

HRM3706

May/June 2011

PERFORMANCE MANAGEMENT (HRM3706)

Duration 2 Hours

75 Marks

EXAMINERS .

FIRST

SECOND

EXTERNAL

MS E MAIMELA

PROF M COETZEE

MR MA BUYS (PRETORIA - UP)

This examination paper consists of four (4) pages

INSTRUCTIONS:

- Write the numbers of the questions you choose in the appropriate space on the front cover of the examination book
- Answer any three (3) of the following four (4) questions

[PLEASE TURN OVER]

Question 1

Read the following case study and answer questions 1.1 to 1.3

ALIGNING ORGANISATIONAL GOALS WITH EMPLOYEE GOALS

Networking Solutions Inc is a world leader in the hardware, software and services essential to computer networking. Until recently, the company used more than 50 different systems to measure performance within the company. Many employees were not reviewed, some 5% of all the employees received the lowest category of rating, and there was no recognition program in place to reward high achievers. Overall, it was recognised that performance problems were not being addressed, and that tough pressure from competitors was increasing the costs associated with inefficient human performance. In addition, quality initiatives were driving change in several areas of the business, and management decided that these initiatives should also apply to "people quality". Finally, Networking Solutions wanted to improve its ability to meet its organisational goals, and realised that one way of doing this would be to ensure that those goals were linked to the goals of each employee.

- 1.1 Draw a diagram to illustrate the performance-management process to the management of Networking Solutions Inc (6)
- 1.2 Impress upon the management of Networking Solutions the importance of implementing all the stages in the diagram referred to in question 1.1 by explaining the consequences of skipping any step for the effectiveness of the performance-management system (15)
- 1.3 A job analysis is a fundamental prerequisite of any performance management system. Define the concept "job analysis", and advise the management of Networking Solutions regarding the role played by this process in the performance-management system (4)

[25]

Question 2

- 2.1 Distinguish among the three approaches to measuring performance and provide a practical example of each (9)
- 2.2 Draw a diagram illustrating the balanced scorecard approach of measuring organisational performance, and explain a cause-and-effect relationship among the four perspectives of a balanced scorecard (16)

[25]

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Question 3

Read the following case study and answer questions 3.3 and 3.4

TEAM-PERFORMANCE MANAGEMENT: WHAT ARE THE IMPLICATIONS?

Public Service Works is a large public service organisation. The company's performance-management system reflects its focus on results as well as its need for creativity, imagination, and continuous improvement. Under its current framework, the system links individual performance to that of the team or department concerned as well as to that of the organisation. Therefore, the current situation in this organisation is as follows:

- Departmental business-plan goals are linked to the business plan and business priorities of the organisation
- Performance goals and measures grow out of each department's business plan
- Employee-performance measures are aligned with those of the organisation
- Departments, teams and individuals are rewarded and recognised on the basis of these measures

The organisation's team structure consists primarily of *work* or *service* teams that are aligned with the company's departments. Because of the close relationship with local government entities, however, the organisation also utilises *network teams* that focus on governmental regulatory needs as they relate to public service providers, and *project teams* that are assembled on an ad hoc basis to work on various projects originating with network teams.

- 3.1 Differentiate among different teams used at Public Service Works, and justify the existence of each in the organisation (9)
- 3.2 Advise the management of Public Service Works about the effect the different teams have on performance management (6)
- 3.3 Identify and briefly explain to the management of Public Service Works any five disadvantages of individual performance related rewards (10)

[25]**Question 4**

- 4.1 Define the concepts of "critical success factors" and "key performance indicators", and explain their role in the performance-management system (10)
- 4.2 Draw a diagram in which you clearly illustrate how business results are affected by the environment (10)

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- 4 3 Identify any five (5) dos and don'ts to be considered to ensure that performance appraisals comply with the provisions of the law (5)

[25]

TOTAL [75]