CBCS SCHEME

18MBAHR303

Third Semester MBA Degree Examination, Feb./Mar. 2022
Compensation and Reward System

Time: 3 hrs. 　　　　　　　　　　　　　　　　　　　　　　　　Max. Marks:100

Note: *1. Answer any FOUR full questions from Q1 to Q7.*
2. Question No.8 is compulsory.

1　a. Differentiate between salary and wages. **(03 Marks)**
　　b. Describe statutory and non statutory benefits provided by government to industrial workers. **(07 Marks)**
　　c. "Compensation and reward system has become important component of organization today." Justify. **(10 Marks)**

2　a. Define expatriate pay. **(03 Marks)**
　　b. List and explain various types of employee benefits in the force of incentive plans by the organization. **(07 Marks)**
　　c. "Job evolution is key for compensating employee". Discuss. **(10 Marks)**

3　a. Define variable pay. **(03 Marks)**
　　b. Explain different job evolution methods, with examples. **(07 Marks)**
　　c. Discuss the strategic choices in designing the internal structure in modern corporates. **(10 Marks)**

4　a. What is seniority and longevity pay? **(03 Marks)**
　　b. Explain job analysis and its importance. **(07 Marks)**
　　c. Elucidate Taylor's piece work plan incentive model with examples. **(10 Marks)**

5　a. Who are special groups? Give example. **(03 Marks)**
　　b. Explain how compensation benefits motivate employees. **(07 Marks)**
　　c. Design the salary structure of an employee working in a managerial position keeping into consideration all the components of salary structure. **(10 Marks)**

6　a. List out the objective of compensation management system. **(03 Marks)**
　　b. Explain the components of employee compensation system. **(07 Marks)**
　　c. Explain the strategies that organization adopts for improving employee performance. **(10 Marks)**

7　a. What is Internal Alignment? **(03 Marks)**
　　b. Explain all the steps in developing compensation program in an organization. **(07 Marks)**
　　c. Write a brief note on the following Acts:
　　　　(i)　Employee State Insurance Act 1948
　　　　(ii)　Employee Provident Fund Act 1952.
　　　　(iii)　Maternity Benefit Act 1971.
　　　　(iv)　Payment of Gratuity Act 1972. **(10 Marks)**

8   Case Study : (Compulsory)

The Universal Electrical Company is a mobile manufacture, Mr. Nagesh established the company in 1990, he was keenly aware of the importance of a highly motivated workforce, and how the company's success, infact depended on it. Therefore, Mr. Nagesh had to ensure that each employee would work as deligently as possible for the good of the organization. Mr. Nagesh realized that the best way to motivate employee would be the link the company's reward and recognition system to its goals. To establish this connection, Mr. Nagesh developed and implemented a comprehensive incentive system. Its aim was to improve the company's overall performance by allowing contributing workers to share in the proceeds. The plan rewards employees for turning of quality products effectively while controlling costs. The system includes the following components :

Paying by piece rate – Production workers are paid according to the number of pieces or product, unit they produce that are not defective, if costumes sends a defective piece back to the company, the employee who produced it must repair it on his or her own time.

Paying year end bonus – To reward workers further for their efforts, Mr. Nagesh introduced a year end bonus system that gives all workers an opportunity to nearly double their salaries. Employees get the bonus if the company's annual profit increases.

Providing stock option – Mr. Nagesh also provided his employees with the option of buying company's stock at a low cost. Employees are also given shares of the company's stock based on annual profits.

Questions :

a. How does Mr. Nagesh wants to motivate work force?   (05 Marks)
b. What would be the further expectation of Mr. Nagesh from employees of universal electrical company?   (05 Marks)
c. Would you agree with Mr. Nagesh and his comprehensive incentive system? Substantiate the answers with reasons.   (05 Marks)
d. What other rewards do you think will sustain the motivation of the employees? Explain.   (05 Marks)

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