

### **IBPS SO HUMAN RESOURCE QUIZ – 3**

Directions: Study the following questions carefully and answers the questions given below:

1. Which of the following is an advantage of the Ranking method of performance appraisal?

A. It is easy comparing individuals possessing different traits.

- B. This is suitable for both group performance as well as relative performance.
- C. It is easier to rank a large group with this method.
- D. It is easier to rank the best and worst employee.
- E. There is an absence of systematic procedure for ranking individuals.
- 2. The forced choice method was developed by?
- A. Cary Cooper

B. Edwin Filippo

D. Henri Fayol

E. Elton Mayo

C. J P Guliford

3. One of the issues with the Forced Distribution Method of performance appraisal is?

A. The parameters on which to rate employees may be misunderstood.

- B. It leads to rating employees on the higher side
- C. It leads to error with respect to grading
- D. It is a very time consuming method
- E. None of the above

#### 4. Which of the following is NOT a limitation of the Critical Incidents Method?

A. Negative incidents may be more noticeable than positive incidents.

B. The supervisors have a tendency to unload a series of complaints about incidents during an annual performance review session.

C. It results in very close supervision which may not be liked by the employee.

D. The recording of incidents may be a chore for the manager concerned, who may be too busy or forget to do it.

E. All of the above

5. Which of the following methods is the most important while deciding transfers and promotions of employees in the Government Sector?

- A. Checklist method
- B. Confidential Report System
- C. Paired Comparison
- D. Essay Appraisal Method
- E. Grading Method

6. BARS or Behaviorally Anchored Rating Scales is a combination of which of the following methods?

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A. Behavioral Observation Scale and critical incident method

B. Critical Incident Method and Graphic Rating Scale

- C. Mixed Standard Rating Scale and Grading method
- D. Performance ranking method and forced ranking method
- E. None of the above

7. Management by Objectives was first initiated by \_\_\_\_\_ in 1961.

A. Henri Fayol B. F W Taylor C. Morris Cooke

- D. Henry Ford E. Peter Drucker
- 8. Which of the following party/ parties is/ are involved in goal setting in MBO?
- A. Employee B. Management C. Superior
- D. Both A and C E. All of the above
- 9. Which of the following is true about the Zero Sum Game Rating?

- A. It is typically used to rate the peers in the company.
- B. Employees always have the potential to improve.
- C. Any change for the participants adds up to zero.
- D. It evaluates how well the employee accomplishes critical objectives.
- E. Both B and D
- 10. Which of the following is NOT a modern method of appraisal?
- A. 360 degree feedback
- B. HR Scorecard method
- C. Key Result Area method
- D. Balanced scorecard method
- E. None of the above

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#### **Correct answers:**

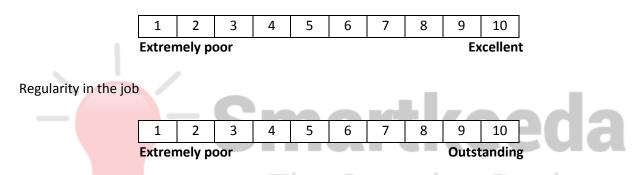
1	2	3	4	5	6	7	8	9	10
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#### **Explanations:**

1.

Rating Scales Method is a commonly used method for assessing the performance of the employees. Depending upon the job, appraisal traits like attitude, performance, regularity, accountability and sincerity etc, are rated with scale from 1 to 10. 1 indicates negative feedback and 10 indicates positive feedback as shown below.

Attitude of employee towards his superiors, colleagues and customers



Ultimately, all numbers chosen or marked will be added to determine highest score gained by employee. The employees scoring more points will be treated as top performers following a descending order.

Options A, B and C are incorrect while option E is a disadvantage. The only correct point is option D.

Hence, option D is correct.

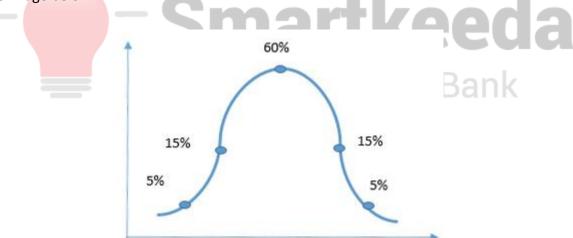
2.

The forced-choice method is developed by J. P. Guilford. It contains a series of groups of statements, and rater rates how effectively a statement describes each individual being evaluated. Common method of forced-choice method contains two statements, both positive and negative.

Hence, option C is correct.

The forced distribution method is one of the most widely used and also the most criticised method of performance appraisal. This is a rating system that is used all over the world by companies to evaluate their workforce. It requires the supervisor to assess each employee based on certain pre-determined parameters, and thereafter rank them into 3 or more categories. Most commonly, the employees fall into excellent, good or poor categories, which can be expanded by the organisation to a 5-point scale as well. It was introduced by General Electric in 1980s, during the era of Jack Welch who was infamous for cutting down GE's workforce regularly by firing low performers.

