MBSC-3.3 C

Sl.No. : **Total No. of Pages : 2**

Third Semester M.B.A. Degree Examination, February - 2024
(CBCS) (SLM Scheme)
(Elective - C) : MANAGEMET (HR)
Performance Appraisal and Compensation Management

Time : 3 Hours **Max. Marks : 80**

SECTION - A

Answer any five questions. Each question carries five marks : [5 × 5 = 25]

Q1) Define compensation. What are the key determinants of compensation plan?

Q2) Differentiate between traditional and modern methods of performance appraisal.

Q3) What do you mean by performance appraisal? Explain the steps in performance appraisal?

Q4) What are the objectives of performance appraisal.

Q5) What is an incentive? Discuss the different types of incentive system?

Q6) Write a short note on Graphical scale method.

Q7) What is the term of wage payment? Explain the types of compensation?

SECTION - B

Answer any four questions. Each question carries ten marks : [4 × 10 = 40]

Q8) Define motivation. Briefly explain the theories of motivation.

Q9) What is the wage legislation? What are the key components typically covered under wage legislation?

Q10) Describe wages payment system. Explain how does it generally operate in organization with suitable example.

Q11) How do modern organizations use non-monetary incentives in combination with wages to motivate employees effectively?

Q12) What is the purpose of performance appraisal system? What is the role of performance apprising system in promoting the organizational effectiveness?

Q13) Define job evaluation. Examine their pros and cons. What are the principles of job evaluation?

SECTION - C

Q14) **Case (Compulsory) :** **[1 × 15 = 15]**

One of the leading Indian IT companies. TCS' compensation management system was based on the EVA model. With the implementation of Economic Value Added (EVA)-based compensation, the salary of employees comprised of two parts, fixed and variable. The variable part of the salary was arrived after considering business unit EVA, corporate EVA, and also individual performance EVA. During the fourth quarter of the financial year (FY) 2007-2008, TCS announced its plans to slash 1.5 percent of the variable component of employee salaries since its EVA targets for the third quarter of FY 2007-2008 were not met the announcement came as a jolt not only to TCS employees but also to the entire Indian IT industry. The company came in for severe criticism and it was accused of not being transparent with respect to EVA calculation. However, some analysts felt that the pay cuts were a result of the macro economic challenges that the Indian IT companies were facing-- rapid appriation of the rupee against the US dollar and the recession in the US economy (USA was the largest market for the Indian IT companies)

Questions :

a) Discuss the importance of variable compensation in light of its ability to motivate employees and enhance organizational productivity.

b) Understand the rationale behind the cut in the compensation of the employees at TCS.

c) Explain the importance of HR goals and strategies in the success of an organization.

