



**DPP-5510**

**M.B.A. (F.T.) (Sem. II) (CBCS) & M.B.A. (E)  
(Sem. II) (CBS) & (New Course ATKT) Examination  
March / April - 2016  
CP-203 : Human Resource Management**

Time : 3 Hours]

[Total Marks : 70

**Instructions :**

(1)

नीचे दशांशके निशानीवाणी विगतो उत्तरवडी पर अवश्य क्षभवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
<input text"="" type="text" value="M.B.A. (F.T.) (Sem. II) (CBCS) &amp; M.B.A. (E) (Sem. II) (CBS) &amp; .....&lt;/td&gt;&lt;td&gt;&lt;input type="/>	
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Subject Code No. : <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="0"/>	<input type="text" value="Student's Signature"/>
Section No. (1, 2.....) : <input type="text" value="Nil"/>	

(2) Question 6 is compulsory.

(3) Attempt any 4 from questions 1, 2, 3, 4 and 5.

- 1 What is HRM? Discuss changing environment of HRM with suitable examples. 14
- 2 What is Job Analysis in Jobless world? What it means and how it's done in practice? 14
- 3 Background Investigations and Reference Checks are to be consider one of the vital test now a days in Selection Process. Explain. 14
- 4 What is Industrial Dispute? How to resolve disputes? Explain with methods. 14
- 5 Write short notes on : (any two) 14
  - (1) Succession Planning and Assessment centre
  - (2) Short cut or Problems : Performance Appraisal
  - (3) Aspects of Industrial Relationship
  - (4) Workers' participation management.

### **New Performance Appraisal System at Xerox**

In the mid-1980s Xerox Corporation was faced with a problem - its performance appraisal system was not working. Rather than motivating the employees, its system was leaving them discouraged and disgruntled. Xerox recognized this problem and developed a new system to eliminate it.

#### **Old Performance Appraisal System**

The original system used by Xerox encompassed seven main principles :

- The appraisal occurred once a year.
- It required employees to document their accomplishments.
- The manager would assess these accomplishments in writing and assign numerical ratings.
- The appraisal included a summary written appraisal and a rating from 1 (unsatisfactory) to 5 (exceptional).
- The ratings were on a forced distribution, controlled at the 3 level or below.
- Merit increases were tied to the summary rating level.
- Merit increase information and performance appraisals occurred in one session.

This system resulted in inequitable ratings and was cited by employees as a major source of dissatisfaction. In fact, in 1983, the Reprographic Business Group (RBG), Xerox's main copier division, reported that 95 percent of its employees received either a 3 or 4 on their appraisal. Merit raises for people in these two groups only varied by 1 to 2 percent. Essentially, across-the-board raises were being given to all employees, regardless of performance.

## New Performance Appraisal System

Rather than attempting to fix the old appraisal system, Xerox formed a task force to create a new system from scratch. The task force itself was made up of senior human resources executives; however, members of the task force also consulted with councils of employees and a council of middle managers. Together they created a new system, which differed from the old one in many key respects :

- The absence of a numerical rating system.
- The presence of a half-year feedback session.
- The provision for development planning.
- Prohibition in the appraisal guidelines of the use of subjective assessments of performance. <sup>TM</sup>

The new system has three stages, as opposed to the one-step process of the old system. These stages are spread out over the course of the year. The first stage occurs at the beginning of the year when the manager meets with each employee. Together, they work out a written agreement on the employee's goals, objectives, plans, and tasks for the year. Standards of satisfactory performance are explicitly spelled out in measurable, attainable, and specific terms.

The second stage is a mid-year, mandatory feedback and discussion between the manager and the employee. Progress toward objectives and performance strengths and weaknesses are discussed, as well as possible means for improving performance in the latter half of the year. Both the manager and the employee sign an "objectives sheet" indicating that the meeting took place.

The third stage in the appraisal process is the formal performance review, which takes place at year's end. Both the manager and the employee prepare a written document, stating how well the employee met the preset performance targets. They then meet and discuss the performance of the employee, resolving any discrepancies between the perceptions of the manager and the employee. This meeting emphasizes feedback and improvement. Efforts are made to stress the positive aspects of the employee's performance as well as the

negative. This stage also includes a developmental planning session in which training, education, or development experiences that can help the employee are discussed. The merit increase discussion takes place in a separate meeting from the performance appraisal, usually a month or two later. The discussion usually centres on the specific reasons for the merit raise amount, such as performance, relationship with peers, and position in salary range. This allows the employee to better see the reasons behind the salary increase amount, as opposed to the summary rank, which tells the employee very little.

A follow-up survey was conducted the year after the implementation of the new appraisal system. Results were as follows :

- 81 percent better understood work group objectives
- 84 percent considered the new appraisal fair
- 72 percent said they understood how their merit raise was determined
- 70 percent met their personal and work objectives
- 77 percent considered the system a step in the right direction

In conclusion, it can be clearly seen that the new system is a vast improvement over the previous one. Despite the fact that some of the philosophies, such as the use of self-appraisals, run counter to conventional management practices, the results speak for themselves.

**Questions :**

- (1) Given the emphasis on employee development, what implications does this have for hiring and promotions?
- (2) Are there any potential negative aspects of the new performance appraisal system?