

TILAK MAHARASHTRA VIDYAPEETH, PUNE
MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION: MAY- 2025
SEMESTER - III
Sub.: Performance Management (MHRM 305)

Date : 28/05/2025**Total Marks : 60****Time: 10.00am to 12.30pm**

Instructions: 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

- Q. 1. Write Short notes on (Any Three) (15)**
1. Objectives of performance management
 2. Ethical performance management
 3. Key processes involved in managing performance
 4. Difference between performance appraisal and performance management (any 3 points)
 5. Errors in Performance appraisal
- Q. 2. Answer in detail (Any One) (10)**
1. Explain the limitations or shortcomings of performance appraisals?
 2. What is performance appraisal? Can you explain the different types of performance appraisals?
- Q. 3. Answer in detail (Any One) (10)**
1. What are the components of a manager's performance and development plan?
 2. Corporate culture influences the implementation of performance management? Explain
- Q. 4. Answer in detail (Any One) (10)**
1. What are some guidelines and best practices for conducting an effective performance appraisal?
 2. Discuss the main objectives of a reward system in performance management? How is performance management linked to reward and compensation systems?
- Q. 5. Case study (15)**

TechSolutions Inc., a well-established software development company, has recently appointed a new CEO, Sarah Thompson, known for her progressive leadership style and focus on employee recognition. Upon taking the helm, Sarah is determined to introduce a performance-based reward system to motivate employees, increase productivity, and retain top talent. She believes that recognizing exceptional performance through bonuses, promotions, and other rewards will encourage a high-performance culture.

However, when Sarah presents her proposal to the board of directors, she is met with strong resistance. The board, consisting of long-standing members who have been part of the company's traditional management structure, firmly believes that rewarding performance is unnecessary. They argue that employees are hired to perform their roles effectively and should not expect additional incentives beyond their base salary. According to the board, performance is an inherent responsibility, and employees should be expected to deliver results as part of their job description.

During a tense board meeting, Sarah passionately advocates for the new approach, stating, "Rewarding employees for outstanding contributions will not only boost morale but also foster a culture of excellence and innovation. We can't afford to ignore the

power of recognition in a competitive market.”

But the board remains unmoved, with Chairman Mark Reynolds stating, “Performance is part of their job, and they are already compensated well for it. We shouldn’t incentivize what should be a basic expectation.”

Sarah finds herself at a crossroads. While she is committed to implementing a rewards system, she is uncertain how to move forward without the support of the board, who controls key decision-making. The company’s future success may hinge on whether Sarah can persuade the board to adopt a more modern approach to employee motivation.

Questions :

1. How can HR help the new CEO communicate the importance of performance-based rewards to the board of directors in a way that addresses their concerns about employee motivation and compensation?
 2. What strategies can HR use to design a performance management system that aligns with the company’s goals, while convincing the board that rewarding performance is beneficial for the business in the long run?
 3. Suggest a suitable title for this case.
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