Coaching occurs in the process of the job. It does not require any time gap between learning and practice. It is easy for the employees to convert their learning into practice Such conversion is found to be smooth and simple.

5. Universal Practice

Coaching is found to be a universal practice which is adopted in every field of the business. It is used at different managerial levels, different industries and even at manufacturing and service sectors.

Q8. Explain in different types of coaching styles.

Ans :

There are four types of coaching styles as follows,

1. Driver

Managers or coaches might follow the driving style in which they guide the employees how to perform a given task.

2. Persuader

Under this style, the coach or manager explains the employees about treating the customer in the best possible manner. They adopt persuading style basically in order to convince employee to do only the thing which the persuader wants them to do.

3. Amiable

Coaches under amiable style aim at making everyone happy. They tend to be more subjective in nature than being objective. They do not speak much and are not assertive.

4. Analyzer

This is the last type of coaching style wherein the coach makes use of logical and systematic approaches for evaluating performance and then executes the rules and methods while giving suggestions.

Q9. What are the benefits of coaching.

Ans :

Some of the benefits of coaching include,

1. To the Organisation

(a) It reduces errors in the performance of the employee's and improves the quality of product and services.

(b) It reduces the wastage of material and time.

(c) It provides better customer service and helps in saving cost.

2. To the Employee

(a) The work stress of the employee can be considerably reduced.

(b) It improves the performance of the employees.

(c) It provides better career opportunity to the employees by recognizing and rewarding them.

(d) It provides incentives or salary hikes to the employees on their outstanding performance.

3.   To the Supervisor

(a)   Coaching helps the supervisor in making their task easy

(b)   It will help the supervisor to take corrective measures for his subordinates.

(c)   The supervisor can achieve both qualitative and quantitative targets which results him in achieving career and future prospects.

4.   To the Society

Coaching benefits the society by producing a wealth of skilled and competent workforce. With the help of coaching, well established society can be built.

Q10. Explain the process of coaching.

Ans :

Step-1: Setting Developmental Goals

Developmental goals form an important part of the development plan. Developmental goals take into consideration long-term as well as short-term objectives.

Developmental goals must be set after thorough analysis of the areas where employee require improvement developmental goals must be reasonable and attainable.

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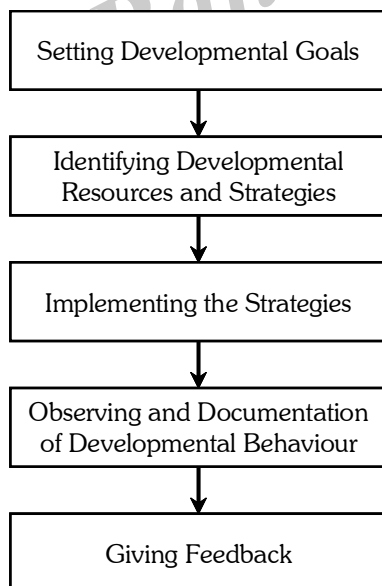
Fig. : Process of Coaching

Step-2: Identifying Developmental Resources and Strategies

In step-2, the resources and strategies which help employee in attaining developmental goals are identified. Developmental resources and strategies comprises, on-the-job training, courses, mentoring, self-guided reading, obtaining a degree, attending a conference, temporary assignments, job rotation and leadership or membership in trade or professional organizations.

Step-3: Implementing the Strategies

In this step, the various strategies that help the individual to achieve developmental goals, are implemented.

Example: The individual may start his/her job rotation plan or take an online course.

Step-4: Observing and Documentation of Developmental Behaviou r

The fourth step is to observe and document developmental behaviour in order to determine the degree to which each developmental goals is attained.

Step-5: Giving Feedback

The last step in the coaching process is giving feedback. The coach gives feedback tp the employee. Feedback is expressing the opinion about the performance of the employees.

5.5 REWARD SYSTEMS

Q11. Define Reward Systems. State objectives of Reward System.

Ans :

Meaning

Reward system refers to the procedures, rules, and standards associated with allocation of benefits and compensation to employees.

Reward system in the context of performance management is defined as an. integrated system that ensures equitable avenues to employees for fulfillment of their financial and non financial needs and recognition urge for their contribution to attainment of organizational goals.

An employee reward system consists of an organization's integrated policies, processes and practices

for rewarding its employees in accordance with their contribution, skill and competence and their market worth.

It is developed within the framework of the organization's reward philosophy, strategies and policies and contains arrangements in the form of processes, practices, structures and procedures which will provide and maintain appropriate types and levels of pay, benefits, and other forms of reward.

Objectives

Reward system has three main objectives :

1.   Attraction

A reward system is intended to attract and retain suitable employees. An employer who develops a reputation as "cheap" is unlikely to be desirable in the job market, because potential employees will think it does not reward effort. Such an organization is likely to end up with the people that nobody else wants.

2.   Great Performance

(i)   Compensation is also intended to maintain and improve performance. As we know that nobody can truly motivate, employee motivation can only come from within. But the promise of a bonus or a pay rise is intended to encourage employees to moti-vate themselves to reap the compen-sation.

(ii)   Performance-related pay is very popular in today's organizations. In Canada, over 70 per cent of companies offer it in some form. Some companies have three different kinds of performance-related pay: individual, team, and organization.

(iii)   The main problem with Individual Performance-Related Pay (IPRP) is that it assumes that pay alone motivates workers, but this is not correct.

(iv)   Consider the intrinsic compensation or psychological compensation mentioned earlier. A worker with high pay but who receives no intrinsic compensation will probably go elsewhere.

3.   Commitment

The reward system also serves to maintain and strengthen the psychological contract It indicates what behavior the organization values. i.e. what is paid for.

For example, if a company values teamwork, then there will probably be a team bonus of some kind. The psychological contract will partly determine what employees perceive to be "fair" in terms of reward for work they do.

Disruptive behavior such as theft in the workplace is often an attempt to restore "fairness" to remuneration. Violation of the psychological contract is far more likely to cause problems with employees more than any other single factor.

Q12.   Explain the components of reward system.

Ans :

An organization's reward system comprises these components. In designing an effective reward and compensation system, all these elements must be carefully considered, as detailed below :

1.   Financial Reward

Financial compensation is direct monetary compensation encompassing the payment of cash compensation to employees for work accomplished or efforts expanded.

For example, salary, wage, incentives, commission, etc.

2.   Non-Financial Reward

Non-financial compensation are indirect monetary compensation and include those items of financial value the organization provides to employees that do not result directly in employee's receiving spend able cash.

For example, medical insurance, life insurance, subsidize canteen, subsidized transport, free uniforms, interest-free loans, etc.

3.   Reward Policies

Reward policy will cover such matters :

(i)   Level of Compensation

The policy on the level of compensation indicates whether the company is a high

payer, is content to pay median or average rates of pay or even, exceptionally accepts hat it has to pay below the average.

(ii) External Competitiveness versus Internal Equity

External competitiveness refers to the pay rates of an organization's jobs in relation to its competitors' pay rates. Internal equity exists when an employer pays wages commensurate (equal) with the relative internal value of each job.

This is established according to the employer's perception of the importance of the work performed.

(iii) Assimilation Policies

The introduction of a new or consi-derably revised pay structure means that policies have to be developed on how existing employees should be assimilated i.e. adjusted into it.

These policies cover where people should be placed in their new grades and what happens to them if their new grade and pay range means that their existing rate is above or below the new scale for their job.

(iv) Protection Policies

Protection (sometimes called safe-guarding) is the process of dealing with the situation when, following the introduction of a new pay structure, the existing pay of some employees may be above the maximum for their new grade and they are therefore 'red-circled.

In these circumstances the general rule is that no one should suffer a reduction in their present rate of pay.

(v) Transparency

There is no chance of building a satisfactory psychological contract unless the organization spells out its reward policies and practices. Transparency is achieved through involvement and communication.

4. Psychological Satisfaction

This form of reward includes opportunities to perform meaningful work, social interactions with others in the workplace, job training career advancement opportunities, recognition, employer brand, and a host of similar factors.

5. Pay Structures

Companies often establish more than one pay structure, depending on market rates and the company's job structure. Common pay structures include exempt and non-exempt structures, pay structures based on job families, and pay structures based on geography :

(i) Exempt and Non-Exempt Pay Structures

Exempt jobs are not subject to the overtime pay previsions of the act. Core compensation terms for these jobs are usually expressed as an annual salary.

Non exempt jobs are subject to the overtime pay provision of the act. Accordingly, the core compensation for these jobs is expressed as an hourly pay rate.

(ii) Pay Structures Based on Job Family

Executive, managerial, professional, technical, clerical, and craft represent distinct job families. Pay structures are also defined on the basis of job family, each of which shows a distinct salary pattern in the market.

(iii) Pay Structures Based on Geography

Companies with multiple, geographically dispersed locations such as sales offices, manufacturing plants, service centers, and corporate offices may establish pay structures based on going rates in different geographic regions because local conditions may influence pay levels.

The cost of living is substantially higher in the northeast region than in the south and southeast regions of the United States.

6. Base Pay

Base (or basic) pay is the level of pay (the fixed salary or wage) that constitutes the rate for the

job. It may provide the platform for determining additional payments related to performance, competence or skill. It may also govern pension entitlement and life insurance.

The basic levels of pay for jobs reflect both internal and external relativities. The internal relativities may be measured by some form of job evaluation which places jobs in a hierarchy (although the trend now is to play down the notion of hierarchy in the new process-based organizations). External relativities are assessed by tracking market rates.

7.   Job Evaluation

Job evaluation is a systematic process for defining the relative worth or size of the joi within an organization in order to establish internal relativities and provide the basis for designing an equitable grade structure, grading jobs in the structure and managing relativities.

It does not determine the level of pay directly. It is based on the analysis of jobs or roles, which leads to the production of job descriptions or role profiles.

8.   Contingent Pay

Additional financial compensation may be provided that are related to performance, competence, contribution, skill and/or experience.

These are referred to as 'contingent pay. If such payments are not consolidated into base pay, they can be described as variable pay'. Variable pay is sometimes defined as 'pay at risk'. For example, the pay of sales representatives on a 'commission-only' basis is entirely at risk.

9.   Allowances

Allowances are elements of pay in the form of a separate sum of money for such aspects of employment as overtime, shift working, call-outs and living in London or other large cities. London or large-city allowances we sometimes consolidated; organizations which are simplifying their pay structure may "buy out the allowance and increase base pay accordingly.

10.   Total Earnings

Total earnings are usually calculated as the sum of base pay and any additional payments.

11.   Total Remuneration

Total remuneration is the value of all cash payments (total earnings) and benefits received by employees.

5.5.1 Traditional vs Contingent Pay Plans

Q13. Define traditional pay plan. Explain different types of traditional pay plan.

Ans :

Meaning

In traditional approach, employees are rewarded for the positions they hold and as per their job descriptions and not by their performance in job. The job of individual directly determines pay and indirectly determines incentives and benefits obtained. In other words, traditional system considers seniority and type of position to increase the salary, but not performance.

Types

Traditional pay system comprises of two types of pay as follows,

1.   Seniority Pay and Longevity Pay

In seniority and longevity pay system, employees are rewarded with additional base pay on the basis of their seniority and the length of service provided by them to the company. Seniority and longevity pay plans presume that employees become more and more valuable to the company with the span of time.

This valuable employees can be retained in the company only by making proper additions to their base pay on regular intervals. Employees grab the required knowledge and skills through formal training, education and on-the-job experience.

As the name suggests, seniority pay rewards employees with additional compensation for improving their existing skills and developing new skills.

2.   Merit Pay

Merit pay program is an important component of pay for performance in most of the organizations. Merit pay refers to an adjustment made in the base pay which is directly linked with employees' performance level.

