Chapter 8

Performance Appraisal and Rewards

TRUE-FALSE QUESTIONS

Title: ANSWER: T REFERENCE: Performance Appraisal Systems LEARNING OUTCOME: 1

1. Performance must be measured and rewarded if it is to be changed or improved.

a. True

b. False

Title: ANSWER: F REFERENCE: Performance Appraisal Systems OUTCOME: 1

2. Performance appraisals are one of the least important and one of the most mishandled aspects of management.

a. True

b. False

Title: ANSWER: T REFERENCE: Performance Appraisal Systems LEARNING OUTCOME: 1

3. Most of the problems with performance appraisals relate to the validity and reliability of the instruments themselves.

a. True

b. False

Title: ANSWER: F REFERENCE: Performance Appraisal Systems LEARNING OUTCOME: 1

4. Unfortunately, little feedback regarding quantity and quality of job performance comes from performance appraisals.

a. True

b. False

Title: ANSWER: F REFERENCE: Performance Appraisal Systems LEARNING OUTCOME: 1

5. The recency error exists where a supervisor assigns the same rating to each factor being evaluated for an individual.

a. True

b. False

Title: ANSWER: F REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

6. BARS is significantly different and complex than the behavioral observation scale.

a. True

b. False

Title: ANSWER: T REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

7. Certainly, the most unpopular method of evaluation used in organizations today is the graphic rating scale.

a. True

b. False

Title: ANSWER: F REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

8. Because of the significant quantitative data generated by the critical incident method, it is widely used for promotion or salary decisions.

a. True

b. False

Title: ANSWER: T REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

9. A popular technique for evaluating employees who are involved in jobs that have clear quantitative output is MBO.

a. True

b. False

Title: ANSWER: T REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

10. Assessment centers are unique among appraisal techniques in that they focus more on evaluating an employee’s long-range potential to an organization than on her performance over the past year.

a. True

b. False

Title: ANSWER: T REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

11. Behavioral research consistently demonstrates that performance levels are highest when rewards are contingent upon performance.

a. True

b. False

Title: ANSWER: F REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

12. The selection of an occupation by an individual, as well as the decision to join a particular organization within that occupation, are influenced by the value and culture and not the rewards that are thought to be available in the occupation or organization.

a. True

b. False

Title: ANSWER: F REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

13. According to research, there is little relation between rewards and job satisfaction.

a. True

b. False

Title: ANSWER: T REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

14. The inequity that exists in the distribution of available awards is a common reality in many contemporary work organizations.

a. True

b. False

Title: ANSWER: T REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

15. Actual job performance and any reward system should be closely tied.

a. True

b. False

Title: ANSWER: T REFERENCE: Individual and Group Incentive Plans LEARNING OUTCOME: 5

16. Under the skills-based incentive program, employees are paid according to their skills level regardless of the actual tasks they are allowed to perform.

a. True

b. False

Title: ANSWER: F REFERENCE: Individual and Group Incentive Plans LEARNING OUTCOME: 5

17. Once established and understood, the incentive programs do not need to be monitored over time.

a. True

b. False

Multiple Choice

Title: ANSWER: A REFERENCE: Performance Appraisal Systems LEARNING OUTCOME: 1

1. Which of the following is NOT a typical use of performance appraisal in organizations?

A. Gaining competitive advantage

B. Feedback to employees

C. Self-development

D. Form the bases of organizational reward systems

E. Training and development

Title: ANSWER: B REFERENCE: Performance Appraisal Systems LEARNING OUTCOME: 1

2. \_\_\_\_\_ is the extent to which an instrument actually measures what it intends to measure.

A. Reliability

B. Validity

C. Central tendency

D. Halo effect

E. Critical incident technique

Title: ANSWER: A REFERENCE: Performance Appraisal Systems LEARNING OUTCOME: 1

3. \_\_\_\_\_ is the extent to which the instrument consistently yields the same results each time it is used.

A. Reliability

B. Validity

C. Central tendency

D. Halo effect

E. Critical incident technique

Title: ANSWER: C REFERENCE: Performance Appraisal Systems LEARNING OUTCOME: 1

4. In performance appraisal of his 14 employees, Jermaine fails to recognize either very good or very poor performers. Which of the following errors reflects Jermaine’s action?

A. Leniency

B. Strictness

C. Central tendency

D. Halo effect

E. Recency

Title: ANSWER: A REFERENCE: Performance Appraisal Systems LEARNING OUTCOME: 1

5. Susan has a reputation as “a wonderful supervisor” during performance evaluation as all her employees always gets a 5 out of 5 on all criteria. Which of the following errors reflects Susan’s action?

