Seat No.:	Enrolment No.

GUJARAT TECHNOLOGICAL UNIVERSITY

M.B.A.- SEMESTER – III • EXAMINATION – WINTER 2012

Subject code: 2830302 Date: 27-12-2012

Subject Name: Compensation Management (CM)

Time: 10:30 pm – 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) Reward management is about the design, implementation and maintenance of reward systems that aim to satisfy the needs of the organization and it's stakeholders. What are the organizational initiatives and contextual factors that will contribute to the achievement of high performance by ensuring that the reward system recognizes and encourages it? Explain. Give suitable organizational examples as you explain.
 - (b) In order that the reward system satisfies it's objectives of enabling/ 07 motivating high performance, employee satisfaction and employee retention, it is important that each component of the reward system is appropriately designed and conducted. Give the entire picture of the various components of the reward system and their inter- relationship giving suitable examples.
- Q.2 (a) Define Total Rewards . Discuss how each component of the Total Rewards 07 namely Transactional Rewards (financial/tangible) and Relational Rewards (non-financial / intangible) contribute significantly to the objectives of Total Rewards. Give suitable examples to explain /
 - (b) Whenever any organization defines it's compensation policy, what are the various aspects that are / must be taken into consideration for an objective design of the same? Explain giving suitable examples.

OR

- **(b)** Write Short Notes on any TWO:
 - i) Guiding principles of International Rewards
 - ii) High Performance Work Systems
 - iii) Convergence Policy Vs Divergence Policy of the International Reward Strategy
 - iv) Compensation Trends
 - v) Compensating Knowledge Workers
- Q.3 (a) i) Define Strategic Reward Management. What are the criteria that must be taken into consideration while exercising Strategic Reward Management?

ii) Also Define International Reward Strategy and state the major challenges.

- **(b)** If the aim of M/s Nationwide is to
 - respond to occupational and labour market pressure
 - encourage more flexible working practices
 - Streamline operations
 - Improve Customer Service
 - Increase skills

What should be the criteria and the considerations when a Total Reward System is being designed? Expalin.

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Q.3	(a) Discuss the two way linkage between Performance Management and Reward			
		Management. Discuss how an appropriate reward design can create an		
		impact on organizational performance and creation of a high – performance		
		work culture, giving suitable examples.		

(b) What do you understand between employee engagement? Draw a corelation between an appropriate reward design and employee engagement culture and practices. Give suitable examples.

Q.4 (a) It is widely believed that money (financial reward) has to be reinforced by non-financial rewards.
Discuss the various extrinsic and intrinsic rewards giving examples as to when and how these non-financial rewards can lead the organization and employees to achieve a competitive position in the market place?

(b) Contingent Pay schemes can be classified into i) Performance Related Pay,
ii) Competency Related Pay, iii) Contribution Related Pay and iv) Skill Based Pay.
Discuss any TWO of these in the light of their advantages and disadvantages with regard to enabling organizational goal achievement, giving suitable examples.

OR

Q.4 (a) It is widely believed that while financial rewards in the form of contingent pay are desirable, but the extent to which they really motivate is questionable. Do you agree? Justify your answer by highlighting various criteria / factors that must be kept in mind while designing the Contingent Pay System. Give suitable examples.

Q.4 (b) Why do companies pay Bonus?
If companies have to achieve the objective of Paying Bonus, they will have to be careful while implementing both, Business Performance Schemes and Individual Bonus Incentive Plan. Discuss with examples, how companies can make both these schemes effective and aligned to their objectives.

Q.5 (a) Job evaluation is the basis of Pay determination. There are various analytical 07 and non-analytical schemes of job-evaluation. List them.
Select ONE scheme from each category and describe giving suitable examples as to how they can help develop and maintain an internally equitable Grade and Pay Structure.

(b) Discuss what do you understand by Career Family Structures and Job – **07** Family Structures Discuss their advantages and disadvantages giving suitable examples.

Also list down the steps required to design a Career – Family Structure.

OR

Q.5 (a) Define the term "Flexible Benefits". Explain why do companies introduce 07 flexible benefits?
 Discuss the different measures that can be used in different sectors of the market place for effective Reward Evaluation.

(b) There are various acts in the Indian Labour Laws that dictate the design and implementation of Compensation or Total Rewards System. List those various Acts.

Discuss which element of the Total Rewards do they influence and for which category of employees.