The amount of adjustment relies upon the performance level of the employees. Thus, in merit pay system, employees are paid rewards on the basis of performance and not on the seniority basis.

Q14. What is Contingent pay plan. State its types.

Ans :

Meaning

Contingent pay refers to any type of payment made to the employee, other than the base pay. Contingent pay is also known as pay for performance. Contingent pay may be administered on the basis of the employees performance, competency, skills, contribution made by him towards the development of the organization and so oil.

Types

Contingent pay plans are divided into three different pay plans. They are as follows,

1. Performance Related Pay Plans

Under this method, an employee's compen-sation is associated with his/her job performance. The pay of employee will increase for good performance and will reduce for poor performance.

2. Skill Based Pay Plans

Skill-based pjay is a type of person-focussed pay plan wherein the pay progression is directly linked to the skills possessed and used by an individual in effectively performing their tasks. It is also known as "knowledge-based pay" as the terms 'skills' and 'knowledge' are often used interchangeably.

3. Competency Related Pay Plans

Competence-related pay can be defined as a process of rewarding people either completely or partially by virtue of their level of competence. It is a type of compensation system wherein the employees are paid based on their ability to perform on job.

Q15. Compare and contrast traditional pay plan and Contingent pay plan

Ans :

S.No.	Nature	Traditional Pay Plan	Contingency Pay Plan
1.	**Consideration**	In traditional pay plan, the employees core compensation comprise of annual salary.	In contingency pay plan, employees receive incentives which fluctuates or fixed hourly based on employee's capability of achieving the goals.
2.	**Alternative**	Traditional pay plan is also known as "fixed pay plan".	Contingency pay plan is also known as variable pay plan / incentive pay plan.
3.	**Annual pay**	In traditional pay plan, annual pay increases as per the seniority and past performance.	In contingency pay plan, the employees pay is linked with their performance in achieving the predetermined objectives.
4.	**Payroll**	Pay roll costs cannot be controlled through traditional pay plan.	Pay roll costs can be controlled through contingency pay plan.

| 5. | **Base pay** | Increase in seniority pay and merit pay are permanent additions made to the base pay of an employee. | Contingency Pays are not permanent additions to the base pay of employees. It is variable in nature, |
| 6. | **Uses** | Traditional pay plans are used to reward employees on the basis of their seniority and past performance. | Contingency pay plans are used to reward individuals, group of employees or companies on the basis of their performance. |

5.6 PAY FOR PERFORMANCE

Q16. Define Pay for Performance. Explain various types of Pay for Performance.

Ans : (Imp.)

Meaning

Pay for performance plans signal a movement away from entitlements, sometimes a very slow movement toward pay that varies with some measure of individual or organization. Pay will vary with some measure of individual, team, or organizational.

Types

(i)   Merit Pay

(ii)   Lump-sum Bonuses

(iii) Individual Spot Awards

(iv)   Individual Incentive Plans

(v)   Individual Incentive Plans: Advantages and Disadvantages

(vi)   Individual Incentive Plans: Examples

(i)   Merit Pay

A system links increases in base pay to how highly employees are rated on an performance evaluation.

(ii)   Lump-sum Bonuses

Are thought to be a substitute for merit pay. Are earned at the end of a specified time period, such as monthly, quarterly, or annually, when an employee achieves a specific level of his work or quota.

(iii) Individual Spot Awards

An immediate recognition to reward an employee for exceptional performance beyond the prescribed expectation of the employee's job. Spot awards are given after the event has been completed, usually without pre-determined goals or set performance levels and paid as a one-time bonus.

(iv)   Individual Incentive Plans

Incentive plans are part of an employee's compensation or pay. The incentive plan gives an employee the opportunity to increase his annual pay based upon either company performance or individual performance. Incentive plans are a way for companies to keep employees motivated to perform to the best of their abilities, thus increasing company profit.

Advantages

➤ Substantial impact that raises productivity, lowers production costs, and increases earnings of workers.

➤ Less direct supervision is required to maintain reasonable levels of output than under payment by time.

➤ In most cases, systems of payments by results, if accompanied by improved organizational and work measurement, enable labor costs to be estimated more accurately than under payment by time. This helps costing and budgetary control.

Disadvantages

➤ Greater conflict may emerge between employees seeking to maximize output and managers concerned about deteriorating quality levels.

➤ Attempts to introduce new technology may be resisted by employees concerned about the impact on production standards.

➤ Reduced willingness of employees to suggest new production methods for fear of subsequent increases in production standards.

➤ Increased complaints that equipment is poorly maintained, hindering employee efforts to earn larger incentives.

➤ Increased turnover among new employees discouraged by the unwillingness of experienced workers to cooperate in on-the-job training.

➤ Elevated levels of mistrust between workers and management.

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5.7 PAY STRUCTURES

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Q17. Discuss in detail about pay structures.

Ans :

Meaning

Pay structures allocate specific pay rates for jobs of Varying values and provide the framework for identifying differences in each employee's contribution to the organization. It never happens that two employees will be have same credential or credits and thus they differ in the type of work they perform. These differences are recognized by the companies by compensating individuals according to their qualifications, achievements, quality of work, knowledge and job performance.

(a)   Job Evaluation

"Job evaluation is the process of analysis and assessment of jobs to ascertain reliably their negative worth using the assessment as the basis for a balanced wage structure".

British Institute of Management

Thus, job evaluation is a process used to establish the relative worth of jobs in a job hierarchy. It ranks a job but not the job holder. For this it ignores the individual abilities of the job holder. Job evaluation is the output of job analysis. No job can be evaluated unless and until it is analyzed.

Objectives

The following are some objectives of job evaluation,

1. Developing standardized procedures for determining the relative worth of each job.

2.   Determining equitable wage differentials between different jobs in an organi-sation.

3.   Removing the wage/salary inequalities.

4.   Developing a basis for fixing incentives and bonus.

5.   Providing necessary information for solving the rievances regarding wage rates.

6.   Serving as a useful reference for work organisation, employee selection, placement etc.

7.   Facilitating career planning in the organisation.

(b)   Broadbanding

Broadbanding is defined as bringing together the jobs of significant differences or worth or value within one brand. In broadbanding strategy, all such types of jobs are combined into one group known as banding.

The pay scale for broadbands may range from lowest pay rate to highest pay rate. People who are placed at the lower positions where minimum skills and knowledge is required and where complexity levels are also low will be paid less when compared to the people placed at higher positions.

The complexity levels and the levels of knowledge and skills required are higher in case of high level positions.

Objectives

The main aim/objectives of broadbanding are,

1.   To provide a pay structure that can be easily aligned with flatter organizational structure.

2.   Broadbanding aims to enable organizational processes to create a flexible structure which facilitates vertical move nent of employees.

3.   It aim s to encourage role flexibility and team work by providing operational support.

4.   It is perfectly suited to present day organizations where emphasis is on horizontal processes and business process reengineering.

5.7.1 Job Evaluation

Q18. Define Job Evaluation. Explain the objectives of Job Evaluation.

Ans :   (Imp.)

Meaning

Job Evaluation is a system where in a particular job of an enterprise is compared with its other jobs. In the present industrial era, there are different types of jobs which are performed in every business and industrial enterprise. Comparative study of these jobs is very essential because on the basis of such study the structure of wages for different types of jobs is prepared.

The comparison of jobs may be made on the basis of different factors such as duties, responsibilities, working conditions, efforts, etc. In nut shell, it may be said that job evaluation is a process in which a particular job of a business and industrial enterprise is compared with other jobs of the enterprise.

Definitions

(i)   **According to Kimball and Kimball** define job evaluation as "an effort to determine the relative value of every job in a plant to determine what the fair basic wage for such a job should be."

(ii)   **According to Wendell French,** job evaluation is a process of determining the relative worth of the various jobs within the organization, so that differential wages may be paid to jobs of different worth.

The relative worth of a job means relative value produced.

We may define job evaluation as a process of analyzing and describing positions, grouping them and determining their relative value of comparing the duties of different position in terms of their different responsibilities and other requirements.

Objectives

The following are the objectives of job evaluation:

(i)   To secure and maintain complete, accurate and impersonal descriptions of each distinct job or occupation in the entire plant;

(ii)   To provide a standard procedure for determining the relative worth of each job in a plant;

(iii) To determine the rate of pay for each job which is fair and equitable with relation to other jobs in the plant, community or industry?

(iv) To ensure that like wages are paid to all qualified employees for like work;

(v) To promote a fair and accurate consideration of all employees for advancement and transfer;

(vi) To provide a factual basis for the consideration of wage rates for similar jobs in a community and industry.

Q19. State the various principles of Job Evaluation.

Ans :

There are certain broad principles, which should be kept in mind before putting the job evaluation program into practice. These principles are :

(i) Rate the job and not the man. Each element should be rated on the basis of what the job itself requires.

(ii) The elements selected for, rating purposes should be easily explainable in terms and as few in number as will cover the necessary requisites for every job without any overlapping.

(iii) The elements should be clearly defined and properly selected.

(iv) Any job rating plan must be sold to foremen and employees. The success in selling it will depend on a clear-cut-cut explanation and illustration of the plan.

(v) Foremen should participate in the rating of jobs in their own departments.

(vi) Maximum co-operation can be obtained from employees when they themselves have an opportunity to discuss job ratings.

(vii) In talking to foremen and employees, any discussion of money value should be avoided. Only point values and degrees of each element should be discussed.

(viii) Too many occupational wages should not be established. It would be unwise to adopt an occupational wage for each total of point values.

Q20. Explain the advantages of Job Evaluation.

Ans :

Advantages

Job evaluation enjoys the following advantages:

(i) Job evaluation is a logical and to some Extent an objective method of ranking jobs relative to one another. It may help in removing inequalities in existing wage structures and in maintaining sound and consistent wag differentials a plant or industry.

(ii) In the case of new jobs, the method often facilitates fitting them into the existing wage structure.

(iii) The method helps in removing grievances arising out of relative wages; and it improves labour management relations.

(iv) The method replaces the many accidental factors, occurring in less systematic procedures, of wage bargaining by more impersonal and objective standards, thus establishing a clear basis for negotiations.

(v) The method may lead to greater uniformity in wage rates, thus simplifying wage administration.

(vi) The information collected in the process of job description and analysis may also be used for the improvement of selection, transfer and promotion procedures on the basis of comparative job requirements.

(vii) Such information also reveals that workers are engaged on jobs requiring less skill and other qualities than they possess, thereby pointing to the possibility of making more efficient me of the plants labour force.

5.7.1.1 Methods

Q21. Explain the methods of Job Evaluation.

(or)

What are the techniques of Job Evaluation.

Ans :   **(Imp.)**

The job evaluation methods are classified into two broad Categories.

1.   Non-quantitative Methods/Qualitative Method

2.   Quantitative Methods.

1.   Non-quantitative Methods/Qualitative Methods

Non-quantitative methods are also called as non-analytical (or) summary systems. They are simple and utilize non-quantitative techniques for listing the jobs in order of their difficulty. These include two methods namely,

(a)   Ranking method/Job comparison method

(b)   Grading method/Job classification method.
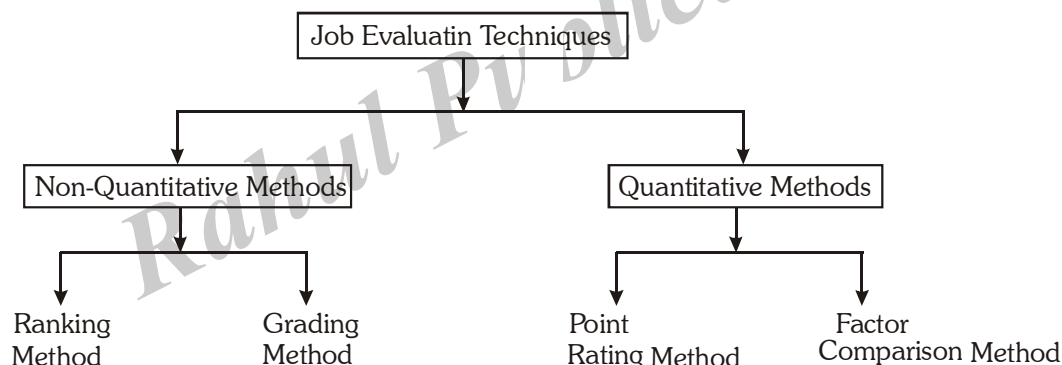
Fig. : Techniques of Job Evolution

(a)   Ranking Method

Ranking method involves comparison of each job as a whole with other jobs and arranging them in the order of their importance from highest to lowest. The ranking criteria involves judging the duties, responsibilities and demands on the job holder.

