

| $10-$ | Briefly explain two internal and two external factors which affect the recruitment process <br> of a company. | CO2 |
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| $11-$ | For the job of a sales executive, a company is willing to provide Rs. 10,000/- per month <br> as CTC. What can be some of the ways to distribute this amount under the categories of <br> basic compensation, variable compensation and supplementary compensation? Which <br> distribution do you think is the best and why? <br> OR <br> Differentiate between 'Social insurance' and 'Social assistance'? What kind of social <br> security benefits are generally provided by Indian companies? | CO3 |
|  | SECTION C |  |
|  | This question is of 20 marks <br> Instruction: Read the caselet and answer the question which follows |  |
| Reetesh Gangwar, the newly appointed vice president for administrative affairs at the State <br> University, faced a tough problem shortly after his university career began. A few weeks <br> after he came on board in September, University's president, Mr. Gangwar's boss, told him <br> that one of his first tasks was to improve the appraisal system used to evaluate secretarial <br> and clerical performance at the University. Apparently, the main difficulty was that their <br> performance appraisal was traditionally tied directly to salary increases given at the end of <br> the year. So most administrators were less than accurate when they used the graphic rating <br> forms that were the basis of the clerical staff evaluation. In fact, what usually happened <br> was that each administrator simply rated his or her clerk or secretary as "excellent."' and <br> cleared the way for all support staff to receive a maximum pay increase every year. |  |  |
| He met with them the next morning. He explained the situation as he had found it: The |  |  |$\quad$ CO4

present appraisal system had been set up when the University first opened 10 years earlier, and the appraisal form had been developed primarily by a committee of secretaries. Under that system, the University's administrators filled out forms. This once-a-year appraisal (in March) had run into problems almost immediately, since it was apparent from the start that administrators varied widely in their interpretations of job standards, as well as in how conscientiously they filled out the forms and supervised their secretaries. Moreover, at the end of the first year it became obvious to everyone that each secretary's salary increase was tied directly to the March appraisal. For example, those rated "excellent" received the maximum increases, those rated "good" received smaller increases, and those given neither rating received only the standard across the-board cast-of-living increase. Since universities in general have paid secretaries somewhat lower salaries than those prevailing in private industry, some secretaries left in a huff that first year. From that time on, most administrators simply rated all secretaries excellent in order to reduce staff turnover, thus ensuring each a maximum increase. In the process, they also avoided the hard feelings aroused by the significant performance differences otherwise highlighted by administrators.

Two experts agreed to consider the problem, and in two weeks they came back to the vice president with the following recommendations. First, the form used to rate the secretaries was grossly insufficient. It was unclear what "excellent" or "quality of work" meant, for example. In addition, they recommended that the vice president rescind his earlier memo and no longer attempt to force university administrators to arbitrarily rate at least half their secretaries as something less than excellent. The two consultants painted out that this was, in fact, an unfair procedure since it was quite possible that any particular administrator might have staffers who were all or virtually all excellent-or conceivably, although less likely, all below standard. The experts said that the way to get all the administrators to take the appraisal process more seriously was to stop tying it to salary increases. In other words, they recommended that every administrator fill out a form for each secretary at least once a year and then use this form as the basis of a counseling session. Salary increases would have to be made on some basis other than the performance appraisal, so that administrators would no longer hesitate to fill out the rating farms honestly.

Mr. Gangwar thanked the two experts and went back to his office to ponder their recommendations. Some of the recommendations (such as substituting the new rating form for the old), seemed to make sense. Nevertheless, he still had serious doubts as to the efficacy of the graphic rating form, particularly if he were to decide in favor of his original forced ranking: approach. The experts' second recommendation - to stop tying the appraisals to salary increases - made sense but raised at least one very practical problem: If salary it creases were not to be based on performance appraisals, on what were they to be based? He began wondering whether the experts' recommendations weren't simply based on, ivory tower theorizing.

## Questions

1. Do you think that the experts' recommendations will be sufficient to get most of the administrators to fill out the rating forms properly? Why? Why not? What additional (if
any) do you think will be necessary?
2. What performance appraisal system would you develop for the secretaries if you were in Reetesh Gangwar's place? Defend your answer.
