

HRM2604

May/June 2014

PERFORMANCE MANAGEMENT PRACTICES

Duration 2 Hours

75 Marks

EXAMINERS

FIRST

MRS M MOOSA

SECOND

MR LS MARE

Closed book examination

This examination question paper remains the property of the University of South Africa and may not be removed from the examination venue

This paper consists of six (6) pages

You may not consult notes of any kind, or any person, except the invigilator, during the examination session.

INSTRUCTIONS:

- 1 ANSWER **ANY THREE (3)** OF THE FOLLOWING FIVE (5) QUESTIONS
- 2 Write neatly and legibly
- 3 Write the numbers of the questions you choose to answer on the cover of the examination answer book in the space provided
- 4 Read through all the scenarios and questions first, and then decide which questions you would like to answer

GOOD LUCK!

[TURN OVER]

ANSWER ANY THREE (3) OF THE FOLLOWING FIVE (5) QUESTIONS

QUESTION 1

Read through the scenario below and answer the questions that follow

Invest College is a higher education institution operating in all nine provinces of South Africa. It offers both full-time and part-time study options to students. The College has great potential, but some time ago it was not doing well. One of the reasons for this was the lack of sound management and direction at the College.

At the beginning of 2014 the entire management team was restructured and the goals of the College were re-established. This had a substantial impact on the employees and management. In the past every individual would work towards his/her own goals without any concern for the goals of the College. Top management was aware that employees may continue with this trend and, therefore, decided to link the goals of the College with individual goals during the performance management process. This was done in order to achieve the objectives of the College in conjunction with individual performance.

Another problem which management encountered was insufficient information on the different types of jobs at the College. This posed a huge challenge for the implementation of the performance management system.

1.1 Performance management systems can serve six purposes

1.1.1 Which purpose does the performance management system serve in the scenario above? Provide a reason for your answer (3)

1.1.2 Name and briefly discuss the alternative five purposes that performance management could serve in general (10)

1.2 In the scenario it is stated that there is insufficient information on the different types of jobs at the College

1.2.1 Why does this pose a challenge for the implementation of the performance management system? (2)

1.2.2 How can information on the different types of jobs be obtained? (2)

1.3 By means of a diagram illustrate the link between an organisation's strategic plan and individual performance (8)

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QUESTION 2

Read through the scenario below and answer the questions that follow

Mike Snyman has recently been appointed as a legal clerk at a large and prestigious law firm in Sandton. This is his first full time job and he does not have any prior work experience. He studied extremely hard and obtained his degree with distinction last year. He has an excellent memory and can recall every act and case that he studied. Mike decided to become a lawyer after his father tragically died after a collision with a drunk driver. The driver was sentenced to merely 100 hours of community service. Mike vowed to himself that he would become a lawyer who would fight for justice. Mike's background gives him inspiration and a reason to perform. He consistently aims to perform at his best.

Mike is so driven to perform that he feels that he should be given his own case even though he has been a clerk for only one month. However, it is company policy that new clerks work with a senior partner for three years before they are promoted to an associate position and assigned a case. The reason for this is to provide them with the training and experience which they do not receive at university. In this way each individual is ready to perform at an optimal level when they are assigned their own case.

Mike has no other choice but to accept the policy of the company. He comes to realise the wisdom behind it since he is learning something new every day. Unlike everyone else, Mike does not stop working when he gets home. He runs through everything that he has learnt every day without fail. He always seeks advice from his mentor regarding his performance. His hard work will certainly pay off and in a few years' time Mike will be a senior partner at the law firm.

- 2.1 Provide a brief explanation of each of the three determinants of performance (6)
- 2.2 Does Mike possess all three determinants of performance when he begins working at the law firm? Motivate your answer for each one with reference to the scenario (6)
- 2.3 Identify and discuss the relationship between the determinants of performance (3)
- 2.4 What does Mike do that is different from what his colleagues do, and that will lead to his success in the legal world? (2)
- 2.5 Distinguish by means of a table the differences between the two types of performance dimensions (8)

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QUESTION 3

Read through the scenario below and answer the questions that follow

The motorbike industry is growing due to a rise in the demand for motorbikes in recent months. This is as a result of traffic congestion on the country's roads which compels motorbike manufacturers to turn out more bikes. In comparison to cars, motorbikes are much cheaper and, therefore, more people can afford to buy a brand-new motorbike instead of a used one.

Sizwe works for one of the industry leaders in motorbike manufacturing. Due to the current demand and the rise in production targets, he has been under pressure to perform in recent months. Sizwe's job is dependent on many other people because the motorbike comes to him during the last stages of manufacturing when the final touches are added to the body work.

Top management at the company have decided to review the performance management (PM) process currently being used. After the review, one of the changes that are made to the PM process is to include self-appraisals. This had not been done previously at the company and management sees it as an opportunity to test the value of self-appraisals in the PM system.

3 1 Approach to measuring performance

3 1 1 Which approach should be used to measure Sizwe's performance? Provide a reason for your answer (3)

3 1 2 Give a very brief overview of the approach referred to in 3 1 1 (5)

3 2 Self-appraisals

3 2 1 Sizwe does not understand why self-appraisals would be beneficial, explain to him two advantages of using self-appraisals in the PM system (2)

3 2 2 Sizwe is worried that self-appraisals are too lenient and biased. How can the quality of self-appraisals be improved? (3)

3 3 This is the first year that Sizwe will be participating in the PM process. He is unsure of what to expect.

Advise him about the number of PM meetings that he can expect to have throughout the year and what each meeting will entail (12)

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QUESTION 4

Read through the scenario below and answer the questions that follow

Muhammed is a marketing assistant at a very popular electronics company called Fony. He is one of five assistants who report to the marketing director at the company, Mrs Sue Young. Throughout the year Muhammed has been unhappy with the way that Mrs Young manages his performance. He has seen how she interacts with the other assistants, that she holds one-on-one meetings with each of them and provides them with a considerable amount of feedback. Muhammed does not receive any feedback on his performance, is never called in for private meetings and usually has to find out from the other assistants about new projects. He is afraid to confront Mrs Young and decides to wait for his final performance review to take up this matter with her. At his final performance review Muhammed is scored very low by Mrs Young, even though he has the highest scores in the customer reviews. Muhammed is extremely disappointed with his rating.

- 4.1 Which process should Muhammed follow if he is unhappy with his performance rating and why is this process important? (3)
- 4.2 Which issue/s should Muhammed raise during this process? Motivate your answer with reference to the scenario (7)
- 4.3 Identify and discuss the steps to be taken in this process (8)

After the process referred to above has taken place, the management of Fony decides that Mrs Sue Young does not conduct the performance management system correctly. She is given a written notice and is also compelled to attend a training course in this regard. Muhammed's initial performance rating is revoked and he is given a good rating. This rating is reflective of his performance and is based on the information and evidence that he has provided.

- 4.4 Determine the content of the training that Mrs Young must receive (7)
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QUESTION 5

- 5.1 The coaching process is an important element of performance management. Provide a discussion on the steps found in this process (10)
- 5.2 Discuss the characteristics of a good 360-degree feedback system (9)
- 5.3 Contingency pay (CP) plans are very popular and there are many good reasons for companies to implement them. However, there are also some risks involved. You are called in as a consultant by a company that is thinking of implementing CP plans. The company asks you to determine the possible problems that are associated with CP plans (6)

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TOTAL: 75

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CHECKLIST	✓
Did you fill in all your personal particulars on the cover of the examination answer book?	
Did you complete THREE (3) of the FIVE (5) questions in the paper?	
Have you written the numbers of the questions you answered on the cover of the examination answer book?	