Three different techniques are available for ranking the jobs. The techniques are,

(i)   Job Description

In this, a written job description for every job is prepared and analyzed. The jobs are divided on the basis of duties, responsibilities, skill requirements etc., and are ranked depending upon significance. Many raters independently rank each job. The average of all these ratings give the final ranking. The following table is used to determine the ranks.

Example

Job	Rater 1	Rater 2	Rater 3	Rater 4	Average
A					
B					
C					
D					

Job description method is used when there are only a few jobs. This technique does not hold for large organizations where there are large number of jobs.

(ii) Paired Comparison

In this method, each job is paired with every job in the series and the more difficult job in each pair is identified. Ranks are assigned on the basis of number of times a job is rated more difficult. The below table is an example of paired comparison method.

Example

Pair	More Difficult job	Rank
A B COO – System Administrator	A COO	1
B C HR Manager - Editor	B HR Manager	2
A C COO – Editor	A COO	
D E Content Writer - Receptionist	C Content Writer	3
B E HR Manager - Receptionist	B HR Manager	
A E COO – Receptionist	A COO	

(iii) Ranking along a Number Line

In this method, the ranks obtained through job description and paired comparisons are taken along a number line. The jobs are placed on the line on the basis of the closeness to the job that is ranked highest. The following is an 1 example obtained by combining the above two examples.

```
        60      90     100
     ────┼───────┼──────┼────
         C       B      A
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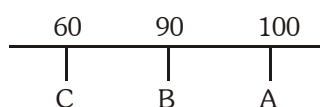
(b)   Grading Method

This method is also called as 'Job Classification Method'. This method involves the following procedure,

➢   Developing job grades (or) job classes. A job grade is a group of different jobs requiring similar skills to perform.

➢   A written description is used to define each job grade.

➢   Classifying each job into an appropriate grade depending on the degree to which its characteristics match the grade definitions.

2.   Quantitative Methods

These methods use quantitative techniques for listing the jobs. They are very complex and are time consuming. They are also called as analytical systems. These include two methods namely,

(a)   Point Rating Method

(b)   Factor Comparison Method.

(a)   Point Rating Method

This is the most commonly used technique of job evaluation. In this method the jobs are divided into component factors and each factor is assigned some points/weights depending upon its importance in a particular job. Thus, the total points obtained for a job gives its relative worth.

The following procedure is used for point rating method.

(i)   Selecting the Jobs to be Evaluated

A large organization has many jobs involving different skills, efforts and working conditions. Therefore, a few representative jobs are selected from each category.

(ii)   Choosing the Factors

In this stage, the selected jobs are analyzed and the factors common to all these jobs are identified. The factors selected for evaluation should be significant, measurable and acceptable to both workers and the management. The factors can also be divided into sub-factors.

Example

Skills are divided into sub-factors like education, experience, training, judgemental capability etc. Efforts are divided into physical and mental sub-factors.

(iii) Defining the Factors

The chosen factors and sub-factors are defined in the written form so that all the raters can interpret the factors in the same way.

(iv) Determining the Degree of Each Factor

The degrees for each factor are defined clearly. Same number of degrees should be used for each factor in all the jobs.

(v)   Determining the Value of Job Factors

The relative value of a factor depends upon its significance/importance in a given job. The points for a particular factor are allocated depending on its sub-factors.

(vi) Assigning Point Values to Degrees

Point values for each degree are assigned on the basis of arithmetic progression.

(vii) Determining the Point Value of the Job

The total points of a job are obtained by adding the points allocated to each of its factors. The total points obtained to a job indicate its relative worth.

(viii) Assigning the Money Value to each Job

As the worth of a job is deter-mined, it is connected to money values in relation with the existing wage rates.

Sequentially and effectively followed, above steps lead to the success of point rating method.

(b) Factor Comparison Method

This method is a combination of ranking and point systems. All jobs are compared to each other for the purpose of determining their relative importance by selecting four or five major job elements or factors which are more or less common to all jobs. These elements are not predetermined. These are chosen on the basis of job analysis. The few factors which are customarily used are :

(i) Mental requirements

(ii) Skill

(iii) Physical requirements

(iv) Responsibilities

(v) working conditions, etc. A few jobs are selected as key jobs which serve as standard against which all other jobs are compared. Key job is one whose contents have been stabilized over a period of time and whose wage rate is considered to be presently correct by the management and the union.

This method follows the following procedure,

(i) Selecting and Defining the Factors

Factors like skills, responsibilities, working conditions common to all the jobs are selected and defined clearly.

(ii) Selecting the Key/Representative Jobs

The key jobs in the organization are selected and they are used as standards for comparing other jobs.

(iii) Ranking the Key Jobs by Factors

The key jobs are carefully analyzed and are rated in terms of selected factors.

(iv) Deciding the Key Job Rates

Fair and equitable wage rates are determined.

(v) Assigning the Wage Rate

Allocating the wage rate for a job depending on identified and ranked factors.

(vi) Comparing the Other Jobs

The remaining jobs are compared with the key jobs in terms of each factor.

Q22. Explain the limitations of job evaluation.

Ans :

1. Not a Scientific Technique

Job evaluation is a systematic technique and not a scientific technique of rewarding the job. It lacks scientific precision because all factors cannot be measured accurately.

2. Problems of Adjustment

Though many ways of applying the job evaluation techniques are available, rapid changes in technology and in the supply and demand of particular spills have given rise to problems of adjustment.

3. Unrealistic

Substantial differences exist between job factors and the factors emphasised in the market. These differences are wider in cases in which the average pay offered by a company is lower than that prevalent in other companies in the same industry or in the same geographical area.

4. Organisational Limitations

A job evaluation scheme takes a long time to install. It requires specialised personnel and it is costly.

5. Opposition by Workers

Job evaluation is regarded by the trade unions with suspicion because it is made on certain principles and results are generally ignored. Some of the methods of job evaluation are not easily understood by workers. Workers fear that job evaluation will do away with collective bargaining.

6. Subjective

Too many factors are used in job evaluation and moreover there are no understanding list factors to be considered. Definitions of factors vary from organisation to organisation. Many researches show that the factors used are not independently be valued at all. It gives more reliance on internal standards and evaluation of fixing wage rates.

7.   Limitations of Evaluator

If evaluator is not well-versed in techniques and principles of job evaluation then the results of the job evaluation will be quite inconsistent. Moreover, if evaluator is biased to a particular job, it will be assigned more weightage.

8.   Nature of Job

It is presumed that jobs of equal worth are equally attractive to all workers but it is not so. If a job offers bright prospects, it will attract more people.

Q23. Explain the process of job evaluation.

Ans :

Steps involved in job evaluation process are shown in figure:

Step 1: Identification of Jobs for Evaluation

The first step is the determination of jobs to be covered under the evaluation process. It is usually difficult for an organisation to evaluate all the jobs of the organisation. It, therefore, chooses few key jobs which can represent a group of similar jobs for job evaluation purpose.

Once the jobs are identified for evaluation, the next step is the determination of the factors to be evaluated in a job. The evaluator may evaluate one or more of the job factors like physical efforts, mental efforts, concentration, communication and leadership skills, education and experience, job complexity and pressure.

Step 2: Gathering the Relevant Data

The next phase of the job evaluation process is the collection of necessary information about the jobs being evaluated. For this, the evaluators may adopt data collection techniques like interviews, questionnaires, and observations etc.

Step 3: Determination of Job Ranking

After analysing all the information relating to the jobs, the evaluator assesses the extent of the presence of the chosen factors in the jobs. Based on the result of such an assessment, the evaluator determines the ratings for each job.

Since similar factors are assessed in an evaluation process, the ratings reflect the relative worth of a job in comparison to other jobs in the organisation.
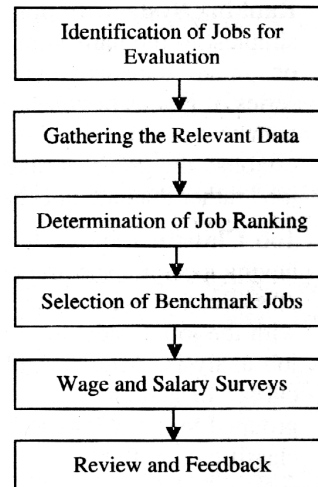
Fig. : Process of Job Evaluation

Step 4: Selection of Benchmark Jobs

The primary purpose of job evaluation is the development of pay grades for each category of jobs. In this regard, it is necessary for an organisation to know what the other organisations are paying for similar jobs.

However, it may not be feasible for an organisation to ascertain the comparative pay scales of all the jobs in the organisation. Due to this reason, the evaluators may select a few jobs which are normally found in every organisation and are comparable in nature.

These jobs are usually called benchmark jobs and serve as yardsticks for determining the pay scale of all other jobs in the organisation.

Step 5: Wage and Salary Surveys

In this stage, an organisation conducts a survey of pay scales of the benchmark jobs in other organisations in the industry. Salary surveys may be conducted by an organisation in a formal or informal way.

Similarly, an organisation may either conduct a direct survey to gather relevant information or use the published reports of professional agencies or magazines. Based on such survey, the monetary value of each job is determined.

Many organisations often use informal sources like telephones, newspapers, and the internet for conducting salary surveys.

Step 6: Review and Feedback

Developments in the external environment influence the organisations continuously and also cause changes in the internal factors.

For example, technological changes influence the job characteristics and requirements profoundly. Consequently, organisations are forced to review the jobs at periodic intervals to determine their worth in the changed context.

Feedback should also be collected from different stakeholders like job-holders, supervisors, managers, and unions about the various aspects of job evaluation to constantly improve the job evaluation process.

5.7.2 Broad-banding

Q24. Define Broad-banding. State its objectives.

Ans :

Refer to Unit-V Q.No. 17.

Q25. Explain the advantages and disadvantages of Broad-banding.

Ans :

Advantages

1.   It Streamlines the Chain of Command

Since managers in a company that uses broad salary bands often supervise many teams, this can result in a lower number of managers than otherwise. This creates a smaller management team, which can streamline the communication they have with each other. Each manager often has only a few managers above them to help them make important decisions or to whom they report any issues or progress.

2.   Reduces the Need for Specialized Roles

Because broad salary bands motivate employees to have a wide range of skills, it reduces the need for many employees to have narrow skill sets. This allows you to have many employees capable of performing multiple roles depending on your company's needs. This is helpful when assigning tasks, completing projects and setting company goals.

3.   Values all Employees

Employees at companies with broadband structures can continue to earn raises while remaining in their current role. This can help motivate them to continue to perform well without seeking a promotion. Broad salary bands allow you to show your employees how valuable they are to the company, no matter what position they have. Helping your employees feel valued can create a positive work environment, which can help increase morale, employee commitment and productivity.

Disadvantages

1.   It Makes it Challenging to Compare Salaries to Market Rates

Since many employees have more general roles, it can be challenging to find a market rate for their position. This can make it unclear to your managers and employees when determining how much they might typically earn for the jobs they do. It might be helpful to find an average of other, similar positions common in the job market to determine a typical salary. You might also find it helpful to determine the tasks your employees each perform most often to help both you and them determine what a typical salary might be.

