



Inspiring Innovation and Leadership

KARATINA UNIVERSITY

UNIVERSITY EXAMINATIONS

FOURTH YEAR, FIRST SEMESTER EXAMINATION

2023/2024 ACADEMIC YEAR

FOR THE DEGREE OF:

BACHELORS OF BUSINESS MANAGEMENT

COURSE CODE: BBM 411

COURSE TITLE: PERFORMANCE MANAGEMENT

DATE: 20/12/2023

TIME: 8.00AM – 10.00AM

INSTRUCTION TO CANDIDATES

SEE INSIDE

Instructions: Answer Question one and any other three questions

QUESTION ONE

HUMMING BIRD COMPANY LIMITED

Over the three-year period between 2016 and 2021, Humming Bird Company Limited made an order for improvement in quality and on-time delivery performance. Outgoing defect rate dropped from 50 parts per 10000 to 5, on-time delivery improved from 70% to 96% and yield jumped from 26% to 51%. These breakthrough improvements in quality, productivity, and customer service provide substantial benefited the company greatly. However during the same three-year period, the company's financial results showed little improvement, and its stock price plummeted to one-third of its 2016 value. The considerable improvements in manufacturing capabilities had not been translated into increased profitability. Slow releases of new products and a failure to expand marketing to new and perhaps more demanding customers prevented the company from realizing the benefits of its manufacturing achievements. The operational achievements were real, but the company had failed to capitalize on them. The management then decided to hire on a contract basis a performance management consultant to help revamp the achievements. Miss. Kieth was hired and through her direction she was able to help the team become more efficient and productive year over year. She began by assessing the internal and external factors that affect performance by use of the Causal model. She also introduced the customer-contact process to help her achieve new goals.

- (a) Miss. Kieth was able to improve multiple areas of the firm. Describe the benchmarking process she may have used to achieve this success. (7 Marks)
- (b) Identify other methods Miss. Kieth used to enable the company achieve new goals (6 Marks)
- (c) Analyze the dimensions of the model used by Miss. Kieth to identify the negative effects on performance (6 Marks)
- (d) Humming Bird's organizational performance included three likely specific areas of outcomes. Evaluate these areas (6 Marks)

QUESTION TWO

- a) Organizational performance is the ability of an organization to reach its goals and optimize results. Critically examine ways of unlocking employee potential (8 Marks)
- (b) Evaluate means by which financial performance of an organization can be improved (7 Marks)

QUESTION THREE

- (a) Budgeting is the tactical implementation of a business plan. Analyze the steps in managing a budget process . (8 marks).
- (b) Budgeting is a process of preparing detailed projects of future amounts. Outline the different approaches to budgeting (7 Marks)

QUESTION FOUR

- (a) Organizations pass through different phases of the performance management cycle. Critically examine this statement (8 marks)
- (b) A Balanced Scorecard is a way to measure an organization's performance and shows whether management is achieving desired results. Describe ways in which it is implemented (7 Marks)

QUESTION FIVE

- (a) Analyze the emerging trends in performance management (8 marks)
- (b) Kaizen costing is a system of cost reduction via continuous improvement. Identify the key principles that make this system successful (7 Marks)

QUESTION SIX

- a) Business Process Reengineering is a change initiative that aims at improving the performance of key processes that affect customers. Describe how it is implemented (8 Marks)
- b) Evaluate the benefits accrued by an organization from benchmarking (7marks)