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**THE OPEN UNIVERSITY OF SRI LANKA**  
**BACHELOR OF MANAGEMENT STUDIES DEGREE PROGRAMME - LEVEL 6**  
**MOTIVATION AND PERFORMANCE APPRAISAL IN ORGANIZATIONS**  
**MCU 4211**  
**FINAL EXAMINATION – 2011**

**DURATION : THREE (03) HOURS**

**Date : 05.03.2011**

**Time : 9.30a.m. – 12.30p.m.**

**No of Questions :06**

**No. of Pages : 02**

**Instructions :** Answer Five (05) questions including Question No. 01, which is compulsory.

1. "Performance Appraisal may sometimes cause serious moral damage among employees, leading to workplace disruption, soured relationships and productivity declines. On the other hand, organizations must have a process by which rewards-which are not an unlimited resource-may be openly and fairly distributed to those most deserving on the basis of merit, efforts and results. There is a crucial need for remunerative justice in organizations. Performance appraisal irrespective of its practical flows is the only process available to help achieve fair, decent and consistent reward outcomes".
  - I. Do you agree with the above statement? Why or why not? Elaborate your answer using practical examples.

(10 marks)
  - II. Discuss the common mistakes in performance appraisal that result in practical problems as stated above.

(10 marks)
  - III. Explain, what strategies may you suggest to overcome such mistakes.

(08marks)
2. Maslow's needs hierarchy theory implies that basic human needs are arranged in a fixed order. Most people seem to have these needs in the order that has been indicated. However, there have been a number of exceptions to this fixity. Explain what these exceptions are?

(18 marks)
3. "Goal setting is a simple, strait forward and highly effective technique for motivating employees. However, it should be kept in mind that like any other management tool, goal setting works only when combined with good managerial judgment".

Do you agree with this statement? Elaborate your answer using practical examples.

(18 marks)

4. "The concepts, 'valence' and 'instrumentality' bear significant practical implications when designing organizational reward systems"

Discuss the above statement using examples.

(18 marks)

5. "For decades it has been known to researchers that one of the leading causes of organizational failure is 'non-alignment of responsibility and accountability'. From the organizations viewpoint one of the most important reasons for having a system of performance appraisal is to establish and uphold the principle of accountability"

Critically analyze this statement drawing in practical examples from contemporary work organizations

(18 marks)

6. I. Explain the research study that led to the establishment of the motivation—hygiene theory emphasizing on its results.

(09 marks)

- II. Discuss the practical implications that may arise in attempting to apply motivation-hygiene theory in the context of Sri Lankan work organizations.

(09 marks)

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