

KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

MAIN EXAMS

2020/2021 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: 05/08/2021

TIME: 2.00PM-5.00PM

INSTRUCTIONS TO CANDIDATES

- 1) Answer Question **ONE**(Compulsory) and **ANY OTHER THREE** Questions
 - 2) Candidates must hand in their answer booklets to the invigilator while in the examination room
 - 3) Credit is given for legibility, clarity and use of relevant examples
 - 4) Question **ONE** is **40 marks** while Questions **2-5** carry **20 marks** each
 - 5) Clearly write your **Registration Number** on each answer sheet used
-

TIME: 3 Hours

KIBU observes ZERO tolerance to examination cheating

QUESTIONS : SECTION A

QUESTION ONE

Procter & Gamble (P&G) wanted to digitize and use technology for business decisions. In 2003, HP began a 10-year contract to manage P&G's internal tech services. In 2012, when the contract came up for renewal, P&G wanted to make its IT operations stronger by engaging competent employees so as to be able to work with offerings from many vendors. HP was open to the deal. So in cases where HP's hardware, staff or offering did not meet P&G's requirement, HP was willing to work with other vendors to fill the gap. HP and P&G realized that this would make the IT operation stronger. As a result, P&G extended the contract for five more years and a 50% increase in annual value. HP researchers are also known to visit the customer location and film the business process for a day so as to suggest how HP could help them. HP is also known for its "Day in the Life of a Customer" concept.

Required:

From the above case, you are required to:

- a) Discuss Five benefits P&G would enjoy if it implemented its performance management process well **(10 marks)**
- b) Using the Performance Management Model, explain Five activities that P&G could consider in its vendor performance management process **(10 marks)**
- c) Discuss Five reasons why Individual Incentive Plan may not be preferable to Procter & Gamble **(10 marks)**
- d) As the HR Manager of P&G, explain to the board of management any Four objectives of a good compensation system **(10 marks)**

QUESTIONS : SECTION B

QUESTION TWO

- a) Explain any Five types of direct compensation that HR Experts must look at for determining an employees' salaries **(10 marks)**
- b) Discuss Five in Fundamental Requirements/Considerations in implementing Performance Management **(10 marks)**

QUESTION THREE

- a) Explain any Five types of direct compensation that HR Experts must look at for determining an employees' salaries **(10 marks)**
- b) Critically analyse Five bases upon which an organization would evaluating and select an appropriate Performance Management System **(10 marks)**

QUESTION FOUR

According Bob Collimore (2019), "Safaricom is An International Blue-Chip Company that would want the best global practices in its management processes. Many firms today have been struggling to motivate their staff in order to improve on their performance. However, there is always a dilemma in deciding who to reward and how to reward."

- a) Discuss Four Dilemmas commonly found when deciding who to reward and how to reward **(12 marks)**
- b) Explain the distinctive Human Resources responsibilities played by the HR Unit and Managers during compensation **(8 marks)**

QUESTION FIVE

- a) Discuss why many firms have found themselves using performance management and reward management systems that often end up not meeting their intended objective **(10 marks).**
- b) Illustrate the continuum of compensation philosophies between "entitlement philosophies" and "performance philosophies" **(10 marks)**