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DOON UNIVERSITY

SCHOOL OF MANAGEMENT

END SEMESTER EXAMINATION DECEMBER 2015

COMPENSATION MANAGEMENT MMS-529

MBA-III SEMESTER

Attempt all questions

MM: 50

1. "How so ever materialistic the world may become Intrinsic motivation shall not lose relevance".
15
2. Discuss Compensation strategy at Micro level. 15
3. Answer the questions given in the case study. 20

Discussion Questions

1. What's wrong with Seema's approach in the present case?
2. Why were employees getting into a petition signing? Are they justified in doing so?
3. What would you advise the CEO if you are a change management consultant?

CASE STUDY-2**The Case of the Temperamental Talent**

Tidewater Corporation is a manufacturer of luxury power boats. Intense competition from the Dutch and Italians and a declining market share had compelled its CEO Saurav Debnath to usher in an entire re-organization of its businesses. It was undergoing a period of radical change. The task was daunting. Saurav had to take a company created around traditional notions of boat building which had always produced excellence and take it into the next century. Tidewater had to continue to build better boats, but at a lesser cost and also had to get to the market quickly. The reorganization slashed overheads, eliminated some long-standing jobs, and collapsed certain departments such as Sachin Mehta's into newer divisions. "Tidewater is at a threshold", Saurav thought, and Sachin has got to be a part of this new organization.

But this wasn't exactly the case with Sachin. In a recent meeting with Ramesh Puri, Tidewater's reorganization leader, Sachin had acted abysmally. He had broken a computer by throwing his office chair at the CAD/CAM monitor, overturned his desk, and swept everything off his office bookshelf, thus trashing his office space. These meetings were regular with Ramesh, and from all reports, stormy ones. But this time Sachin had gone a bit too far. Saurav was aware of this incident since Ramesh had reported it to him immediately. In his career at Tidewater, Sachin was one of the best and the brightest, and everyone had recognized his value to the company. Saurav had personally recruited him to head their design department. Tough, aggressive and smart. That was Sachin. He had a unique ability to handle complex design problems and create innovative solutions. Saurav liked Sachin a lot. They used to spend many Saturday afternoons together playing golf and planning Tidewater's future.

It was only recently after the reorganization started that Saurav had started hearing growing complaints about the dark side of Sachin. He was becoming more and more uncooperative with other departments. He refused to discuss his latest projects with anyone but Saurav and had even convinced his staff to do the same. It was no open secret that he had a temper. At the recent annual picnic, he got drunk and insulted several people from the sales staff. Also, his personal life had become shaky. Sachin's wife had called Saurav recently to see if he knew what was causing his severe mood swings. It was then after that Saurav recommended Sachin see Niranjan Deol, the head of the human resources department, who had been anxious to get Sachin into Tidewater's employee assistance department. Saurav knew that Sachin was too valuable to lose, but this behaviour was now impossible to ignore. Ramesh claimed that Sachin's behaviour was jeopardizing the whole organization—a move that Tidewater was seeking its survival on.

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The next day, Saurav called a meeting with Niranjana and Ramesh to discuss the slow progress of the reorganization plans, the negative impact of Sachin's behaviour and what is to be done about it. Ramesh opined that Sachin had right from the start done everything in his power to scuttle the new reorganization plans. He had become especially hard to deal with ever since it was decided to fold his design division into product development. According to Ramesh, Sachin was acting like some guerilla war hero who would lead the others against the reorganization. Ramesh wanted Sachin to be fired, especially after the outburst where he trashed his office space recently. This was a clear cut reason to get rid of a major obstacle and send a message to some other malcontents that were messing up the program too.

Turning over to Niranjana, Saurav asked him of his opinion in this matter. Reluctant to speak first over such personal and confidential matters, Niranjana turned to Ramesh and recounted of an incident when Saurav had sent to see him 3 months ago after he disappeared for a couple of days in the middle of the week without telling anyone where he was going, even to his wife. They both had a very unpleasant meeting, according to Niranjana.

