**(Following Paper ID and Roll No. to be filled in your Answer Books)**

**PAPER ID :7012**          Roll No.

# MBA 2<sup>nd</sup> Year

## Odd Semester Examination 2017-18

### (Performance and Reward Management)

*Time: 3 Hours*                                                    *Total Marks: 70*

**Note:** Attempt all Sections. If require any missing data; then choose suitably.

## SECTION - A

1.      **Attempt *all* questions in brief.**                          2 x 7 = 14

Section A

1.
   a) Define performance criterion?
   b) Explain Performance management as a system?
   c) What is BARS?
   d) Define 360 degree performance appraisal?
   e) How competency mapping can be linked with career planning?
   f) Why is it important to provide compensation to employees?
   g) What is ESOP?

## 1.  SECTION - B

2.  **Attempt any *three* of the following:**                         7 x 3 = 21
   a) Briefly discuss the purpose and significance of performance appraisal in relation to formulation of reward system of an organization.
   b) Explain the problems to be avoided in appraising performance?
   c) What do you understand by competency mapping? Explain the relevance of competency mapping in detail?
   d) State and briefly explain four objectives an organization should bear in mind when planning its compensation system.
   e) What is merit pay? Do you think its good idea to award employees merit raises? Why or Why not?

## SECTION - C

3.      **Attempt any *one* of the following:**                        7 x 1 = 7

   a) Discuss the key components of the performance management cycle.
   b) Why performance management is taking place of performance appraisal in today's organizations. Discuss?

**4. Attempt any *one* of the following:**                                    7 x 1 = 7

(a)Differentiate between past oriented and future oriented performance appraisal methods. Discuss at least two past oriented and two future oriented performance appraisal methods.

(b)The basic objective of compensation management can be briefly termed as meeting the needs of both employees and the organization. Discuss the other objectives of compensation management.

**5. Attempt any *one* of the following:**                                    7 x 1 = 7

    a) Explain the term Potential appraisal in detail?
    b) Outline the methods of job evaluation in detail.

**6. Attempt any *one* of the following:**                                    7 x 1 = 7

a)    Differentiate    between    performance    appraisal    and    potential    appraisal.

b    Explain the factors that should be considered when formulating a reward policy in an organization.

7.                                    7 x 1 = 7


The Great Rift Electric Company is a city-based manufacturer of welding machines and motors. When Kenaan Amani established the company in 1970, he was keenly aware of the importance of a highly motivated workforce, and how the company's success, in fact, depended on it. Therefore, Amani had to ensure that each employee would work as diligently as possible for the good of the organization. Amani realized that the best way to motivate employees would be to link the company's reward and recognition system to its goals. To establish this connection, Amani developed and implemented a comprehensive incentive system. Its aim was to improve the company's overall performance by allowing contributing workers to share in the proceeds. The plan rewards employees for turning out quality products efficiently while controlling costs. The system includes the following components: Paying by the piece rate: Production workers are paid according to the number of "pieces" or product units they produce that are not defective. If a customer sends a defective part back to the company, the employee who produced it must repair it on his or her own time.

Providing year-end bonus: To reward workers further for their efforts, Amani introduced a year-end bonus system that gives all workers an opportunity to nearly double their base wages. Workers get the bonus if the company's annual profit increases. Providing stock options: Amani also provided his employees with the option of buying company's stock at a low cost. Employees are also given shares of the company's stock based on annual profits.

    a) To motivate his employees Mr. Amani uses piece rate system. Discuss the advantages and disadvantages of such a system. (3.5)
    b) If you are appointed as a reward Manager in this company, will you continue with this system or change, why? (3.5)