

Subject Code: MB947 / R09

M B A - IV Semester Regular/Supply Examinations, Oct/Nov -2013

PERFORMANCE MANAGEMENT

Time: 3 hours

Max Marks: 60

Answer any **FIVE** of the following

All questions carry equal marks. **Q.No.8 is compulsory**

1. How the concept of performance management emerged? What is the scope of performance bench mark?
2. Do you believe that there exist any difference between competence and competency? If yes then what?
3. In future, the compensation policies, programme and practices of an Organization will revolve around newer reward systems and benefits. Discuss.
4. Explain in detail about 360-degree Appraisal.
5. (a) Explain the process monitoring with a suitable examples.
(b) Why are review discussions are important?
6. "Some of the so called modern industries will follow traditional techniques of performance appraisal" Do you agree? If , you defend your argument with reasoning.
7. What is the role of team coach and team leader in the development of high performance teams?

8. CASE (COMPULSORY)

The Indian Electric Company is a city based manufacturer of welding machines and motors. When Neeraj Shah 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, Shah had to ensure that each employee would work as diligently as possible for the good of the organization.

Shah realised 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, Shah 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, Shah 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: Shah 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.

Questions: 1. What would be the future expectations of Neeraj Shah from the employees of Indian Electric Company?

2. How would he ensure further continuation of financial rewards, their cost effectiveness, and their contribution to the organisation effectiveness?

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