2.   It Offers Fewer Promotions

Because of the reduced job levels, employees have fewer opportunities to earn a promotion. Some employees may view promotions as a motivating factor to perform better. However, you can use their potential for earning higher pay within their role to help continue to motivate them. You might also consider other motivating incentives, such as office parties and prizes for reaching a goal.

3. Its Midpoints are Unclear

Because of the general nature of each pay level, it's sometimes unclear where the salary midpoint should be. To help with this, consider grouping each job level's skill set around more specific business goals, such as sales goals. This can help you determine an average salary for the roles that might typically accomplish those goals. It's helpful to base the salary midpoints around these averages. You might also consider figuring out how many roles your average employee might fulfill and how important those roles are to the company to help you determine an average base salary for that job level.

5.8 PMS AND LAW

5.8.1 Legal Principles affecting PMS

Q26. Explain about various Legal Principles affecting PMS.

Ans :   **(Imp.)**

Six important principles often come into play in the case of litigation related to the implementation of a performance management system: employ-ment at will, negligence, defamation, misrepresen-tation, adverse impact, and illegal discrimination.

1. Employment at will

In employment at will, the employer or employee can end the employment relationship at any time. This type of employment relationship gives employers considerable latitude in determining whether, when, and how to measure and reward performance.

Thus, an employer could potentially end the employment relationship without documenting any performance problems.

There are two exceptions regarding an organization's ability to terminate an employee under these circumstances:

(i) There may be an implied contract derived from conversations with others in the organization or from information found in the company's documentation (for example, employee handbook) indicating that employees would be terminated for just cause only.

(ii) Decisions about terminating an employee should consider a potential violation of public policy.

2. Negligence

Many organizations outline a performance management system in their employee manual, employment contract, or other documents. When the system is described in such documents and not implemented as described, legal problems arise.

For example, there may be a description of how frequently appraisals take place, or how frequently supervisors and employees are to meet formally to discuss performance issues.

If an employee receives what she believes is an unfair performance evaluation and the system has not been implemented as was expected, she may be able to challenge the system based on negligence on the part of the organization.

3. Defamation

(i) Defamation is the disclosure of untrue, unfavorable performance information that damages an employee's reputation.

(ii) An employee can argue that the organization defamed her if the employer states false and libelous information during the course of the performance evaluation, or negligently or intentionally communicates these statements to a third party, such as a potential future employer, thus subjecting the employee to harm or loss of reputation.

(iii) The definition of defamation includes the disclosure of untrue information. Defamation can take place when an employee is evaluated based on behaviors that are irrelevant and not job-related, when an evaluator doesn't include information that would explain or justify poor performance, or when an evaluator revises a prior evaluation in an attempt to justify subsequent adverse action taken against the employee.

4. Misrepresentation

(i) Misrepresentation is about disclosing untrue favorable performance, and this information causes risk or harm to others.

(ii) When a past employer provides a glowing recommendation for a former employee who was actually terminated because of poor performance, that employer is guilty of misrepresentation.

5. Adverse impact/unintentional discrimi-nation

(i) Adverse impact, also called unintentional discrimination, occurs when the performance management system has an unintentional impact on a protected class, such as sex or race.

(ii) So if a group of white men consistently receives lower performance scores, then there is adverse impact because these individuals share the same characteristic (male) of a class that is protected (that is, sex).

6. Illegal discrimination/disparate treatment

(i) Illegal discrimination, also called disparate treatment, means that raters assign scores differentially to various employees based on factors that are not performance related, such as race, nationality, color, or ethnic and national origin.

(ii) As a consequence of such ratings, some employees receive more training, feedback, or rewards, than others.

(iii) Illegal discrimination is usually referred to as disparate treatment because employees claim they were intentionally treated differently because of their sex, race, ethnicity, national origin, age, disability status, or other status protected under the law.

(iv) The majority of legal cases involving performance management systems involve a claim of disparate treatment. What can an employee do if, for example, she feels she was given unfairly low performance scores and skipped over for promotion because she is a woman?

(v) To make such a claim, an employee can present direct evidence of discrimination, such as a supervisor making sexist comments that may have influenced the performance management process. Alternatively, she needs to provide evidence regarding the following issues:

(a) She is a member of a protected class.

(b) She suffered an adverse employment decision as a result of a performance evaluation (was skipped over for promotion).

(c) She should not have been skipped over for promotion because her performance level deserved the promotion.

(d) The promotion was not given to anyone, or it was given to an employee who is not a member of the same protected class (that is, another woman).

Q27. What are the laws that affect performance management.

Ans :   **(Imp.)**

1.   Equal Pay Act

It was passed in 1963 with an aim of restricting the employer from discriminating workers based on sex while paying wages.

2.   Civil Rights Act

It was passed in 1964 with an aim to restrict employer from discriminating employees based on rape, color, religion, sex or national origin.

3.   Age Discrimination in Employment Act

It was passed in 1967 with an aim to restrict the employer from discriminating employees based on their age factor.

4.   Americans with Disabilities Act

It was passed in 1990 with an aim to restrict the employer from discriminating people based on their disabilities. The Acts which are passed by united kingdom are as follows,

(i)   Equal Pay Act

It was passed in 1970 with an aim to provide equal pay to all employees irrespective of their seek who are involved in same employment.

(ii)   Race Relations Act

It was passed in 1976 with an aim to restrict the employer from discriminating employees on the basis of nationality, color, racial, national group etc.

(iii) Sex Discrimination Act

It was passed in 1967 with an aim to restrict the employer from discriminating employees based on sex, marital status and gender.

(iv)   Disability Discrimination Act

It was passed in 1995 with an aim to restrict the employer from discriminating employees based on their disability.

(v)   Employment Equality Regulation (Sexual Orientation)

Employment Equality Regulation (sexual orientation) was passed in 2003 with an aim to restrict the employer from discriminating employees on the basis of their sexual orientation.

Q28. What are the characteristics of legally sound performance management systems?

Ans :

The characteristics of legally sound performance management systems are,

1.   The performance dimensions and standards related to the job are specified clearly to the employee and are with in the employee's control.

2.   All the employees are officially communicated about the system.

3.   For all employees, there are uniform and standardized procedures within a job group.

4.   Information is provided to the employees regularly on the performance deficiencies and opportunities to rectify them.

5.   The system contains a formal appeals process.

6.   Information related to performance is collected from multiple, diverse and unbiased raters.

7.   In the review process, the employees are treated politely throughout the process and are allowed to communicate.

8.   Formal training is given to the supervisors and information is provided to them so that they can manage the performance of their employees.

9.   The system involves complete and consistent documentation, involving particular examples of performance on the basis of first hand knowledge.

10.   The system consists of processes to identify biases and abuses or potentially discriminatory effects in the system.

Q29. What type of evidence employees need to provide to prove illegal discrimination and what type of evidence employers need to provide to prove lack of illegal discrimination?

Ans :

Intentionally discriminating employees based on their nationality, religion, color or ethnic etc., without considering their performance, is referred as illegal discrimination or disparate treatment. Employees have the right to take action against these type of discrimination.

The raters give scores to different employees on the basis of the factors which are not related to performance like color, race, nationality etc. As a result of this, few employees receive more feedback, rewards or training compare to others. The definition of illegal discrimination is given in the race relations act, 1976 in the UK and in Title VII of the Civil Rights Act, 1964 in the US. The employees claim that they were intentionally treated unequally because of ethnicity, sex, age or other status which are protected under the law, thus this illegal discrimination is referred to as "Disparate treatment".

The Evidence Employees need to Provide to Prove Illegal Discrimination

If an employee feels that she was given low performance scores deliberately and she was not was promoted because she is a woman. Then to make such a claim, an employee can show a clear proof of discrimination, like a supervisor passing sexist comments that would have made an impact on the performance management process. Otherwise, she is supposed to present evidence with respect to the below issues,

1.   She belongs to a protected class.

2.   She was a victim of an adverse employment decision due to performance evaluation (i.e., she was not promoted).

3.   The promotion should not have been skipped over as her performance level was good enough to deserve the promotion.

4.   No one was given promotion, or promotion was given to an employee who does not belong to the same protected class i.e., another woman.

Evidence Employers need to Provide to Prove Lack of Illegal Discrimination

If a female employees provides this type of evidence, then it is essential for the employer to provide a legitimate and non-discriminatory reason for not promoting her to higher position. Generally, the reason would be related to performance. At this moment, the employers get the benefit of having a designed and implemented system which is used consistently with all employees.

This kind of system is legally defensible. Any decisions made based on this system including promotion decision, shall also be legally defensible. It is necessary to distinguish illegal discrimination from legal discrimination.

A performance management system is considered good, if it is able to discriminate between employees on the basis of their performance levels which is legal discrimination. Illegal discrimination depends upon variables that are not commonly related to performance like national origin, ethnicity and sex.

Short Questions & Answers

1. Define personal development plan.

Ans :

A personal development plan is a framework that allows an individual employee and their manager to identify learning needs, set objectives to meet them, and pinpoint the resources necessary to do so.

The main focus is on employee development, which means that the goals for development must be agreed upon between the employee and manager.

2. What do you mean by 360-Degree Feedback?

Ans :

360 degree feedback, also known as multi-rater feedback, is a system in which anonymous feedback is gathered about a member of staff from various people they have working relationships with.

This is usually their managers, peers, direct reports, subordinates - hence the name "360 degree". It's designed so a range of people can share their opinion to provide a well-rounded view on the individual.

3. Define coaching.

Ans :

Coaching is the process of providing guidance to ployees by their supervisors so as to improve their performance. Coaching is an informal unplanned training and development activity provided by the supervisors for improving the performance of the employees to make them capable of facing competition and to overcome barriers.

4. Characteristics of Coaching

Ans :

(i) Coaching is Beneficial to the Organi-zation

Coaching does not require any additional cost because it is provided within the premises of the organization with their own supervisor for which organization need not pay any special remuneration.

(ii) Secondary Learning