A. Leniency

B. Strictness

C. Central tendency

D. Halo effect

E. Recency

Title: ANSWER: B REFERENCE: Performance Appraisal Systems LEARNING OUTCOME: 1

6. As a college professor, Marion has a reputation of being a tough professor and even a ridiculously tough grader. Students generally say that no one in the history of her class has ever received an “A” and at least 40 percent of the class fails when they do not necessarily have to. Which of the following errors reflects Marion’s reputation?

A. Leniency

B. Strictness

C. Central tendency

D. Halo effect

E. Recency

Title: ANSWER: D REFERENCE: Performance Appraisal Systems LEARNING OUTCOME: 1

7. When a supervisor cannot effectively differentiate between relatively discrete categories such as quality and quantity of performance, interpersonal competence, attendance, and promotion readiness and instead gives a global rating. Which of the following error is committed?

A. Leniency

B. Strictness

C. Central tendency

D. Halo effect

E. Recency

Title: ANSWER: E REFERENCE: Performance Appraisal Systems LEARNING OUTCOME: 1

8. In an annual evaluation, when a supervisor gives undue emphasis to performance during the past few weeks and ignore performance levels prior to this, which of the following error is committed?

A. Leniency

B. Strictness

C. Central tendency

D. Halo effect

E. Recency

Title: ANSWER: C REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

9. Which of the following techniques is the most popular method of evaluation used in organizations today?

A. Critical incidents

B. BARS

C. Graphic rating scales

D. BOS

E. Assessment centers

Title: ANSWER: D REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

10. One of the most serious drawbacks of this technique is its openness to \_\_\_\_\_\_ errors.

A. halo effect and recency

B. similar to me, recency, and strictness

C. leniency, halo effect, and recency

D. central tendency, strictness, and leniency

E. All of these.

Title: ANSWER: A REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

11. With which of the following techniques do supervisors record episodes of each subordinate’s behavior that led to either unusual success or failure on some aspect of the job?

A. Critical incidents

B. BARS

C. Graphic rating scales

D. BOS

E. Assessment centers

Title: ANSWER: C REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

12. The critical incidents method primarily provides which of these?

A. Quantitative information

B. Quarterly targets

C. Qualitative information

D. Performance goals

E. Assessment matrix

Title: ANSWER: C REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

13. The \_\_\_\_\_\_ technique begins by selecting a job that can be described in observable behaviors.

A. Delphi

B. BOS

C. BARS

D. Hybrid

E. Assessment centers

Title: ANSWER: B REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

14. Which of the following performance evaluation technique is similar to BARS in that both focus on identifying observable behaviors as they relate to performance?

A. Critical incidents

B. BOS

C. Graphic rating scales

D. MBO

E. Assessment centers

Title: ANSWER: D REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

14. Which of the following performance evaluation technique is closely related to the goal-setting theory of motivation?

A. Critical incidents

B. BOS

C. Graphic rating scales

D. MBO

E. Assessment centers

Title: ANSWER: D REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

15. Under \_\_\_\_\_, individual employees work with their supervisor to establish goals and objectives for which they will be responsible during the coming year.

A. critical incidents

B. BOS

C. BARS

D. MBO

E. assessment centers

Title: ANSWER: E REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

16. \_\_\_\_\_\_ are unique among appraisal techniques in that they focus more on evaluating an employee’s long-range potential to an organization than on her performance over the past year.

A. Critical incidents

B. BARS

C. Graphic rating scales

D. MBOs

E. Assessment centers

Title: ANSWER: E REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

17. Which of these techniques is used almost exclusively among managerial personnel?

A. Critical incidents

B. BARS

C. Graphic rating scales

D. MBOs

E. Assessment centers

Title: ANSWER: C REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

18. Which of these techniques is the most efficient from the perspective of amount of time required?

A. Critical incidents

B. BARS

C. Graphic rating scales

D. MBOs

E. Assessment centers

Title: ANSWER: C REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

19. Which of these techniques has the poorest record from the perspective of usefulness for employee counseling and usefulness for allocating rewards?

A. Critical incidents

B. BARS

C. Graphic rating scales

D. MBOs

E. Assessment centers

Title: ANSWER: E REFERENCE: Techniques of Performance Appraisal LEARNING OUTCOME: 2

20. Which of these techniques is the strongest when it comes to identifying promotion potential?

A. Critical incidents

B. BARS

C. Graphic rating scales

D. MBOs

E. Assessment centers

Title: ANSWER: C REFERENCE: Feedback LEARNING OUTCOME: 3

21. Which of these is NOT an element of employee’s cognitive evaluation of feedback?

A. Accuracy of the feedback

B. Credibility of the source

C. Persistence on the task

D. Fairness of system

E. Employee expectations

Title: ANSWER: C REFERENCE: Feedback LEARNING OUTCOME: 3

22. Which of these is a behavioral consequence of feedback for employees?

A. Accuracy of the feedback

B. Credibility of the source

C. Persistence on the task

D. Fairness of system

E. Employee expectations

Title: ANSWER: E REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

23. In organizations, reward systems influence which of the following?

A. Job effort and performance

B. Employee commitment to the organization

C. Job satisfaction

D. Occupational and organizational choice

E. All of these.

Title: ANSWER: E REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

24. All of the following are Edward Lawler’s conclusions concerning the relationship between rewards and satisfaction EXCEPT:

