



**III Semester M.B.A. (Day) Examination, February/March 2014
(2007-08 Scheme)
MANAGEMENT**

H-3 : Performance and Compensation Management

Time : 3 Hours

Max. Marks : 75
(6×2=12)

SECTION – A

- Note :** 1) Answer **any six** sub questions.
2) **Each** question carries **2** marks.

1. a) What do you mean by compensation ?
- b) What is bench marking ?
- c) Write a brief note on gain sharing.
- d) What do you mean by fringe benefits ?
- e) What is wage differentiation ?
- f) What is commitment ?
- g) Distinguish between time rate and piece rate wage.
- h) What do you mean by reward and recognition ?

SECTION – B

(3×8=24)

- Note :** 1) Answer **any three** questions from the following.
2) **Each** question carries **eight** marks.

2. What are the factors influencing wage determination ? Explain.
3. Performance appraisal is a tool in the hand of HR manager to manage manpower. Comment.
4. What are the methods of compensation ? Explain.
5. What is executive compensation plan ? How does it differ from ordinary compensation plan ?
6. Explain the managerial benefits of performance management under changing business environment.

SECTION – C

(2×12=24)

- Note :** 1) Answer **any two** questions from the following.
2) **Each** question carries **12** marks.

7. Write a detailed note on methods of performance appraisal.
8. What are the theories of wages ? Explain in detail.
9. What are types of incentives ? Explain how do adequate incentives improve the employees work ethics.

P.T.O.



SECTION - D

(1×15=15)

10. Case study.

The Friendly Supervisor

Raju manages the customer relations department of a public utility company. The department is responsible for replying to customer requests for information and to customer complaints. There are seven typists in the department who handle the correspondence to customers dedicated by the staff.

Raju recently promoted Bobby to office supervisor. Bobby had been a typist in the department for ten years. She was considered the fastest and most accurate typist who had ever worked for Raju. Bobby had the best attendance record in the department and Raju considered her, his most dependable employee. She was very well liked by all the typists and they considered her to be a good personal friend.

As a supervisor Bobby does a good job of handing out work assignments, but she does little else to supervise the typists. She does not like to criticize the typists and does not enforce office rules. No matter what a typist does Bobby will not take any disciplinary action. She makes no attempt to check the work of the typists for compliance with quality standards or to see that work is completed on time. In fact, she spends most of her time typing to reduce the work load of the other typists.

Raju has been receiving an increasing number of complaints from the department staff about the poor quality of the typing and about the slow turn around time for work. He has also received complaints about the typists taking excessively long coffee breaks and spending time on personal phone calls.

When Raju talked to the typists, they told him that Bobby frequently invites them to her house for dinner or to play bridge. It appears to Raju that the typists all like Bobby as a friend, but they are becoming concerned about her lack of supervisory skills. Raju mentioned to Bobby that she should focus her effort on improving the work of the typists. She replied, " these women are my friends and I don't feel right about cracking down on them".

- 1) Can an individual effectively manage a group and be a close personal friend with group members ?
- 2) What should Raju do to ensure that the work of the typists will improve ?
- 3) Should Bobby have been promoted to office supervisor ?
- 4) If you were Bobby, what would you do ? Would you quit the supervisor's job ? Would you no longer be friends with the typists ?