After selecting the employee, the first process is to provide them with proper training to learn the basic skills of the job. Whereas, coaching constitutes the secondary learning which is a continuous process.

(iii) Continuous Process

Training is provided only for a specified period of time. Whereas coaching tends to be a continuous affair which will be continuing till the existence of supervisor and employee relationship.

5. Reward Systems

Ans :

Reward system refers to the procedures, rules, and standards associated with allocation of benefits and compensation to employees.

Reward system in the context of performance management is defined as an. integrated system that ensures equitable avenues to employees for fulfillment of their financial and non financial needs and recognition urge for their contribution to attainment of organizational goals.

6.   What is Contingent pay plan.

Ans :

Contingent pay refers to any type of payment made to the employee, other than the base pay. Contingent pay is also known as pay for performance. Contingent pay may be administered on the basis of the employees performance, competency, skills, contribution made by him towards the development of the organization and so oil.

7.   Define Pay for Performance.

Ans :

Pay for performance plans signal a movement away from entitlements, sometimes a very slow movement toward pay that varies with some measure of individual or organization. Pay will vary with some measure of individual, team, or organizational.

8.   Pay Structures.

Ans :

Pay structures allocate specific pay rates for jobs of Varying values and provide the framework for identifying differences in each employee's contribution to the organization. It never happens that two employees will be have same credential or credits and thus they differ in the type of work they perform. These differences are recognized by the companies by compensating individuals according to their qualifications, achievements, quality of work, knowledge and job performance.

9.   Job Evaluation

Ans :

"Job evaluation is the process of analysis and assessment of jobs to ascertain reliably their negative worth using the assessment as the basis for a balanced wage structure".

Thus, job evaluation is a process used to establish the relative worth of jobs in a job hierarchy. It ranks a job but not the job holder. For this it ignores the individual abilities of the job holder. Job evaluation is the output of job analysis. No job can be evaluated unless and until it is analyzed.

10.   Broadbanding

Ans :

Broadbanding is defined as bringing together the jobs of significant differences or worth or value within one brand. In broadbanding strategy, all such types of jobs are combined into one group known as banding.

The pay scale for broadbands may range from lowest pay rate to highest pay rate. People who are placed at the lower positions where minimum skills and knowledge is required and where complexity levels are also low will be paid less when compared to the people placed at higher positions. The complexity levels and the levels of knowledge and skills required are higher in case of high level positions.

Choose the Correct Answers

1.   _____ is an organized process wherein various assessment tools are used to access the performance of each employee.   [a]

   (a)   Assessment centre   (b)   360⁰ appraisal system

   (c)   Self appraisal   (d)   None of the above

2.   In 360⁰ appraisal, an individual is appraised by _____.   [d]

   (a)   Superiors and subordinate   (b)   Peers & himself

   (c)   Customers   (d)   All the above

3.   The barriers to effective appraisal includes _____.   [d]

   (a)   Rating errors   (b)   Negative approach

   (c)   Lack of knowledge   (d)   All the above

4.   The skills required for performing a specific specialized task is _____ .   [b]

   (a)   Problem solving skills   (b)   Technical skills

   (c)   Analytical skills   (d)   Communication skills

5.   Indirect determinants of job performance includes _____.   [d]

   (a)   Work environment   (b)   Personality factors

   (c)   H.R practices   (d)   All the above

6.   Performance is a function of _____ .   [a]

   (a)   All the three   (b)   Ability

   (c)   Motivation   (d)   Environment

7.   Ethical issues associated with performance appraisal include _____.   [b]

   (a)   Playing favourite   (b)   Both (a) and (d)

   (c)   Rules and laws   (d)   Rater malpractice

8.   Restricting factors are an example of _____.   [c]

   (a)   Personal factors   (b)   Environmental factors

   (c)   System factors   (d)   Both (a) and (b)

9.   Legal issues involved in performance appraisal includes _____   [a]

   (a)   All the three   (b)   Legal appraisal results

   (c)   Legal appraisal raters   (d)   Legal appraisal procedures

10.   According to performance diagnosis model, reasons for poor employee performance are _____. [d]

   (a)   Low competency   (b)   Poor behaviour

   (c)   Poor environment   (d)   All the above

Fill in the blanks

1. _____ training is given by co-workers to the employee.

2. _____ are often tasked with developing or executing employee feedback and recognition programs.

3. 360 degree feedback, also known as _____,

4. _____ is the process of providing guidance to ployees by their supervisors so as to improve their performance.

5. _____ system refers to the procedures, rules, and standards associated with allocation of benefits and compensation to employees.

6. _____ compensation is direct monetary compensation encompassing the payment of cash compensation to employees for work accomplished or efforts expanded.

7. _____ compensation are indirect monetary compensation and include those items of financial value the organization provides to employees that do not result directly in employee's receiving spend able cash.

8. _____ is the process of analysis and assessment of jobs to ascertain reliably their negative worth using the assessment as the basis for a balanced wage structure.

9. _____ method involves comparison of each job as a whole with other jobs and arranging them in the order of their importance from highest to lowest.

10. _____ is defined as bringing together the jobs of significant differences or worth or value within one brand.

Answers

1. On job

2. Supervisors

3. Multi-rater feedback,

4. Coaching

5. Reward

6. Financial

7. Non-financial

8. Job Evaluation

9. Ranking

10. Broadbanding

Very Short Questions and Answers

1.   Merit Pay

Ans :

Merit pay program is an important component of pay for performance in most of the organizations. Merit pay refers to an adjustment made in the base pay which is directly linked with employees' performance level.

2.   Objectives of broadbanding

Ans :

(i)   To provide a pay structure that can be easily aligned with flatter organizational structure.

(ii)   Broadbanding aims to enable organi-zational processes to create a flexible structure which facilitates vertical move nent of employees.

3.   Advantages of Job Evaluation

Ans :

(i)   Job evaluation is a logical and to some Extent an objective method of ranking jobs relative to one another. It may help in removing inequalities in existing wage structures and in maintaining sound and consistent wag differentials a plant or industry.

(ii)   In the case of new jobs, the method often facilitates fitting them into the existing wage structure.

4.   Paired Comparison

Ans :

In this method, each job is paired with every job in the series and the more difficult job in each pair is identified. Ranks are assigned on the basis of number of times a job is rated more difficult. The below table is an example of paired comparison method.

5.   Point Rating Method

Ans :

This is the most commonly used technique of job evaluation. In this method the jobs are divided into component factors and each factor is assigned some points/weights depending upon its importance in a particular job.

Internal Assessment (Mid Examinations)

In CIE, for theory subjects, during a semester, there shall be two mid-term examinations. Each MidTerm examination consists of two parts i) Part – A for 10 marks, ii) Part – B for 20 marks with a total duration of 2 hours as follows:

1. Mid-Term Examination for 30 marks:

   (a) Part - A: Objective/quiz paper/Short Note questions for 10 marks.

   (b) Part - B: Descriptive paper for 20 marks.

   The objective/quiz paper is set with multiple choice, fill-in the blanks and match the following type of questions for a total of 10 marks. The descriptive paper shall contain 6 full questions out of which, the student has to answer 4 questions, each carrying 5 marks. The average of the two Mid Term Examinations shall be taken as the final marks for Mid Term Examination (for 30 marks). The remaining 10 marks of Continuous Internal Evaluation are distributed as:

2. Assignment for 5 marks. (Average of 2 Assignments each for 5 marks)

3. PPT/Poster Presentation/ Case Study/Video presentation/Survey/Field Study/Group discussion /Role Play on a topic in the concerned subject for 5 marks before II Mid-Term Examination.

   While the first mid-term examination shall be conducted on 50% of the syllabus, the second mid-term examination shall be conducted on the remaining 50% of the syllabus.

   Five (5) marks are allocated for assignments (as specified by the subject teacher concerned). The first assignment should be submitted before the conduct of the first mid-term examination, and the second assignment should be submitted before the conduct of the second mid-term examination. The average of the two assignments shall be taken as the final marks for assignment (for 5 marks).

   PPT/Poster Presentation/ Case Study/Video presentation/Survey/Field Study/Group discussion /Role Play on a topic in the concerned subject for 5 marks before II Mid-Term Examination.

UNIT - I

Part - A

Multiple Choice Questions

1. Talent Management is a _____ Process   [a]

   (a) Constant Process   (b) Planned Process

   (c) Retrospective Process   (d) None of the above

2. The primary focus of Talent Management is to create   [c]

   (a) A support for organisation strategy   (b) Satisfied Work force

   (c) Motivated Work Force   (d) Matching model for organisation strategy

3. Talent Management focus to create a workforce who will _____   [d]

    (a) Compete with each other   (b) Work beyond expectation

    (c) Gain knowledge   (d) Stay in the organisation for the long run

Fill in the Blanks

4. _____ management is an integral part of human resource management.   **(Talent)**

5. _____ assessment of employees' skills, abilities, improvements and competencies enable the organization to know if they are fit for continuation and promotion.   **(Periodical)**

6. _____ are the physical characteristics and the constant response to the present situation.

                                                                                        (Traits)

Short Notes

7. Scope of Talent Management.   **(Unit-I, SQA - 2)**

8. Principles of talent management.   **(Unit-I, SQA - 4)**

9. Multidimensional Talent.   **(Unit-I, SQA - 6)**

10. Common Competency Models.   **(Unit-I, SQA - 8)**

Part - B

1. Define Talent Management. Explain the importance of Talent Management.   **(Unit-I, Q.No. 1)**

2. Explain the need and scope of Talent Management.   **(Unit-I, Q.No. 2)**

3. Explain the benefits and limitations of Talent Management.   **(Unit-I, Q.No. 3)**

4. What are the different ways in which compe-tency models are developed?   **(Unit-I, Q.No. 10)**

5. Discuss McBer's generic managerial competency model in detail.   **(Unit-I, Q.No.11)**

6. Distinguish between assessment and development centres?   **(Unit-I, Q.No.15)**

UNIT - II

Part - A

Multiple Choice Questions

1. What is defined as the occupational positions a person holds over the years?   [d]

    (a) A psychological contract   (b) A promotion

    (c) Reality shock   (d) A career

2. Which of the following is a specific example of a career development activity?   [b]

    (a) Job evaluation   (b) Training workshop

    (c) College recruitment   (d) Performance appraisal

3. High performance work system leads to   [a]

    (a) Superior employee performance   (b) Low labor costs

    (c) Safer workplaces   (d) Less employee turnover rate

Fill in the Blanks

4. _____ is the process of converting candidates into applicants, and is the entry point of the hiring funnel.   **(Sourcing)**

5. EPM Stands for _____.   **(Effective Performance Management)**

6. _____ is a process of systematically matching career goals and individual capabilities with opportunities for their fulfillment'.   **(Career planning)**

Short Notes

7. Define talent acquisition.   **(Unit-II, SQA - 1)**

8. Define Succession planning.   **(Unit-II, SQA - 6)**

9. Objectives of career planning   **(Unit-II, SQA - 8)**

10. Talent retention.   **(Unit-II, SQA - 9)**

Part - B

1. Explain the process of talent acquisition.   **(Unit-II, Q.No. 2)**

2. What is talent development. Explain the benefits of talent development.   **(Unit-II, Q.No. 3)**

3. Explain detail about leadership support in performance management.   **(Unit-II, Q.No.7)**

4. Explain the effective steps involved in career planning.   **(Unit-II, Q.No.15)**

5. Distinguish between career planning and succession planning.   **(Unit-II, Q.No. 17)**

6. Explain briefly about talent retention.   **(Unit-II, Q.No.18)**

UNIT - III

Part - A

Multiple Choice Questions

1. Personal scorecard consists of information of   [b]

    (a) 2 levels   (b) 3 levels

    (c) 4 levels   (d) 5 levels

2. Balanced Scorecard measures with benchmark for performance in   [b]

