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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS MAIN EXAMINATION

2021/2022 ACADEMIC YEAR

FIRST YEAR FIRST SEMESTER

FOR THE DEGREE OF MASTER OF SCIENCE IN
HUMAN RESOURCE MANAGEMENT

COURSE CODE: HRM 804

**COURSE TITLE: PERFORMANCE MANAGEMENT AND
REWARD SYSTEMS**

DATE: 06/06/2022

TIME: 2.00PM – 5.00PM

INSTRUCTIONS TO CANDIDATES

- ANSWER QUESTION **ONE** (COMPULSORY) AND ANY OTHER **THREE** QUESTIONS
- QUESTION **ONE** ATTRACTS **40 MARKS**
- ALL OTHER QUESTIONS ATTRACT EQUAL MARKS **20 MARKS**
- TIME ALLOWED IS **THREE** HOURS

QUESTION ONE

Read the case study below and answer the following questions

Case Study 1

These Things Are a Pain

“The dreaded end of year appraisal is upon us!” Linda exclaimed. Like all employees in her organization, Linda was asked to fill out an appraisal form and submit it to the HR department. Linda’s immediate supervisor was heard saying, “Here we go again, the paper pushing session!” All employees were required to look back and reflect on the tasks they did during the year, making sure that all value-added activities were documented and accounted for in the appraisal forms.

Linda’s boss, Irene, had hinted that it seemed like a hassle to appraise her subordinates. The appraisal assessed employees on different criteria, including whether their goals are in line with the company’s core values. Other criteria included efforts to improve teaching performance, participation in student and college activities, research, and personal attributes.

As Linda was a new lecturer in a private university in Malaysia, she felt nervous. She had undergone the mid-year appraisal and had a negative experience from it. As she filled in the appraisal form she wondered whether she had met all the targets set out for her. “Have I improved in the areas I was told I was weak in?” she thought. Indeed, thinking back to the mid-year performance review Irene had mentioned a few areas of weaknesses. Among them was the need to remain alert about her students’ performance and to improve her teaching performance and classroom management. Linda felt that each of these criteria required a different measurement tool. Linda put down that during the semester she had frequent discussions with her peers as an effort to improve her teaching performance. Linda thought about how would this could be measured in the appraisal session. Most of the discussions with her peers seemed to be about problematic students and an activity that was done to improve the performance of students. Classroom management seemed more quantifiable. In her mind, the mix of students differs from semester to semester and it so happened that during her mid-year review, she had a class of

rowdy students who presented some problems to her. These problems ranged from poor attendance to nonsubmission of work.

Being new, Linda felt that there were some instances where she had underperformed. As she was filling in the appraisal form, she realised that she hadn't participated in many college activities and had not undertaken much research.

Linda turned to her colleague, Paul, who had just finished his appraisal session. "How did it go?" she asked. Paul replied, "Thank god that's over. Irene's not in the best of moods. I hope that it doesn't affect my appraisal." Linda said, "Mine's tomorrow." Paul replied, "Well, good luck with it."

Questions

- i. Discuss the reasons why Linda has a negative impression about the appraisal session
(10 marks)
- ii. Explain what would have made the appraisal session a more impressive session for Linda so that she could improve on her performance
(10 marks)

Case Study 2

Performance Appraisal?

As the production supervisor for Sweeny Electronics, Nakeisha Joseph was generally well regarded by most of her subordinates. Nakeisha was an easygoing individual who tried to help her employees in any way she could. If a worker needed a small loan until payday, she would dig into her pocket with no questions asked. Should an employee need some time off to attend to a personal problem, Nakeisha would not dock the individual's pay; rather, she would take up the slack herself until the worker returned.

Everything had been going smoothly, at least until the last performance appraisal period. One of Nakeisha's workers, Bill Overstreet, had been experiencing a large number of personal problems for the past year. Bill's wife had been sick much of the time, and her medical expenses were high. Bill's son had a speech impediment, and the doctors had recommended a special clinic.

Bill, who had already borrowed the limit the bank would loan, had become upset and despondent over his circumstances.

When it was time for Bill's annual performance appraisal, Nakeisha decided she was going to do as much as possible to help him. Although Bill could not be considered more than an average worker, Nakeisha rated him outstanding in virtually every category. Because the firm's compensation system was heavily tied to performance appraisal, Bill would be eligible for a merit increase of 10 percent in addition to a regular cost-of-living raise.

Nakeisha explained to Bill why she was giving him such high ratings, and Bill acknowledged that his performance had really been no better than average. Bill was very grateful and expressed this to Nakeisha. As Bill left the office, he was excitedly looking forward to telling his work buddies about what a wonderful boss he had. Seeing Bill smile as he left gave Nakeisha a warm feeling.

Questions:

- i. From Sweeny Electronics' standpoint, what difficulties might Nakeisha's performance appraisal practices create **(10 marks)**
- ii. Examine what Nakeisha can do now to diminish the negative impact of her evaluation of Bill **(10 marks)**

QUESTION TWO

- a. Critically analyze the major pitfalls of performance management **(10 marks)**
- b. The value of performance-related pay has been the subject of much debate. For instance, Trade unions continue to oppose this form of pay reward across the public sector. As a manager, explain why you would advocate for it. **(10 marks)**

QUESTION THREE

- a. "Base salary is far from being the most important incentive to executive compensation." Discuss. **(10 marks)**

- b. "Performance appraisal is not merely for appraisal but is for improvement of employee performance." Explain the statement. **(10 marks)**

QUESTION FOUR

- a. "Two systems, performance management and performance appraisal should be seen in different perspectives". **(10 marks)**
- b. Explain how the 360-degree feedback system adds value **(10 marks)**

QUESTION FIVE

- a. Upgrading knowledge is essential to live with the changes of time. Employee development goes a long way in training, sharpening the skills of an employee and upgrading his/her existing knowledge and abilities. You are required to assess the crucial role managers play in employee development **(10 marks)**
- b. Experience shows that there are a number of factors which causes the failure of an organizational performance system. Elucidate the factors. **(10 marks)**