A. satisfaction with a reward is a function of both how much is received and how much the individual feels should have been received

B. satisfaction is influenced by comparisons with what happens to others, especially one’s coworkers

C. people differ with respect to the rewards they value

D. some rewards are satisfying because they lead to other rewards

E. employees develop ties with organizations when they perceive that the organization is interested in their welfare and willing to protect their interests

Title: ANSWER: E REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

25. Which of the following illustrate the influence of reward system on employee commitment to the organization?

A. satisfaction with a reward is a function of both how much is received and how much the individual feels should have been received

B. satisfaction is influenced by comparisons with what happens to others, especially one’s coworkers

C. people differ with respect to the rewards they value

D. some rewards are satisfying because they lead to other rewards

E. employees develop ties with organizations when they perceive that the organization is interested in their welfare and willing to protect their interests

Title: ANSWER: B REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

26. Far-reaching consequences for both individual satisfaction and organizational effectiveness are tied to \_\_\_\_\_\_\_ systems within organizations.

A. cultural

B. reward

C. moral

D. personnel

E. information

Title: ANSWER: A REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

27. The organization invests status and \_\_\_\_\_ in the exchange process between employee and organization.

A. recognition

B. creativity

C. productivity

D. knowledge

E. Skills

Title: ANSWER: B REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

28. In the exchange process, which of the following invests status and recognition?

A. Employee

B. Organization

C. Supervisor

D. Subordinate

E. Customers

Title: ANSWER: D REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

29. In the exchange process between employee and organization, which of the following is NOT invested by the employee?

A. Effort

B. Creativity

C. Time

D. Benefits

E. Skills

Title: ANSWER: D REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

29. In the exchange process between employee and organization, which of the following is invested by the organization?

A. Effort

B. Creativity

C. Time

D. Social opportunities

E. Skills

Title: ANSWER: A REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

30. When employees receive (at least a portion of) their rewards as a function of their level of contribution to the organization, it refers to which of these?

A. Distributive justice

B. Pay for performance

C. Gain sharing

D. Intrinsic reward

E. Extrinsic reward

Title: ANSWER: C REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

31. External to the work itself are \_\_\_\_\_\_ rewards.

A. intrinsic

B. substitute

C. extrinsic

D. satisfaction

E. distributive

Title: ANSWER: A REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

32. The desire to do a task because you enjoy it refers to \_\_\_\_\_\_\_ motivation.

A. intrinsic

B. extrinsic

C. situational

D. reward

E. distributed

Title: ANSWER: D REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

33. Which of the following is not an example of an intrinsic reward?

A. Autonomy

B. Personal growth

C. Task accomplishment

D. Fringe benefits

E. Personal development

Title: ANSWER: A REFERENCE: Reward Systems in Organizations LEARNING OUTCOME: 4

34. Particularly prevalent with managerial personnel, \_\_\_\_\_\_ about pay rates seems to be a widely accepted practice in work organizations.

A. secrecy

B. openness

C. uncertainty

D. recognition

E. barter system

Title: ANSWER: A REFERENCE: Individual and Group Incentive Plans LEARNING OUTCOME: 5

35. A \_\_\_\_\_\_\_\_-sharing plan is another name for a profit-sharing plan.

A. gain

B. substitution

C. compensation

D. value

E. rewards

Title: ANSWER: C REFERENCE: Individual and Group Incentive Plans LEARNING OUTCOME: 5

36. Increased satisfaction with pay and benefits is one advantage to which of the following pay practices?

A. Skills-based incentives

B. Gain sharing

C. Flexible benefits

D. Lump-sum increase

E. None of these.

Title: ANSWER: C REFERENCE: Individual and Group Incentive Plans LEARNING OUTCOME: 5

37. Tied to job \_\_\_\_\_\_ are typical compensation programs.

A. increases

B. performance

C. evaluations

D. satisfaction

E. enrichment programs

Title: ANSWER: C REFERENCE: Individual and Group Incentive Plans LEARNING OUTCOME: 5

38. A(n) \_\_\_\_\_\_\_ benefits program can also be referred to as a flexible benefits programs.

A. value

B. intangible

C. cafeteria

D. satisfaction

E. qualitative

This file is copyright 2019, Rice University. All Rights Reserved.