    (a) Financial areas   (b) Nonfinancial areas

    (c) Development areas   (d) Structural areas

3. The process of rewarding employees by giving them part ownership in the company, which further enhances their performance is called   [c]

    (a) High flyer scheme   (b) Golden parachute scheme

    (c) Employee stock option scheme   (d) Retention planning scheme

Fill in the Blanks

4. _____ Management function as a developmental tool for employees and organization. **(Performance)**

5. _____ can fulfi ll different functions for different organisations.

(Performance management system)

6. _____ as "the systematic evaluation of the individual with regard to his/her performance on the job and his/her potential for development".   **(Management by Objective)**

Short Notes

7. Objectives of Performance Management.   **(Unit-III, SQA - 2)**

8. Determinants of Performance.   **(Unit-III, SQA - 4)**

9. What is management by objective.   **(Unit-III, SQA - 7)**

10. Define balanced score card.   **(Unit-III, SQA - 9)**

Part - B

1. Define Performance Management. Explain the characteristics of Performance Management .

(Unit-III, Q.No.1)

2. State the functions of Performance Management.   **(Unit-III, Q.No. 2)**

3. Explain the linkage of PMS with other HR Processes.   **(Unit-III, Q.No.14)**

4. Explain the different Approaches to PMS.   **(Unit-III, Q.No.15)**

5. Define performance appraisal. Explain its characteristics.   **(Unit-III, Q.No.16)**

6. Explain the advantages and disadvantages of management by objective.   **(Unit-III, Q.No.22)**

UNIT - IV

Part - A

Multiple Choice Questions

1. Who is responsible for Career Development?   [d]

   (a) Organization   (b) Employee

   (c) Employee`s immediate manager   (d) All of these

2. Which of the following is a specific example of a career development activity?   [b]

   (a) Job evaluation   (b) Training workshop

   (c) College recruitment   (d) Performance appraisal

3. High performance work system leads to   [a]

   (a) Superior employee performance   (b) Low labor costs

   (c) Safer workplaces   (d) Less employee turnover rate

Fill in the Blanks

4. _____ planning is basis for successful performance management especially when employees and manager combinely set the criteria for performance. **(Key performance)**

5. _____ area includes the identifi cation of priority area to an employee and subsequent working on the specifi ed area. **(Key performance)**

6. KPIs stands for _____. **(Key performance indicators)**

Short Notes

7. Define performance planning. **(Unit-IV, SQA - 1)**

8. Key Results Area. **(Unit-IV, SQA - 4)**

9. Define Appraisal Form. **(Unit-IV, SQA - 8)**

10. Characteristics of appraisal form. **(Unit-IV, SQA -9)**

Part - B

1. Define performance planning state the characteristics of performance planning. **(Unit-IV, Q.No.1)**

2. Describe the methodologies of performance planning. **(Unit-IV, Q.No. 5)**

3. Define Performance Metrics. Explain the benefits of Performance Metrics. **(Unit-IV, Q.No.9)**

4. Explain different types of Performance Metrics for employees. **(Unit-IV, Q.No. 10)**

5. Explain different types of systems used to measures competencies. **(Unit-IV, Q.No.12)**

6. Explain in detail the various methods involved in Gathering Performance Information. **(Unit-IV, Q.No.14)**

7. Define metrics. Explain different types of metrics. **(Unit-IV, Q.No. 18)**

8. What are the issues involved in managing the metrics. **(Unit-IV, Q.No.19)**

UNIT - V

Part - A

Multiple Choice Questions

1. _____ is an organized process wherein various assessment tools are used to access the performance of each employee. [a]

    (a) Assessment centre   (b) 360^0 appraisal system

    (c) Self appraisal   (d) None of the above

2. The skills required for performing a specific specialized task is _____. [b]

    (a) Problem solving skills   (b) Technical skills

    (c) Analytical skills   (d) Communication skills

3. Ethical issues associated with performance appraisal include _____. [b]

    (a) Playing favourite   (b) Both (a) and (d)

    (c) Rules and laws   (d) Rater malpractice

Fill in the Blanks

4.   _____ are often tasked with developing or executing employee feedback and recognition programs.   **(Supervisors)**

5.   360 degree feedback, also known as _____   **(Multi-rater feedback)**

6.   _____ system refers to the procedures, rules, and standards associated with allocation of benefits and compensation to employees.   **(Reward)**

Short Notes

7.   Define personal development plan.   **(Unit-V, SQA - 1)**

8.   Define Pay for Performance.   **(Unit-V, SQA - 7)**

9.   Pay Structures.   **(Unit-V, SQA - 8)**

10.   Broadbanding   **(Unit-V, SQA -10)**

<h2 style="text-align:center">Part - B</h2>

1.   Define personal development plan state its objectives.   **(Unit-V, Q.No. 1)**

2.   Explain the content and activities of personal development plans.   **(Unit-V, Q.No. 2)**

3.   What do you mean by 360-Degree Feedback? Discuss is advantages and disadvantages.   **(Unit-V, Q.No.4)**

4.   Explain different types of performance management skills.   **(Unit-V, Q.No.6)**

5.   Define Broad-banding. State its objectives.   **(Unit-V, Q.No. 24)**

6.   Explain the advantages and disadvantages of Broad-banding.   **(Unit-V, Q.No. 25)**

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

M.B.A III Semester Examinations

MODEL PAPER - I

R22

TALENT AND PERFORMANCE MANAGEMENT SYSTEMS

Time : 3 Hours] [Max. Marks : 60

Note : This question paper contains two parts **A** and **B**.

Part A is compulsory which carries 10 marks. Answer all questions in **Part A.**

Part B consists of 5 Units. Answer any **One** full question from each unit.

Each question carries 10 marks and may have a, b, c as sub questions.

PART - A (10 × 1 = 10 Marks)

ANSWERS

1.	(a)	Scope of Talent Management.	**(Unit - I, SQA-2)**
	(b)	Principles of Talent Management.	**(Unit - I, SQA-4)**
	(c)	Talent retention.	**(Unit - II, SQA-9)**
	(d)	Define talent acquisition.	**(Unit - II, SQA-1)**
	(e)	Determinants of Performance.	**(Unit - III, SQA-4)**
	(f)	Define Strategic Planning.	**(Unit - III, SQA-10)**
	(g)	Define performance planning.	**(Unit - IV, SQA-1)**
	(h)	Characteristics of appraisal form.	**(Unit - IV, SQA-9)**
	(i)	What do you mean by 360-Degree Feedback?	**(Unit - V, SQA-2)**
	(j)	Define Pay for Performance.	**(Unit - V, SQA-7)**

PART - B (5 × 10 = 50 Marks)

2.	Explain the need and scope of Talent Management.	**(Unit - I, Q.No.2)**
	OR	
3.	Explain various types of talent management.	**(Unit - I, Q.No.6)**
4.	Define Succession planning. Explain the process of succession planing.	**(Unit - II, Q.No.9)**
	OR	
5.	Discuss the role of leaders in talent management.	**(Unit - II, Q.No.20)**
6.	Define Performance Management. Explain the characteristics of Performance Management.	**(Unit - III, Q.No.1)**

OR

7.   Explain the role of HRM in performance management system.   **(Unit - III, Q.No.12)**

8.   Define performance planning state the characteristics of performance planning.   **(Unit - IV, Q.No.1)**

OR

9.   Explain different types of systems used to measures competencies.   **(Unit - IV, Q.No.12)**

10.   What do you mean by 360-Degree Feedback? Discuss is advantages and

      disadvantages.   **(Unit - V, Q.No.4)**

OR

11.   Discuss in detail about pay structures.   **(Unit - V, Q.No.17)**

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

M.B.A III Semester Examinations

MODEL PAPER - II

R22

TALENT AND PERFORMANCE MANAGEMENT SYSTEMS

Time : 3 Hours]   **[Max. Marks : 60**

Note :   This question paper contains two parts **A** and **B**.

         Part A is compulsory which carries 10 marks. Answer all questions in **Part A.**

         Part B consists of 5 Units. Answer any **One** full question from each unit.

         Each question carries 10 marks and may have a, b, c as sub questions.

PART - A (10 × 1 = 10 Marks)

ANSWERS

1.	(a)	Define Talent Management.	**(Unit - I, SQA-1)**
	(b)	Distinguish between assessment and development centres.	**(Unit - I, SQA-9)**
	(c)	Define Succession planning.	**(Unit - II, SQA-6)**
	(d)	What are High Performing Team?	**(Unit - II, SQA-10)**
	(e)	Features of MBO.	**(Unit - III, SQA-8)**
	(f)	Objectives of Performance Management.	**(Unit - III, SQA-2)**
	(g)	Key Performance Area.	**(Unit - IV, SQA-3)**
	(h)	Define competency.	**(Unit - IV, SQA-7)**
	(i)	Define personal development plan.	**(Unit - V, SQA-1)**
	(j)	Pay Structures.	**(Unit - V, SQA-8)**

PART - B (5 × 10 = 50 Marks)

2. What is a competency model? What are the steps involved in developing a competency

    framework/model?   **(Unit - I, Q.No.9)**

OR

3. Discuss McBer's generic managerial competency model in detail.   **(Unit - I, Q.No.11)**

4. Define talent acquisition. State the objectives of talent acquisition.   **(Unit - II, Q.No.1)**

OR

5. Briefly explain Leadership Succession using 9-Box Talent Management Grid.   **(Unit - II, Q.No.22)**

6. Explain the process of Performance Management.   **(Unit - III, Q.No.5)**

OR

7.   Explain the linkage of PMS with other HR Processes.   **(Unit - III, Q.No.14)**

8.   Describe the methodologies of performance planning.   **(Unit - IV, Q.No.5)**

OR

9.   Explain in detail the various methods involved in Gathering Performance Information. **(Unit - IV, Q.No.14)**

10. Define personal development plan state its objectives.   **(Unit - V, Q.No.1)**

OR

11. What are the techniques of Job Evaluation.   **(Unit - V, Q.No.21)**

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

M.B.A III Semester Examinations

MODEL PAPER - III

R22

TALENT AND PERFORMANCE MANAGEMENT SYSTEMS

Time : 3 Hours]   **[Max. Marks : 60**

Note :   This question paper contains two parts **A** and **B**.

Part A is compulsory which carries 10 marks. Answer all questions in **Part A.**

Part B consists of 5 Units. Answer any **One** full question from each unit.

Each question carries 10 marks and may have a, b, c as sub questions.

PART - A (10 × 1 = 10 Marks)

ANSWERS

1.	(a) Limitations of Talent Management.	**(Unit - I, SQA-3)**
	(b) Define Competency.	**(Unit - I, SQA-7)**
	(c) Objectives of career development.	**(Unit - II, SQA-5)**
	(d) Objectives of career planning.	**(Unit - II, SQA-8)**
	(e) Define performance appraisal.	**(Unit - III, SQA-5)**
	(f) Define Performance Management.	**(Unit - III, SQA-1)**
	(g) Distinguish between Key Performance Indicator and Key Result Areas.	**(Unit - IV, SQA-5)**
	(h) Define Appraisal Form.	**(Unit - IV, SQA-8)**
	(i) Define coaching.	**(Unit - V, SQA-3)**
	(j) Job Evaluation.	**(Unit - V, SQA-9)**

PART - B (5 × 10 = 50 Marks)

2.	Competency Mapping aims at linking competencies with job roles. Discuss.	**(Unit - I, Q.No.12)**
	OR	
3.	Explain the implementation of assessment / development centres.	**(Unit - I, Q.No.16)**
4.	What are High Performing Team? State the characteristics of High Performing Team.	**(Unit - II, Q.No.19)**
	OR	
5.	Explain briefly about Building a Strong Talent Pipeline cum Bench Strength.	**(Unit - II, Q.No.23)**
6.	Explain the contributions of Perfor-mance Management.	**(Unit - III, Q.No.8)**

OR

7.   Define balanced score card. Explain various perspectives of balanced score card.   **(Unit - III, Q.No.23)**

8.   Define Performance Metrics. Explain the benefits of Performance Metrics.   **(Unit - IV, Q.No.9)**

OR

9.   What are the issues involved in managing the metrics?   **(Unit - IV, Q.No.19)**

10. Define Pay for Performance. Explain various types of Pay for Performance.   **(Unit - V, Q.No.16)**

OR

11. Define Broad-banding. State its objectives.   **(Unit - V, Q.No.24)**

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

MBA III-Semester Examinations

| R22 |

February - 2024

TALENT AND PERFORMANCE MANAGEMENT SYSTEMS

Time : 3 Hours	Max. Marks : 60

Note: This question paper contains two Parts A and B.

(i) Part - A for 10 Marks (ii) Part - B for 50 Marks

- Part A is compulsory question which consists of ten sub-questions from all units carrying equal marks.

- Part B consists of questions (Numbered from 2 to 11) carrying 10 marks each. Each of these questions is from each unit and may contain sub-questions. For each question there will be an either (or) choice which means, there will be two questions from each unit and the student should answer either of the two questions.

PART - A (10 × 1 = 10)

ANSWERS

1. (a) Define competency. **(Unit-I, Q.No. 7)**

    (b) List the objectives of talent management.

Ans :

(i) Attracting Top Talent

Find prospective employees who meet the organizational value and mission.

(ii) Development of Skills and Competencies

Developing the employee's skills, knowledge, and competencies to be able to execute their duties effectively.

(iii) Succession Planning

Pinpoint the potential leaders and make them ready for the positions of responsibility in the company without disrupting any flow of leadership.

    (c) What is performance management? **(Unit-II, Q.No. 4)**

    (d) List any two strategies of talent development.

Ans :

(i) Assess Organizational Goals : Align talent development strategies with the organization's long-term goals and objectives.

(ii) Conduct Skills Gap Analysis : Determine the current skills of employees versus what is needed for future success.

    (e) Define the purpose MBO. **(Unit-III, Q.No. 21)**

    (f) List any two errors of performance appraisal.

Ans :

1.   Halo Effect:

This occurs when a manager allows one positive trait or behavior of an employee to influence their overall evaluation, overshadowing other areas of performance. For example, if an employee is particularly good at communication, a manager might rate them highly in all other aspects of their performance, even if those areas are not as strong.

