

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA – SEMESTER 3 – EXAMINATION – WINTER 2018****Subject Code: 2830302****Date: 10/12/2018****Subject Name: Compensation Management****Time: 10:30 AM To 01:30 PM****Total Marks: 70****Instructions:**

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

- Q.1 (a) Answer the following objectives each carries 1 marks. (6)
1. Which of the following best describes a company with its first overseas operations in place?
A. Export company B. International division
C. Multinational company D. Global company
 2. Perceived fairness between what person receives and what person did is classified as
A. Procedural Justice B. Distributive Justice
C. Regency Justice D. Equity
 3. Systematic way of determining worth of all jobs within any organization is called
A. compensable evaluation B. Job evaluation
C. Benchmark job D. Job promotion structure
 4. Ratio in which pay level is divided by pay range midpoint is classified as
A. Primacy ratio B. Regression ratio
C. Matrix ratio D. Compa-ratio
 5. Group of all jobs which have same worth of job are classified as
A. non-exemption grade B. Regression grade
C. Exemption grade D. Pay grade
 6. Procedure of using less and more broad pay grades than traditional system of compensation is classified as
A. Salary banding B. Structure banding
C. Broad banding D. Grade Banding
- Q.1 (b) Answer the following in one word.(each 1 mrks) 04
1. Total rewards
 2. Penalize skill
 3. Expatriate pay
 4. Job matching

Q.1	(c) Define the following? (each 2 mrks) (1) What is Reward Management. (2) What are cashless rewards? Give examples.	04
Q.2	(a) Exploration of reward system should therefore be in such a way to provide best mix of all motivators. Brief down Total Reward.	07
	(b) What is Contingent Pay? Which are the fairer & darkest sides of Contingent Pay?	07
OR		
	(b) What is rewarding financial Business performance? Explain the types of schemes.	07
Q.3	(a) Which types of employees benefits schemes paid to the employees? Elaborate in details.	07
	(b) Explain the role of Computers in reward Management?	07
OR		
Q.3	(a) Employee engagement is necessary for having better success in the organisation. Which are the aspects that raises their contribution towards the works.	07
	(b) Describe the forms of flexible benefits offered by employer to the employees for better performance.	07
Q.4	(a) Applicability & Eligibility of Employees State Insurance Act,1948.	07
	(b) Rewarding Manual workers needs some aspects to be considered while deciding the pay?	07
OR		
Q.4	(a) What is gratuity? Employee's entitlements as per "Payment of Gratuity Act".	07
	(b) Name any five provisions made from Wages under 'The Payment of Wages Act 1936'.	07

Satish was a Sales Manager for Industrial Products Company in City branch. A week ago, he was promoted and shifted to Head Office as Deputy Manager - Product Management for a division of products which he was not very familiar with. Three days ago, the company VP - Mr. George, convened a meeting of all Product Managers. Satish's new boss (Product Manager Ketan) was not able to attend due to some other preoccupation. Hence, the Marketing Director, Preet - asked Satish to attend the meeting as this would give him an exposure into his new role.

At the beginning of the meeting, Preet introduced Satish very briefly to the VP. The meeting started with an address from the VP and soon it got into a series of questions from him to every Product Manager. George, of course, was pretty thorough with every single product of the company and he was known to be pushy and a blunt veteran in the field. Most of the Product Managers were very

clear of George's ways of working and had thoroughly prepared for the meeting and were giving to the point answers. George then started with Satish. Satish being new to the product, was quite confused and fared miserably.

Preet immediately understood that George had possibly failed to remember that Satish was new to the job. He thought of interrupting George's questioning and giving a discrete reminder that Satish was new. But by that time, George who was pretty upset with the lack of preparation by Satish made a public statement "Gentlemen, you are witnessing here an example of sloppy work and this can't be excused".

Now Preet was in two minds - should he interrupt George and tell him that Satish is new in that position OR should he wait till the end of the meeting and tell George privately. Preet chose the second option.

Satish was visibly angry at the treatment meted out by George but he also chose to keep mum. George quickly closed the meeting saying that he found in general, lack of planning in the department and asked Preet to stay back in the room for further discussions.

Before Preet could give any explanation on Satish, George asked him "Tell me openly, Preet, was I too rough with that boy?" Preet said "Yes, you were. In fact, I was about to remind you that Satish is new to the job". George explained that the fact that Satish was new to the job didn't quite register with him during the meeting. George admitted that he had made a mistake and asked his secretary to get Satish report to the room immediately.

A perplexed and uneasy Satish reported to George's room after few minutes. George looking Satish straight into his eyes said "I have done something which I should have never even thought of and I want to apologise to you. It is my mistake that I did not recollect that you were new to the job when I was questioning you". Satish was left speechless.

George continued "I would like to state few things clearly to you. Your job is to make sure that people like me and your bosses do not make stupid decisions. We have good confidence in your abilities and that is why we have brought you to the Head Office. For everybody, time is required for learning. I will expect you to know all the nuances of your product in three months time. Until then you have my complete confidence". George closed the conversation with a big reassuring handshake with Satish.

Questions:

1. Was it at all necessary for George to apologise to such a junior employee like Satish?
2. If you were in Satish's place, how would you respond to George's apology?
3. Was George correct in saying that Satish is there to correct the "stupid mistake" of his boss and George?
4. Would you employ George in your company?
5. Did Preet make a mistake by not intervening during the meeting and correct George's misconception about Satish?
6. As an HR man, how would you define the character of George - bullying but later regretting? Does his attitude need to be corrected?
7. Would you be happy to have George/Preet as your boss?

OR

Q.5 Case study -2
Bank of the West

- The merger of the Bank of the West and 1st Hawaiian created BankWest the 10th largest bank holding company in the U.S.
- BancWest's holding company is a wholly owned subsidiary of French bank BNP Paribas
- Compensation Philosophy (during and immediately after merger)
 - No direct lineage between performance and compensation
 - Focused on retaining key employees
- Adjusted Compensation Philosophy
 - Less entitlement based
 - Tied more closely to how well the company and individual employee's perform
 - Leanest, best performing company
 - Competitive base pay, performance-based compensation
 - Targeted to the top quartile of the market
- What strategies would we propose in Targeting salaries at top quartile of the market..Questions:
 1. If overall compensation for your employees is in the top quartile in your industry what does that get you?
 2. Reduced job turnover or not?
 3. How would you make the compensation system fairer, commutative, and a drive change?
 4. Would you change the company's philosophy to do the right thing for the shareholders?
