MB118C

Sl. No.

III Semester M.B.A. Degree Examination, May/June - 2026

MANAGEMENT

Elective-C : People Management

Compensation Management and Performance Appraisal

(Non-CBCS Scheme)

Time : 3 Hours **Maximum Marks : 80**

SECTION - A

Answer any Five sub-questions. Each sub-question carries Three marks. (5×3=15)

1. a) What is Living Wage?

b) What is 'Piece Rate System' in compensation management?

c) Define MBD.

d) Who are blue collar employees?

e) Define Job Analysis.

f) Define performance appraisal.

g) What is incentive?

SECTION - B

Answer any Four questions. Each question carries Five marks. (4×5=20)

2. Explain expectancy theory of motivation.

3. Briefly explain the steps in performance appraisal.

4. Describe essential characteristics of good wage system.

5. Define Job Evaluation. What are its advantages?

6. Describe in detail challenges of compensation.

7. Write a note on pay commission in India.

SECTION - C

Answer any Three questions. Each question carries Ten marks. (3×10=30)

8. Critically examine Maslow's need hierarchy theory.

9. What are the reasons responsible for higher executive pay? Explain.

10. Define Bonus and explain the objectives of Minimum Bonus Act.

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11. What are the factor needed to consider while preparing the compensation plan? Explain.

12. Examine the role of fringe benefits in boosting employee's morale.

SECTION - D

Case Study(Compulsory) **(1×15=15)**

13. Mr. Alok Banerjee is the Chief Executive of a medium sized pharmaceutical firm in Calcutta. He hold a Ph.D in pharmacy, he has not been involved in research and development of new products for two decades. Though turnover is not a problem for the company, Mr. Banerjee and his senior colleagues noticed that the workers on hourly basis are notworking upto their full potential. It's well known fact that they filled their days with unnecessary and unproductive activities and worked only for the sake of a pay cheque. In the recent past the situation has become quite alarming as the organization began to crumble under the weight of uneconomical effort.

The situation demanded immediate managerial attention and prompt remedial measures. Mr. Banerjee knew very well that the only way to progress and prosper is to motivate workers to peak performance through various incentive plans. One fine morning Mr. Banerjee contacted the personnel manager and enquired: "What is the problem with the workers on hourly basis? The wage bill shows that we pay them the heighest in the industry. Our working conditions are fine. Our fringe benefits are excellent. Still these workers are not motivated. What do they require really? The personnel manager gave the following reply: "I have already informed you a number of times, that money, working conditions and benefits are not enough. Other things are equally important one of works in that group, recently gave me a clue as to why more and more workers are joining the bandwagon of 'non-performers'. He felt bad that hardwork and efficiency go un-noticed and un-rewarded in our organisation. Our promotion and benefits plans are tied to length of service. Even lazy workers, accordingly, enjoy all the benefits in the organisation, which, in fact according to worker, should go only to those who work hard". Mr. Banerjee then wanted the personnel manager to look into the problem more closely and find out a solution to the problem of workers on hourly basis.

Questions:

a) Explain the motivational problem in this case by relating to Herzberg's theory.

b) What should you response to Banerjee's statement, if you were the personnel manager of the company?

c) If you were the manager, has would you motivate the employees do that they work better?