2.   Recency Effect

This error happens when a manager focuses on the most recent performance of an employee rather than evaluating their performance over the entire review period. For instance, if an employee performed exceptionally well or poorly in the last month before the appraisal, it might disproportionately affect their overall rating.

(g)	What are key performance indicators?	**(Unit-IV, Q.No. 7)**
(h)	Define performance planning.	**(Unit-IV, Q.No. 1)**
(i)	Discuss the role 360 degree feedback.	**(Unit-V, Q.No. 4)**
(j)	Define broad banding.	**(Unit-V, Q.No. 17)**

PART - B (10 × 5 = 50)

2.   Enumerate the role of competency mapping in talent management process and brief

on development competency model.   **(Unit-I, Q.No. 10, 12)**

OR

3.   Analyze the role of competency assessment towards talent development and discuss

the importance of development centers.

Ans :

Role of Competency Assessment in Talent Development

1.   Identification of Skill Gaps:

(i)   Purpose : Competency assessments help identify the specific skills and competencies that employees possess and those that need further development. This can highlight gaps between current capabilities and those required for future roles or organizational goals.

(ii)   Impact : By pinpointing these gaps, organizations can tailor development programs to address specific needs, ensuring that employees acquire the skills necessary for their growth and the company's success.

2.   Alignment with Organizational Goals

(i)   Purpose: Competency assessments ensure that the skills being developed align with the organization's strategic objectives and job requirements. This alignment helps in creating a workforce that supports the organization's mission and vision.

(ii)   Impact: Employees' development is focused on areas that will have the most significant impact on organizational success, leading to better performance and goal achievement.

3.   Personalized Development Plans

(i)   Purpose: The results of competency assessments enable the creation of individualized development plans that cater to each employee's strengths and areas for improvement.

(ii) **Impact**: Personalized plans enhance engagement and effectiveness by addressing specific developmental needs and career aspirations, leading to more meaningful growth and job satisfaction.

4. **Objective Performance Evaluation**

(i) **Purpose**: Competency assessments provide a structured and objective basis for evaluating employee performance.

(ii) **Impact**: This objectivity reduces biases and inconsistencies in performance reviews, leading to fairer evaluations and clearer feedback.

Importance of Development Centers

1. **Holistic Evaluation**

(i) **Purpose**: Development centers use a variety of assessment methods, such as simulations, role-plays, and psychometric tests, to evaluate candidates' competencies in a comprehensive manner.

(ii) **Impact**: This multi-faceted approach provides a well-rounded view of an individual's abilities, beyond what can be gauged through traditional interviews or single-dimensional assessments.

2. **Simulation of Real-World Scenarios**

(i) **Purpose**: Development centers often include exercises that simulate real job situations and challenges, allowing candidates to demonstrate their competencies in action.

(ii) **Impact**: These simulations offer insights into how individuals might perform in their actual roles, providing a realistic picture of their potential and readiness for specific positions.

3. **Benchmarking and Comparisons**

(i) **Purpose**: Development centers allow organizations to benchmark candidates against each other and against pre-defined competencies required for various roles.

(ii) **Impact**: This helps in identifying the best fit for positions, understanding where individuals stand relative to their peers, and making informed decisions about promotions and development needs.

4. **Feedback and Development Opportunities**:

(i) **Purpose**: Candidates receive detailed feedback from development centers on their performance and areas for improvement.

(ii) **Impact**: This feedback is valuable for personal and professional growth, providing a clear understanding of strengths and development areas and offering a basis for targeted development initiatives.

5. **Talent Pool Management**:

(i) **Purpose**: Development centers assist in identifying high-potential employees and future leaders within the organization.

(ii) **Impact**: This enables the organization to focus on nurturing and retaining top talent, planning for succession, and ensuring a strong pipeline for key roles.

4. (a) Discuss the relationship between talent management and high performance work

    teams.   **(Unit-II, Q.No. 19)**

    (b) Brief on career development succession and planning.   **(Unit-II, Q.No. 8,9)**

                                        OR

5. (a) What strategies do you suggest for talent attraction and retention?

Ans :

Attracting and retaining top talent is crucial for organizational success. Here are some effective strategies for both talent attraction and retention:

Talent Attraction Strategies

1.   Build a Strong Employer Brand

(i)   Purpose: Develop a compelling employer brand that highlights the organization's values, culture, and benefits.

(ii)   Implementation: Use social media, company websites, and employee testimonials to showcase what makes your organization a great place to work.

2.   Offer Competitive Compensation and Benefits

(i)   Purpose: Ensure that your compensation packages are competitive within your industry and region.

(ii)   Implementation: Regularly review and adjust salaries, offer comprehensive benefits (healthcare, retirement plans), and include perks such as flexible working arrangements or wellness programs.

3.   Leverage Employee Referrals

(i)   Purpose: Encourage current employees to refer qualified candidates, leveraging their networks and insights.

(ii)   Implementation: Implement a structured employee referral program with incentives for successful hires.

4.   Enhance Recruitment Marketing

(i)   Purpose: Use targeted recruitment marketing strategies to reach potential candidates.

(ii)   Implementation: Invest in online job ads, participate in industry events, and use data-driven approaches to attract candidates who align with your organizational needs.

5.   Develop Relationships with Educational Institutions

(i)   Purpose: Create a pipeline of future talent by engaging with universities, colleges, and vocational schools.

(ii)   Implementation: Offer internships, participate in campus career fairs, and establish partnerships with educational institutions.

6.   Highlight Career Development Opportunities

(i)   Purpose: Attract candidates who are looking for growth and advancement opportunities.

(ii)   Implementation: Promote your organization's commitment to employee development through training programs, mentorship, and clear career progression paths.

Talent Retention Strategies

1.   Foster a Positive Work Environment

(i)   Purpose: Create a work culture where employees feel valued, respected, and engaged.

(ii)   Implementation: Encourage open communication, recognize achievements, and promote a collaborative and inclusive work environment.

2.   Provide Opportunities for Growth and Development

(i)   Purpose: Ensure employees have access to learning and development opportunities that align with their career goals.

(ii)   Implementation: Offer training programs, workshops, and career advancement resources. Support continuous learning and skill development.

3.   Implement Effective Performance Management

(i)   Purpose: Align individual performance with organizational goals and provide constructive feedback.

(ii)   Implementation: Conduct regular performance reviews, set clear goals, and provide actionable feedback and support for improvement.

4.   Offer Flexible Work Arrangements

(i)   Purpose: Accommodate employees' work-life balance needs, which can improve job satisfaction and retention.

(ii)   Implementation: Provide options such as remote work, flexible hours, or compressed workweeks.

5.   Promote Work-Life Balance

(i)   Purpose: Support employees in managing their personal and professional lives.

(ii)   Implementation: Encourage time off, respect personal boundaries, and offer resources for managing stress and well-being.

(b)   Illustrate leadership succession using 9 box TM grid.   **(Unit-II, Q.No. 22)**

OR

6.   (a)   Differentiate performance appraisal and performance management.   **(Unit-III, Q.No. 33)**

(b)   How do you linkage of PMS with other HR process.   **(Unit-III, Q.No. 14)**

OR

7.   (a)   Explain modern performance appraisal methods.   **(Unit-III, Q.No. 19)**

(b)   Brief on balance score card and performance system.   **(Unit-III, Q.No. 16)**

OR

8.   Discuss the steps involved in performance planning and illustrate the performance

metrics.   **(Unit-IV, Q.No. 4, 9)**

OR

9.   Explain the role of KRAs and KPIS towards performance assessment and how do you

measure behaviours and result.   **(Unit-IV, Q.No. 6, 7)**

OR

10.   Write a short note on pay for performance and contingency pay plan.   **(Unit-V, Q.No. 16, 14)**

OR

11.   (a)   What reward system would you suggest for a sales representative and why?

Ans :

Designing an effective reward system for a sales representative involves aligning incentives with the sales goals and motivations of the individual. Here are several elements to consider for a well-rounded reward system, along with reasons why they are effective:

1.   Performance-Based Commission

Sales representatives earn a percentage of the sales they generate. This can be structured as a tiered system, where higher sales volumes result in higher commission rates.

2. Bonuses for Meeting or Exceeding Targets

Offer periodic bonuses for meeting or exceeding specific sales targets or quotas. These could be monthly, quarterly, or annual bonuses.

3. Sales Contests and Competitions

Organize periodic sales contests with rewards for top performers. Prizes could include cash, gift cards, travel vouchers, or other valuable items.

4. Recognition Programs

(i) Description: Implement formal recognition programs that highlight top performers in meetings, newsletters, or company-wide communications. Include awards such as "Salesperson of the Month" or "Top Performer of the Quarter."

(ii) Why It Works: Public recognition can be a powerful motivator, as it provides validation and boosts morale. It also fosters a culture of excellence and acknowledgment.

5. Career Development Opportunities

(i) Description: Offer opportunities for career growth, such as promotions, leadership training, or access to professional development resources.

(ii) Why It Works: Providing a clear path for advancement aligns with long-term career goals and can retain high performers who are motivated by career growth.

6. Non-Monetary Rewards

(i) Description: Provide rewards that don't involve cash, such as additional vacation days, flexible work hours, or wellness programs.

(ii) Why It Works: Non-monetary rewards can enhance job satisfaction and work-life balance, which can be particularly motivating for employees who value flexibility or personal time.

7. Team-Based Rewards

(i) Description: Include rewards that benefit the entire team or department when collective goals are met, such as team outings, dinners, or group bonuses.

(ii) Why It Works: Team-based rewards promote collaboration and collective achievement, fostering a supportive work environment and encouraging teamwork.

8. Customer Satisfaction Bonuses

(i) Description: Tie part of the reward system to customer satisfaction metrics, such as positive feedback, retention rates, or Net Promoter Scores (NPS).

(ii) Why It Works: This aligns sales goals with customer service and long-term relationship building, encouraging sales reps to focus not only on closing deals but also on maintaining high customer satisfaction.

(b)   How legal principles affect PMS   **(Unit-V, Q.No. 26)**

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD
MBA III-Semester(CBCS) Examinations,
July / August - 2024

R22

TALENT AND PERFORMANCE MANAGEMENT SYSTEMS

Time : 3 Hours]   **[Max. Marks : 60**

Note :   This question paper contains two parts A and B, (i) **Part-A** for 10 marks, (ii) **Part-B** for 50 marks.

- Part-A is a compulsory question which consists of ten sub-questions from all units carrying equal marks.

- Part-B consists of **ten questions** (numbered from 2 to 11) **carrying 10 marks** each. Each of these questions is from each unit and may contain sub-questions. For each question there will be an "either" "or" choice, which means that there will be two questions from each unit and the student should answer either of the two questions.

ANSWERS

PART-A (10 Marks)

1.   (a) What do you mean by Talent Management?   **(Unit-I, SQA-1)**

    (b) Brief on Competency Mapping.   **(Unit-I, Q.No. 12)**

    (c) What is Talent Development?   **(Unit-II, SQA-3)**

    (d) Brief on Succession Planning importance.

Ans :

    (i) Minimizes Disruption: Succession planning helps ensure that there are qualified candidates ready to step into key roles when they become vacant, whether due to retirement, resignation, or unexpected departures.

    (ii) Maintains Organizational Stability: By preparing for leadership transitions, organizations can maintain operational continuity and stability during periods of change.

    (iii) Identifies and Nurtures Talent: Succession planning involves identifying high-potential employees and providing them with the development opportunities needed to prepare for future leadership roles.

