

HRM3706

October/November 2013

PERFORMANCE MANAGEMENT

Duration 2 Hours

75 Marks

EXAMINERS .
FIRST .
SECOND
EXTERNAL .

MRS EM MAIMELA
MRS M MOOSA
MR MA BUYS

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 examination paper consists of 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 **five (5)** questions.

[TURNOVER]

Question 1

- 1.1 In some jobs, employees have control over how they perform their jobs, but not over the results of their performance. Is this statement true? Substantiate your answer and propose a suitable performance evaluation approach to such jobs (5)
- 1.2 Briefly discuss three (3) circumstances in which the performance evaluation approach you have proposed in question 1.1 will be appropriate. Provide a practical example of each circumstance (12)
- 1.3 Organisational performance can be influenced by the external environment, which is beyond the organisation's control. Briefly discuss what is meant by social environment and how it can affect organisational performance. Provide a suitable example (5)
- 1.4 Briefly explain the importance of having a performance management policy in the organisation. (3)

[25]**Question 2**

Read the following case study and answer the questions that follow.

Performance management system in Balme Library: is it effective or not?

The University of Ghana in Lagon, Ghana, was established in 1948 as an affiliate college of the University of London called the University College of Gold Coast. The Balme Library is the main library in the University of Ghana library system. As in the case of many modern university libraries worldwide, facing resource challenges and experiencing the need to serve as an increasingly diverse customer base, the Balme Library has implemented numerous initiatives. One such initiative is a performance management system. However, several of the components of the performance management process at Balme Library are not properly implemented. First, there is no evidence that employees know exactly what tasks are involved in carrying out their jobs. Employees are not even sure if they possess the skills and knowledge required for their jobs. Employees seem to be generally lost concerning the role of their positions in this library. Second, the forms according to which employees are rated contain vague statements such as "general behaviour". The forms include no specific definition of what "general behaviour" is or any examples that explain to employees (or managers) what would lead to a high or low rating in this category. In addition, there is no evidence that managers have to sit down with employees to work out mutually agreed-upon goals. All library employees are rated using the same form, regardless of their job responsibilities.

[TURNOVER]

Third, there is no evidence that managers have consulted employees at some point to ensure that they are on the right track. Employees are not sure if what they are doing is exactly what is expected of them. Fourth, no formal or informal discussion of results and needed follow-up steps occurs after the subordinates and managers have completed their forms. Finally, employees are often rated by different people – and this frustrates employees the most. For example, sometimes the head of the library would rate employees, even though he has not been in direct contact with them. This results in employees not trusting the library's performance management system.

- 2.1 It is stated in the case study that "there is no evidence that employees know exactly what tasks are involved in carrying out their jobs" or that they are not sure "if they possess the required skills and knowledge". Advise the library's management of the process they can apply to help employees understand their jobs better. (5)
- 2.2 From the case study, it is evident that there are four (4) components/stages of the performance management process, which have not been implemented. Identify these components and give a reason for your answer. (You are required to quote from the case study to substantiate your answer.) (16)
- 2.3 Explain to Balme Library's management how the 360-degree feedback technique can be applied in an attempt to persuade employees to trust the library's current performance management system. (4)
- [25]**

Question 3

- 3.1 Discuss six (6) basic principles to be followed when designing a performance management system that includes team performance. (12)
- 3.2 Find a relationship/link between the following components of the performance-management process and motivational theories:
- 3.2.1 Prerequisite stage and goal-setting theory {2}
- 3.2.2 Performance review and expectancy theory {2}
- (4)
- 3.3 Briefly discuss the role of the direct supervisor/manager in the creation and completion of an employee's developmental plan (5)
- 3.4 Briefly discuss the 'activity constraint' that managers may face in an attempt to observe an employee's performance regarding the developmental plan. Provide a suitable example of how it occurs. (4)

[TURNOVER]

Question 4

Read the following scenario and answer questions 4.1 to 4.3.

Attracting more customers in 2014: a case study on TQM Dry-cleaners

TQM Dry-cleaners (TQM) is an organisation that offers a dry-cleaning service to townships. Its aim is to attract new customers in 2014. To ensure that it will achieve this goal, it must measure how many new customers it attracts each week. Depending on the outcome, TQM may reward employees based on the number of new customers they have personally helped attract.

- 4.1 Quote a sentence from the scenario, which expresses the critical success factor (CSF) of TQM. Give a reason for your answer. (5)
- 4.2 Quote a sentence from the scenario, which expresses the key performance indicator (KPI) of TQM. Give a reason for your answer. (5)
- 4.3 Briefly discuss the link between TQM's strategic objective/critical success factor and its employee performance. (5)
- 4.4 Briefly discuss five (5) criticisms of the balanced scorecard as a means to measure organisational performance. (10)

[25]

Question 5

- 5.1 Discuss any five (5) factors ("dos" and "don'ts") to be considered in an endeavour to conduct a performance appraisal/review legally. (10)
- 5.2 Traditional management systems were replaced by strategic performance management systems due to several problems/shortcomings of the traditional systems. Discuss any five (5) shortcomings of the traditional management systems. (15)

[25]

TOTAL = 75