The forced distribution method is also called bell-curve rating or stacked ranking. This method is preferred by many employers as it creates a visible differentiation between performances of each employee in the organisation. This ensures that a small fraction of the entire workforce is to be placed at the extremes, which is the outstanding performers and poor performers. A relatively large section of the workforce fall in the middle of the distribution. This is illustrated in the image below.



For example, a manager of XYZ corporation evaluating 30 employees can be instructed to put 5 employees each in the 'outstanding' and the 'poor' category, whereas 20 will fall in the range of average performers. In this manner, the ratee (manager) has forced the distribution of level of performance of each of the 30 employees into one of the three categories.

There are several issues associated with this method of performance appraisal. Firstly, the manager must clearly understand the parameters on which employees have to be evaluated. These parameters must be defined as objectively as possible to avoid unambiguity. Though this method is known for cultivating a culture of high performance in the organisation and is also

#### 3.

simple and cost-effective to implement, it is criticised because of various reasons. Often, the employees feel that the evaluation is not fair and hence it can lead to unhealthy competition, rivalry amongst employees and loss of morale of the workforce.

Hence, option A is correct.

#### 4.

This technique of performance appraisal was developed by Flanagan and Burns. The manager prepares lists of statements of very effective and ineffective behavior of an employee. These critical incidents or events represent the outstanding or poor behavior of employees on the job. The manager maintains logs on each employee, whereby he periodically records critical incidents of the workers behavior. At the end of the rating period, these recorded critical incidents are used in the evaluation of the workers' performance. An example of a good critical incident of a sales assistant is the following:

July 20 – The sales clerk patiently attended to the customers complaint. He is polite, prompt, enthusiastic in solving the customers' problem.

On the other hand the bad critical incident may appear as under:

July 20 – The sales assistant stayed 45 minutes over on his break during the busiest part of the day. He failed to answer the store manager's call thrice. He is lazy, negligent, stubborn and uninterested in work.

This method provides an objective basis for conducting a thorough discussion of an employee's performance. This method avoids recency bias (most recent incidents get too much emphasis).

However, the method suffers from all of the disadvantages mentioned in the question.

Hence, option E is correct.

#### 5.

Confidential report system is a well known method of performance appraisal system mostly being used by Government organisations. In this method, the subordinate is observed by his superiors with respect to his performance and duties. Thereafter, the superior writes confidential report on his performance, mainly on his behaviour in the organisation and conduct and remarks if any. These reports are kept confidential and not revealed to anyone and forwarded to the top management officials. Confidential reports are the main criteria for promoting or transferring of any employee mainly in the government sector. All governmental organisations like the judiciary, police, armed forces etc in India use confidential reports method as a tool to know more about employees and taking decisions regarding the same.

Hence, option B is correct.

#### 6.

Behaviorally anchored rating scales (BARS) are scales used to rate performance. BARS are normally presented vertically with scale points ranging from five to nine. It is an appraisal method that aims to combine the benefits of narratives, critical incidents, and quantified ratings by anchoring a quantified scale with specific narrative examples of good, moderate, and poor performance. BARS were developed in response to dissatisfaction with the subjectivity involved in using traditional rating scales such as the graphic rating scale. A review of BARS concluded that the strength of this rating format may lie primarily in the performance dimensions which are gathered rather than the distinction between behavioral and numerical scale anchors.

It is a combination of the Critical Incident Method and Graphic Rating Scale.

Hence, option B is correct.

#### 7.

The concept of 'Management by Objectives' (MBO) was first initiated by Peter Drucker in 1961.

Hence, option E is correct.

#### 8.

In MBO, the employees and superiors come together to identify the common goals which the former is expected to achieve for considering as a criterion for measurement of performance and deciding the course of action to be followed. The essence of MBO is participative goal setting, choosing the course of action and decision making. Important part of MBO is measurement and comparison of employee's actual performance with the standards set.

Hence, option D is correct.

#### 9.

The Zero Sum Game Rating is a method in which any change for the participants adds up to zero. Example: if two men play cards and if one wins five dollars then the other looses five dollars. Similarly if there are ten men in a department working at different levels of effectiveness, five of them by definition are below average. Thus, if two of the below average leave, then one of the previously above average men must fall in the below - average category.

Hence, option C is correct.

#### 10.

The following performance appraisal methods are considered modern:

#### BARS

MBO HR Accounting method Assessment centres Psychological appraisal 360 degree feedback HR Scorecard method Key Result Area method Balanced scorecard method

All methods above are correct.

Hence, option E is correct.

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