AT–1426

M.B.A. Semester—III Examination

COMPENSATION MANAGEMENT

Paper—MBA/3303/H

Time : Three Hours] [Maximum Marks : 70

Note :— (1) Attempt **ALL** questions.

(2) Figures to right indicate marks.

SECTION—A

1. (a) What is Reward Management ? Discuss the key elements of Reward Management System. 14

OR

(b) Discuss various economic theories of compensation. 14

SECTION—B

2. (a) What is internal and external equity in compensation system ? Explain with example. 7

(b) A public limited company provides a good working environment to employees. But the company is facing the problem of high turnover of employees. In your opinion, what may be the probable reason ? Suggest a suitable solution to company. 7

OR

(c) What is Benchmarking ? How it is useful to form the compensation policy of the company ? 7

(d) Pavan Pharmaceutical is a newly formed company which plans to employ 1000 employees. The different types of jobs is near about 100. You are appointed as consultant to do benchmarking of jobs. How will you do it ? 7

3. (a) Discuss the tools used in designing compensation package for CEO. 7

(b) Recently, ICICI bank innovativily introduced "Work from Home" scheme for women. The initiative has triggered the boardroom discussion of other banks as well. The nation may see same being adopted and implemented by other private banks in near future. Despite this fact, it is inevitable to position the offering with uniqueness of onie's own. What are your suggestions for designing specific package for an identified female workforce ? 7

OR

(c) Explain the tools used in improving compensation package. 7

(d) It is still a negative rather harmful stereotype that women are fundamentally inferior to men. Hence it affects the pay scale of women in some parts of the world even today. In an era of globalization this tends to be a demotivating way at formal places. What are your suggestions to erase negative stereotypes towards women at workplaces ? 7

SECTION—C

4. (a) "Fringe benefits are more beneficial for senior executives." Do you agree ? Justify your answer. 7

(b) Discuss various retirement benefits provided by public limited companies. 7

OR

(c) Fringe benefits and incentives are one and the same. Justify your answer. 7

(d) "The performance related pay is not beneficial always." Do you agree ? Justify your answer. 7

SECTION—D

5. The pay schemes in organizations vary a lot. Pay schemes have been taking into consideration cash, perks, incentives, rewards, employee provident fund, insurance, credit co-operation etc. Employee Stock Options Plan [ESOPs] are novel offerings added to this list. Several

firms in India, being opinion leaders are experimenting with ESOPs. Flipkart. Snapdeal are to name a new Flipkart, recently has set a milestone by designing ESOPs for more than one-third of the employees.

The chief people officer Mr. Nitin Seth said that the move is directed towards retention of critical talent. ESOPs have turned highly successful in case of Infosys Ltd., whereas ESOPs had failed in Linkedin and resulted in employee brain-drain and bad image.

Companies are redesigning their pay schemes and ESOPs are being seriously thought over including parameters like number of employees, their designations, age, expertise, experience product portfolio of companies and extent of goodwill creation in market. Only coming times will till the fruitfulness of ESOPs.

(a) Analyse the case. 7

(b) Do you feel, ESOPs match India with its culture, heritage and a big number of middle class family employees ? Justify. 7