



(University of Choice)

**MASINDE MULIRO UNIVERSITY OF
SCIENCE AND TECHNOLOGY
(MMUST)**

MAIN CAMPUS

UNIVERSITY EXAMINATIONS

2021 / 2022 ACADEMIC YEAR, JULY 2022

**SECOND YEAR SPECIAL / SUPPLEMENTARY EXAMINATIONS
FOR THE DIPLOMA
IN
HUMAN RESOURCE MANAGEMENT**

COURSE CODE: DBB 210

**COURSE TITLE: PERFORMANCE AND COMPENSATION
MANAGEMENT**

DATE: WEDNESDAY, 3RD AUGUST 2022 TIME: 11:00 – 1:00PM

INSTRUCTIONS TO CANDIDATES

1. Question **ONE** is compulsory, choose Any other **TWO** Questions
2. Marks for each question are indicated in the parenthesis.
3. Examination duration is **2 Hours**

MMUST observes **ZERO** tolerance to examination cheating

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Question one

Emmako Ltd. relies heavily on its business products to generate income that builds value. The management is supportive of performance management in the organization at individual employee level and considers it essential the implementation of a strong system to measure and improve employee performance. Performance management effort increases not only employee performance outcomes but also decreases turnover rates. The most common part of the process, and the one with which the organization is most familiar, is performance appraisal or evaluation. However, performance appraisal is not the only activity that is done under performance management, performance management includes the process of identifying, measuring, managing, and developing the performance of the human resources in an organization.

Emmako Ltd.'s management believes that period-to-period comparisons of results of operations as per set-out targets assist in the determination of how well employees have performed and ultimately how to improve the performance level. When used correctly, performance management is a systematic analysis and measurement of worker performance, including communication of that assessment to the individual, that is used to improve performance over time. Performance appraisal on the other hand is the review of employee performance over time, so appraisal is just one piece of performance management.

If Emmako Ltd. is unable to manage its growth effectively, the quality of its services and products would decline. Its ability to attract clients and skilled personnel would hence be negatively affected, slowing down the growth of the business. Due to these challenges, Emmako Ltd's Management has engaged the human resource department where you work as a human resource assistant, to assist develop and implement a performance management process.

- (a) Explain the principles of performance management (10 marks)
- (b) Explain the elements of performance management (10 marks)
- (c) Explain how Emmako Ltd's Management can minimize poor organization performance (10 marks)

Question two

Transactional rewards are tangible rewards arising from transactions between the employer and employee concerning pay and benefits. Relational rewards are intangible rewards, learning and development and work experience.

- (a) Describe examples of tangible rewards (10 marks)
- (b) Describe examples of intangible (10 marks)

Question three

Job evaluation is a systematic process for defining the relative worth or size of jobs within an organization. It provides the basis for designing an equitable grade and pay structure, grading jobs in the structure and managing job and pay.

- (a) Discuss the aims of job evaluation. (10 marks)
- (b) Explain five methods of job evaluation (10 marks)

Question four

- (a) Define job evaluation(2 marks)
- (b) Explain job description, giving example of performance targets (8 marks)
- (c) Define pension. (5 marks)
- (d) Define reward strategy (5 marks)