Sachin would not hear about the employee assistance programme, hence Niranjana recommended him to go and see a therapist. Sachin felt humiliated. The only reason he went is because he felt that he was under pressure from Saurav to do so. But he attended only two sessions before he insulted the man and left for good. Sachin's case is a little complicated, according to Niranjana because of personal problems he has right now. It is not him nor the reorganization plans, it's the human factor.

Change is inherently stressful. Sachin wants to do a good job, and he sees the reorganization making it difficult for him to do the quality work he values – the kind of work that made him a star. On top of his personal problems, it's not surprising that he blew up, remarked Niranjana. He also added that Sachin is not the only one buckling under the pressure of the reorganization. He has had a steady stream of people for the last month coming over to him and complaining about the stress due to reorganization. Some became physically ill. Several have talked about leaving. How many more people can the organization afford to lose? Sachin could be fired because he has done some stupid things, but there are other Sachin's working at Tidewater was Niranjana's concern. He felt that in fact, if people see that the organization can dismiss somebody whose contributions have been visible as Sachin's, they would feel even more insecure in their jobs.

"Saurav", Niranjana continued "I think the only one whom Sachin will listen to is you. You are going to have to work something out with him, and you are going to have to do it right away". "I know", Saurav answered, "But I am no longer sure how to get through to him. He just needs to get his mind off his personal problems and focus on the challenges ahead". He turned to Ramesh, "I think you can deal with him. Niranjana will give you some advice on how to handle him. Think of it as a golden opportunity to flex your management skills. Turning Sachin around could do a lot for your reputation here". Ramesh shook his head. "I have always prided myself on my ability to motivate people, but there is no way I can manage Sachin. I am not dealing with a rational person. The only thing that will satisfy Sachin is for him to be independent again.

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Actually, I do not even know if that would make him happy. Besides, I have other people to think about. I cannot coddle to one guy because he has got some problems he cannot handle.

Niranjan looked over to his boss and said, "Saurav, Sachin won't listen to us and particularly to Ramesh, who he sees as the enemy number one. You have a personal relationship with him. You like him and care about him. You are going to have to take charge." "I agree. You have to take charge," Ramesh said. "Get rid of him before he does any more harm." Saurav sat silently for a moment, thinking about what Ramesh and Niranjan had said. They had convinced him that something had to give. On the back of his mind, he also knew that if Sachin was fired, they would be in deep trouble. Nobody designed like him and his team. They required new products. If they did not have them, they would lose their market share. Headhunters will swarm all over Sachin as soon as the word was out that he is fired. He could go over to the competition, feared Saurav, which could be disastrous. And it just would not be him; he would take the whole design team along with him.

"I am going to need a little time to think this through", Saurav said as he saw his guests to the door. "I will try to have a decision by tomorrow." Alone in his office, Saurav picked up Sachin's broken boat model that he had trashed earlier and turned it over in his hands. "A little glue here and there and it will be as good as new."

Source: Mihir Gosalia, "The Case of the Temperamental Talent," *Business Manager*, Vol. 10, No. 2, August 2007, pp. 50-51.

Discussion Questions

1. What was the reason behind the emotional outbursts of Sachin?
2. Was Ramesh a tactful and sensitive manager? If not, what were the inadequacies in his handling of the situation?
3. What was the management style at Tidewater? Is firing the only option left to Saurav?
4. What should now Saurav do to defuse the crisis?

CASE STUDY-3

High Performance through Participative Management

The Manufacturing Company Ltd. (TMCL) had a problem. Productivity and morale needed to be improved, and one department was in conflict amongst themselves and with the company. Meetings were disintegrating into arguments over emotional issues, rather than yielding constructive discussions towards solving production problems and improving the workplace. Workers tended to bring non-specific complaints to management, making resolution difficult, even though CEO Rakesh Kumar's priority was to create a thriving work environment. These miscommunications caused workers in one department to question their confidence in the company's leadership.

Mr. Rakesh wanted to help the TMCL employees be satisfied and challenged in their jobs, and feel important to the company's overall success. He needed a way to "shift

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