    (iv) Supports Career Growth: Employees see clear pathways for advancement, which can increase engagement and retention by showing that the organization is invested in their professional growth.

    (e) What is Performance Management?   **(Unit-III, SQA-1)**

    (f) What is the importance of Balance Score card?

Ans :

    (i) Translates Strategy into Action: The BSC helps convert high-level strategic goals into specific, actionable objectives across various departments and levels of the organization.

    (ii) Ensures Alignment: Ensures that daily operations and activities are aligned with the organization's overall strategy, fostering cohesion and focus.

    (iii) Four Perspectives: The BSC evaluates performance from four key perspectives—Financial, Customer, Internal Processes, and Learning & Growth—providing a well-rounded view of organizational health.

    (iv) Holistic Measurement: Offers insights into both financial outcomes and the drivers of those outcomes, such as internal processes and employee capabilities.

    (v) Clear Objectives and KPIs: Establishes clear objectives and key performance indicators (KPIs) for tracking progress and making informed decisions.

(g)   Define Performance Metrics.   **(Unit-IV, SQA-6)**

(h)   Brief on Key Result Areas.   **(Unit-IV, SQA-4)**

(i)   What is the purpose of 360 Degree Feedback system?

Ans :

- **(i)**   **Holistic View:** Collects feedback from multiple perspectives to offer a more complete and balanced view of an employee's performance, strengths, and areas for improvement.

- **(ii)**   **Diverse Input:** Includes insights from various individuals who interact with the employee in different contexts, leading to a more rounded evaluation.

- **(iii)**   **Personal Insight:** Helps employees gain a deeper understanding of how their behavior, skills, and performance are perceived by others, which can lead to improved self-awareness and personal growth.

- **(iv)**   **Identify Blind Spots:** Reveals areas where employees may have blind spots or discrepancies between their self-perception and how others view them.

- **(v)**   **Development Planning:** Provides valuable information that can be used to create targeted development plans, addressing specific areas for improvement and leveraging strengths.

- **(vi)**   **Skill Enhancement:** Highlights both strengths and areas for growth, allowing employees to focus on developing key skills that are important for their role and career progression.

(j)   Describe the Legal principles affecting PMS.   **(Unit-V, Q.No. 26)**

PART-B (50 Marks)

2.   Write a detailed note on importance of Talent management in the modern organisations and brief on the role of competencies in talent management.   **(Unit-I, Q.No. 1, 7)**

(OR)

3.   Discuss the role of assessment and development centres in competency assessment and illustrate the scope of talent management.   **(Unit-I, Q.No. 2, 13)**

4.   Examine the procedure in implementing competency based Talent Management and discuss the strategies for talent acquisition in brief.

Ans :

Competency-based talent management focuses on identifying and developing the skills, knowledge, and behaviours required for success in specific roles within an organization. Here's a step-by-step procedure for implementing competency-based talent management:

1.   **Define Competencies**

- ➢   **Identify Key Competencies:** Determine the core competencies needed for various roles. These can include technical skills, soft skills, and behavioral traits.

- ➢   **Develop Competency Models:** Create competency models for different job functions, levels, or career paths within the organization.

2.   **Assess Current Competencies**

- ➢   **Conduct Skill Assessments:** Evaluate the existing skills and competencies of employees through assessments, surveys, and performance reviews.

- ➢   **Gap Analysis:** Identify gaps between current competencies and those required for current and future roles.

3. **Integrate Competencies into HR Processes**

    ➢ **Job Descriptions:** Revise job descriptions to include competency requirements, ensuring they reflect the skills and behaviors needed for success.

    ➢ **Performance Management:** Align performance evaluation criteria with the defined competencies, assessing employees on how well they demonstrate these competencies.

    ➢ **Career Development:** Use competency models to guide employee development plans and career progression.

4. **Develop and Implement Training Programs**

    ➢ **Design Training:** Create training programs and development opportunities focused on building the identified competencies.

    ➢ **Deliver Training:** Implement training through various methods such as workshops, e-learning, on-the-job training, and mentoring.

5. **Monitor and Evaluate**

    ➢ **Track Progress:** Regularly monitor employees' progress in developing competencies through assessments and feedback.

    ➢ **Adjust Programs:** Continuously refine training and development programs based on feedback and changing organizational needs.

6. **Foster a Competency-Based Culture**

    ➢ **Communicate Vision:** Promote the importance of competencies throughout the organization and integrate them into the organizational culture.

    ➢ **Recognize and Reward:** Acknowledge and reward employees who demonstrate key competencies, reinforcing their value to the organization.

Strategies for Talent Acquisition

Effective talent acquisition strategies are essential for attracting and securing the right talent for an organization. Here are some key strategies:

1. **Develop a Strong Employer Brand**

    ➢ **Communicate Value Proposition:** Clearly articulate the organization's mission, values, and benefits to attract candidates who align with the company culture.

    ➢ **Promote Culture:** Showcase positive aspects of the work environment and employee experiences through social media, company websites, and employee testimonials.

2. **Utilize Multiple Recruitment Channels**

    ➢ **Job Boards and Websites:** Post job openings on popular job boards and industry-specific websites.

    ➢ **Social Media:** Leverage social media platforms (LinkedIn, Twitter, Facebook) to reach potential candidates and promote job openings.

    ➢ **Employee Referrals:** Encourage current employees to refer qualified candidates, leveraging their networks and insights.

3. **Implement an Effective Sourcing Strategy**

    ➢ **Talent Pools:** Build and maintain a database of potential candidates for future openings, including past applicants and passive candidates.

➢ **Networking:** Engage in industry networking events, conferences, and professional associations to identify and connect with potential talent.

4. **Streamline the Recruitment Process**

➢ **Efficient Screening:** Use tools like applicant tracking systems (ATS) to streamline resume screening and initial assessments.

➢ **Structured Interviews:** Implement structured interview processes to ensure consistency and fairness in evaluating candidates.

➢ **Assessment Tools:** Utilize competency-based assessments, skills tests, and behavioral interviews to evaluate candidates' fit for the role.

5. **Enhance Candidate Experience**

➢ **Clear Communication:** Maintain transparent communication with candidates throughout the recruitment process, providing timely updates and feedback.

➢ **Positive Interactions:** Ensure that the application and interview process is professional and respectful, leaving a positive impression of the organization.

6. **Focus on Diversity and Inclusion**

➢ **Inclusive Practices:** Implement practices that promote diversity and ensure fair treatment of all candidates.

➢ **Broaden Outreach:** Actively seek to recruit from diverse talent pools to enhance the organization's inclusivity.

7. **Measure and Analyze Recruitment Metrics**

➢ **Track Metrics:** Monitor key metrics such as time-to-fill, cost-per-hire, and quality-of-hire to assess the effectiveness of recruitment strategies.

➢ **Continuous Improvement:** Use data-driven insights to refine and improve recruitment processes and strategies.

(OR)

5. (a) Elucidate the concept of 9-Box Talent Management Grid. **(Unit-II, Q.No. 22)**

(b) Brief on career development strategies suitable for Indian IT forms.

Ans :

Career development strategies for Indian IT firms should address the unique challenges and opportunities within the industry, focusing on talent retention, skill enhancement, and leadership development. Here are some brief yet effective career development strategies suitable for Indian IT firms:

1. **Skill Development and Training**

➢ **Continuous Learning:** Implement ongoing training programs and workshops to keep employees updated with the latest technologies, tools, and industry trends. Partner with educational institutions or online learning platforms to offer specialized courses.

➢ **Certification Programs:** Encourage employees to obtain relevant certifications and provide support, such as financial assistance or study time, to help them achieve these credentials.

2. **Career Pathing and Planning**

➢ **Clear Career Paths:** Define and communicate clear career paths within the organization, outlining the skills and experiences required for advancement. This helps employees understand potential growth opportunities and set career goals.

➤ **Individual Development Plans (IDPs):** Collaborate with employees to create personalized development plans that align with their career aspirations and the company's needs.

3. **Mentoring and Coaching**

➤ **Mentorship Programs:** Establish formal mentorship programs where experienced employees provide guidance and support to less experienced colleagues. This helps in skill development and career progression.

➤ **Coaching:** Offer one-on-one coaching to help employees enhance their leadership skills, manage career transitions, and achieve personal and professional goals.

4. **Leadership Development**

➤ **Leadership Training:** Develop programs focused on building leadership skills among high-potential employees. Include workshops on strategic thinking, team management, and decision-making.

➤ **Stretch Assignments:** Provide opportunities for employees to take on challenging projects or roles that push them beyond their current responsibilities, preparing them for future leadership positions.

5. **Performance Management and Feedback**

➤ **Regular Feedback:** Implement a robust performance management system with regular feedback and performance reviews. Use this feedback to guide career development discussions and identify areas for improvement.

➤ **360-Degree Feedback:** Incorporate 360-degree feedback to provide employees with a comprehensive view of their performance from multiple perspectives, helping them understand their strengths and areas for development.

6. **Employee Engagement and Retention**

➤ **Recognition Programs:** Establish recognition programs to reward and acknowledge employees' achievements and contributions. This boosts morale and encourages long-term commitment.

➤ **Work-Life Balance:** Promote work-life balance through flexible work arrangements, wellness programs, and support for personal development, which can enhance job satisfaction and retention.

7. **Talent Mobility and Rotation**

➤ **Job Rotation:** Offer opportunities for employees to work in different roles or departments to gain diverse experiences and skills. This not only broadens their capabilities but also helps in retaining talent by providing variety in their work.

➤ **Internal Job Market:** Promote internal hiring for new roles and promotions, encouraging employees to advance within the organization rather than seeking opportunities elsewhere.

8. **Diversity and Inclusion**

➤ **Inclusive Development Programs:** Ensure that career development programs are inclusive and accessible to all employees, regardless of gender, background, or other factors.

➤ **Diversity Initiatives:** Support initiatives aimed at increasing diversity in leadership and technical roles, which can enhance the overall talent pool and drive innovation.

9. **Technology and Innovation Focus**

➤ **Tech Skill Development:** Emphasize the development of skills related to emerging technologies such as artificial intelligence, machine learning, and cloud computing. This aligns with industry trends and keeps the workforce competitive.

➤ **Innovation Labs:** Create innovation labs or centres of excellence where employees can work on cutting-edge projects and explore new technologies, fostering a culture of innovation and continuous learning.

6. What is the role of HR in PMS and discuss the importance of performance appraisal
    system.   **(Unit-III, Q.No. 12)**

                                    (OR)

7. (a) Write a detailed note on MBO.   **(Unit-III, Q.No. 20)**

    (b) Examine the determinants of performance with suitable example.   **(Unit-III, Q.No. 13)**

8. Explain, what are the key performance indicators in PMS Process.   **(Unit-IV, Q.No. 7)**

                                    (OR)

9. Describe the various steps involved in determining the overall rating of performance.   **(Unit-IV, Q.No. 19)**

10. What are the various types of pay plans in the modern era and examine the job
    evaluation methods in brief.   **(Unit-V, Q.No. 13, 14, 21)**

                                    (OR)

11. (a) Discuss the various types of coaching involved in employed development. **(Unit-V, Q.No. 8)**

    (b) Differentiate between Traditional and contingent pay plans.   **(Unit-V, Q.No. 15)**