



The Open University of Sri Lanka  
 Master of Business Administration in Human Resource Management 2010-2012  
 Final Examination 2012 – Semester II  
 MCP2338- Performance Management & Compensation  
 Duration – 03 Hours

Date: 01<sup>st</sup> April 2012

Time: from 1.30 p.m. to 4.30 p.m.

*Instructions: Answer any Five (05) questions including question No.01 (Case Study) which is compulsory. Numbering of the answers in your answer script should follow the numbers assigned to the questions in the paper. Illegible hand writing is liable to lose marks.*

1. Read the case study given below and answer the questions given at the end of it. (40 marks)

### **Frustrated Probationary Manager**

Printing Ltd is one of the pioneers in stationary manufacturing in Sri Lanka. Santha who graduated in BSc Business Administration (Special) with a class in 1994 from the University of Sri Jayewardenepura, joined the firm on 06/01/1995 as a Management Trainee (Marketing).

Santha was able to complete his one-year training period as a Management Trainee very successfully. He had been highly recommended by Mr. Janaka, then Marketing Manager (who left the firm two years ago) for a post of Marketing Officer. Santha was appointed to a post of Marketing Officer in 1996 on a two years' probationary period. In the Marketing Division he did perform his duties in a very good way if not in an excellent way. During that time, sales of the firm had fallen and Santha presented several proposals to increase the sales. Those proposals were accepted and implemented in 1997 and they were also successful.

After the resignation of Mr. Janaka, Mr. De silva who had 10 years' experience in the firm was promoted to the post of Marketing Manager. Santha's probationary period could have been over by the end of 1998 but the period was extended by the management for a further year. At the time Santha was informed of the extension by the Marketing Manager, Santha asked for reason for extension of the probationary period. Mr. Silva could not give a satisfactory reply, as he also did not know what the reason was.

Consequently Santha was so frustrated that he decided to resign from the post by giving one month's notice. Santha informed verbally his decision of resignation to Silva who was surprised, genuinely upset and then informed about Santha's decision to the General Manager who ordered

the Personnel Department to submit Santha's annual confidential report. When the GM went through the report he found negative information only. There were following mistakes recorded in the report:

1. Getting telephone calls for private purpose.
2. Delay for 15 minutes after lunch break.
3. Not wearing a tie.

Also he found that based on that negative information the Personnel Department had decided to extend the probationary period. The post of Personnel Manager had been vacant for the last year and the current Personnel Officer who had only working experience and GCE (A/L) education was appointed as the Acting Personnel Manager. The GM asked for reasons for recording negative information from Silva who replied thus:

"I thought that I was supposed to fill weaknesses of subordinates only. Also I was very busy at the time of filling his form."

The PE form being used by the firm is given in Exhibit 1.

Questions:

- i. What problems the firm is facing with regard to Performance Management? Identify causes of the problems. **(15 marks)**
- ii. What suggestions do you have for solving the problems? **(10 marks)**
- iii. What are the defects in the "Annual Confidential Report" which is attached? What improvements can you suggest for the given format? **(15 marks)**

## Exhibit 1 PE Form

Sri Lanka Printing Ltd  
Annual Confidential Report

## Section "A" to be completed by the Personnel Branch

SECTION "A"

1. Full Name (in block capitals)

Designation and Grade:

2. Assessment of official work and conduct

(Delete all but one of the following)

Excellent

Very Good

Average

Below Average

Poor

Remarks in support of the assessment

3. Degree of fitness for promotion

(Delete all but one of the following)

Eminently suitable

Very suitable

Suitable

Not yet suitable

4. Any other remarks

.....  
Signature and Designation of the officer (Head of  
Section/Unit)

Date:.....

5. Section "C" – Observations of Personnel manager

.....  
Signature of Personnel Manager

Date:.....

6. Section "D" – Reserved for observations, if any, by the General Manager/MD

.....  
Signature of General Manager

Date:.....

*Source: Opatha, 2002, Applications in Employee Performance Evaluation*

2. Issues of Performance Evaluation (PE) refer to important subjects or matters to be discussed relating to the area of PE in addition to what has been in the model of PE process. You are required to discuss in detail four of the following issues of PE:

- i. Problems with the evaluator
- ii. Legally defensible PE system
- iii. Motivation of managers for accurate implementation
- iv. Ethics of PE
- v. Documentation for proper evaluation

(15 marks)

3. Following is a points matrix prepared by the Human Resource Manager and two senior managers of AAA Company:

**Points Matrix**

Critical Factors and Sub Critical Factors	Levels					Points
	1	2	3	4	5	
1. Competence						200
1.1 Education	10	20	30	40	50	
1.2 Experience	26	52	78	104	130	
1.3 Competencies	08	16	24	32	40	
2. Responsibility						200
2.1 Equipment and materials	16	32	48	64	80	
2.2 Safety of others	16	32	48	64	80	
2.3 Work of others	20	40	60	80	100	

2.4	Assisting trainees	10	20	30	40	50	
3.	Effort						300
3.1	Physical	30	60	90	120	150	
3.2	Mental	20	40	60	80	100	
4.	Working Conditions						300
4.1	Pleasant	10	50	100	150	200	
4.2	Possible Accidents	20	40	60	80	100	
Total Points							1000

For what purpose would the above matrix be applied? Do you agree with the matrix or not? Why? After making appropriate adjustments in the matrix what do you do next? Describe and explain specifically.

**(15 marks)**

4. The 360-degree feedback system has become a preferred tool for evaluating the performance of employees. Particularly those in supervisory roles to improve performance by gathering information on performance from different groups. However there are inherent advantages as well as risks associated with 360-degree feedback systems. Explain citing suitable examples the advantages and the risks of implementing a 360-degree feedback system.

**(15 marks)**

5. A manager's personality and behavioral preferences are more likely to influence his or her coaching style. There are different coaching styles that managers follow. Explain four such coaching styles and their effects with appropriate practical examples.

**(15 marks)**

6. Explain what is meant by a person's psychological type and how knowing it will help to manage his/her performance at work.

(15 marks)

7. Describe the four dimensions of the Myers-Briggs Type Indicator (MBTI). Explain your typical behavior at work based on your MBTI.

(15 marks)

8. Describe how you would use psychometric testing to identify leadership ability during the process of selecting a Factory Manager for a medium sized garment factory.

(15 marks)

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