

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 3 – EXAMINATION – SUMMER 2019

Subject Code: 2830302

Date: 09/05/2019

Subject Name: Compensation Management

Time: 02:30 PM To 05:30 PM

Total Marks: 70

Instructions:

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

Q. No.	Question Text and Option	6
Q.1 (a)	Which are self-contained and permanent teams?	
1.	A. Organizational teams B. Work teams C. Project teams D. Ad hoc teams	
	_____ Schemes are consultant's schemes that have been modified to fit the particular needs of an organization.	
2.	A. Hybrid Schemes B. Non analytical Schemes C. Analytical Schemes D. Bonus Schemes	
	Which theory proposes that firm will pay more than the market rate.	
3.	A. Efficiency wages theory B. Agency Theory C. Classical economic theory D. Human capital theory	
	_____ is a holistic process that takes into account all aspects of a person's performance.	
4.	A. Performance - related pay B. Contribution - related pay C. Competency - related pay D. Skills - based pay	
	Which one is not a grade structure	
5.	A. Narrow - graded structure B. Broad - graded structure C. Broad - banded structure D. Pay structure	
	Which is not a formal business performance Schemes	
6.	A. Profit sharing B. Gain sharing C. Non Profit sharing D. Share ownership schemes	
Q.1 (b)	Define the following:	04
	a) Team Pay b) Effort bargain c) Bonus Schemes d) Pay spines	
Q.1 (c)	Explain various models of total reward schemes	04
Q.2 (a)	How to design bonus scheme by taking essential care? Explain various types of Bonus Schemes	07
(b)	It is widely believed that money (financial reward) has to be reinforced by non-financial rewards. Discuss extrinsic and intrinsic rewards by giving examples.	07
OR		
(b)	Design a contribution based sales compensation plan, assuming hypothetical figures, for a company engaged in retail sales of milk and milk products.	07

Q.3	(a) Explain different grade and pay structures in the organization.	07
	(b) How business performance schemes and individual bonus incentive plans are implemented by companies to achieve the aim of paying bonus? Explain with illustration, can company make both these schemes effective and favorable.	07
OR		
Q.3	(a) Define the term “Flexible Benefits”. Explain why do companies introduce flexible benefits?	07
	(b) What are the types of contingent pay? Explain the relevance of contingent pay in terms of today’s competitive world.	07
Q.4	(a) What do you understand by job matching? Explain the various sources for collecting market data and briefly list the factors determining the validity and reliability of market sources?	07
	(b) If you are an HR Manager of a company, what factors you will consider before deciding the pay levels in firm?	07
OR		
Q.4	(a) (i) Payment of wages act, 1948 (ii) Income tax act provisions with respect to salaried persons.	07
	(b) What is high performance culture and how reward system can help in building up high performance culture in firm?	07
Q.5	Case study on M/s Mackinnon Mackenzie and Co. Ltd. v. Audrey D’Costa and other, 1987 – Equal Remuneration Act 1976	14

In the given case, a woman employee was discriminated while payment of salary as the employer contended that the lady was working as a Confidential Stenographer and is part of a different class. The woman was complaining that during the period of her employment, after the Act came into force, she was being paid remuneration at the rates less favorable than those paid to the Stenographers of the male gender in the petitioner's establishment for performing the same or similar work and claimed that she was entitled to recover the difference between remuneration paid to her and the male Stenographers.

The court rejected the plea of the employer that the woman was in a different class. It held, ‘If only women are working as Confidential Stenographers it is because the management wants them there. Women are neither specially qualified to be Confidential Stenographers nor disqualified on account of gender to do the work assigned to the male Stenographers. Even if there is a practice in the establishment to appoint women as Confidential Stenographer such practice cannot be relied on to deny them equal remuneration due to them under the Act.’ Therefore, the Court applied that the management is liable to pay the same remuneration to all the Stenographers on the same basis irrespective of their gender. The salary and remuneration payable to the lady

Stenographers should be computed in accordance with the terms applicable to all the male Stenographers.

Hence Court applied The Equal Remuneration Act to grant equal salary to female stenographers.

Q.1 What are the duties of employer under the Equal Remuneration Act, 1976?

Q.2 How court rejected the plea of the employer in the given case?

Q.3 Explain the importance of Equal Remuneration Act 1976 with respect to gender discrimination.

OR

Q.5

Case Study: Parikh Mills

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Parikh is a reputed textiles mill in the woolen clothes business, existing since long. Most of its employees are nearing to retirement. HR department has started the process of replacing the old staff with new ones.

Parikh Mills started receiving complains of quality deterioration from its national and international clients in fabrics and clothes. While analysis it is found that this changes in organization has widely impacted on the quality. Company value is depreciating in the eyes of the customer and stakeholders. Production manager found that young workers have started resisting and questioning on everything about the on-going practices and procedures company has been following so far. They are also against bureaucratic rules and regulation and asking for freedom in decision-making. While old workers have been found ignored and away and are not able to cope up with changing culture. They keep discussing about the historic old patterns and also resist the changes brought by the new managers. Young workers found very limited control with them and have been finding that old workers are often misleading them or not guiding them properly and, besides they do not have adequate powers and support from the top management in controlling the situation.

Situation is getting worse day by day and it is negatively impacting on the production, resulting in to the day to day conflicts, production quality and quality both are suffering gradually.

Management is now thinking of changing the situation and hiring a consulting firm to overcome situation. Consultant has recommended to link reward strategy to engage employee.

- (i) What is the problem in the Parikh mills and how reward strategy can help in overcoming problem?
- (ii) What is employee engagement? Suggest, how Parikh mills can engage employees?
