

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER III – EXAMINATION – SUMMER 2019

Subject Code: 3539233

Date: 10/05/2019

Subject Name: Compensation Management (CM)

Time: 02:30 PM TO 5:30PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 Explain the following terms with example. **14**
a) Reward Strategy
b) Agency Theory
c) Performance Related Pay
d) Profit Sharing
e) Job Family Structure
f) Total Rewards
g) Gratuity

Q.2 (a) What do you mean by Reward? Discuss different components of reward system. **07**
(b) What is Reward Management? Explore the reward management framework. **07**

OR

(b) What is rewarding financial business performance? Explain the types of schemes. **07**

Q.3 (a) What is employee engagement? Which are the factors responsible for enhancing the engagement. **07**
(b) How does reward impact on performance? Define different types of performance culture develops for employees. **07**

OR

Q.3 (a) What is Contingency Pay? Discuss different pay which allowed to employees and its objectives. **07**
(b) How employees work will be checked in team? List down the advantages and disadvantages of team pay and its rationale. **07**

Q.4 (a) What is Grade and Pay Structures? Discuss narrow-graded, broad-graded, broad-banded, career-family and job-family pay structures with structural way. **07**
(b) Discuss the maternity benefits available to women employees in the organisation. **07**

OR

Q.4 (a) Discuss Payment of Bonus Act 1965. Describe how bonus is calculated and allowed to employees. **07**

(b) What is gratuity? Employee's entitlements as per "Payment of Gratuity Act". **07**

Q.5 CASE STUDY:

New Delhi Shopping Point

New Delhi Shopping Point (NDSP) has around 300 employees. 200 of them are permanent, while others are outsourced. About 50% employees of total are females. Since it was new entrant in business, the retail store preferred to adopt on going job evaluation practices, rather forming their own. As a result of which, they failed to take in to account the cultural diversities and the same eventually lead to disagreement of reward system and dissatisfaction among employees. Eventually employees formed Unions with strong opposing political affiliations.

Company then formed a task force with cross functional team managers to educate employees on the methods of job correlation and job pricing with a hope to reduce the conflict as well as to develop mutually acceptable job evaluation scheme and rationalize the pay structure. Though it helped to reduce dissatisfaction fractionally, it failed to eliminate inequity, resulting in dissension amidst a small section of employees.

In a retail store customer notice dissatisfied employees easily, at NDSP too faced the same problems – while employees started ignoring customer queries, customers were left to guess the price etc. started taking place. The business of the retail chain started suffering, which resulted in to the substantial loss of business and reduction in customers.

Facing successive business losses, the company ultimately decided to discuss the pay parity issue and to arrive at a solution. It also agreed to develop a suitable job evaluation scheme, aligned with the compensation plan. All the Unions agreed to these propositions of the company and promised to come out of win-win situation. Some of the key issues suggested by the Unions for the discussion are : Correctly capture some key feature of the work done by the female employees , Differentiate between the quality of customer relations offered by a male and female employees , Understand the success rate (in terms of the percentage of the customer retention) of male and female employees etc. A section of female employees also complained that while their success rate were much better than male employees they were still paid less compared to them. They also threatened to refer the matter to the Human Rights Commission, if conciliation failed.

- (a) As a team leader, representing the management who is responsible for pay and is it proper from your view? 07
- (b) Suggest a ways for the company to achieve pay parity through mutual consensus. 07

OR

- Q.5** (a) Which solution is offered by differentiating the number of employees? Is equality is offered? If yes/no, than why? 07
- (b) Company offers pay parity, but if you are a HR manager than which policies followed in this situation. 07
Conclude your answer with all benefits.