

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER III – EXAMINATION – WINTER 2019**Subject Code: 4539232****Date: 04/12/2019****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 Define in short 14

- (a) Distributive Justice
- (b) Broad Banding.
- (c) Performance Prism
- (d) Levelling
- (e) Threshold
- (f) Reference point
- (g) Gain sharing.

Q.2 (a) Discuss in detail Hay Group Model and Zingheim and Schuster Model 07

- (b) Planning for the reward strategy for expatriate employee is very different from local country employee. Justify the statement by differentiating between the types of expatriates and briefly mention the various allowances which can be provided to them **07**

OR

- (b) Job evaluation provides for the comparison of one job with another job. Analyze the various techniques of job evaluation detailing their advantages and disadvantages. **07**

Q.3 (a) Differentiate between Partial and total Disablement with respect to “The employee compensation Act 1923” and justify the various benefits to be given in each case with respect to Partial, Total disablement and Death of an employee. 07

- (b) Employee engagement can go a long way in increasing employee productivity. Justify the statement by underpinning the concept of employee engagement, antecedents, consequences and types of employee engagement. **07**

OR**Q.3 (a) Rewarding sales staff is very different as compared to rewarding of knowledgeable workers. Detail the reward strategy of sales staff and compare it with knowledgeable workers. 07**

- (b) Detail Payment of Bonus Act, 1965 with respect to its applicability, maintenance of registers and record and disqualification and disregard. **07**

- Q.4** (a) Prepare a wage policy for the manual workers in a manufacturing firm keeping in view the Payment of wages Act, 1936 and shortly discuss the various techniques by which manual workers can be rewarded. **07**
- (b) High Performance work system is the need of the day. Validate the statement by describing high performance work system, components of HPWS and how it can be created. **07**

OR

- Q.4** (a) Discuss in short, the various types of contingent pay schemes briefing upon their suitability, advantages and disadvantages **07**
- (b) In India the concept of CELEBRITY CEO is in vogue. Design the directors and senior executive remuneration of retailing firm and also brief the factors affecting the level and nature of executive reward **07**

Q.5 CASE STUDY:

Narmada Ltd is a Gujarat based oil refinery, having a capacity to produce nearly one third of country petroleum, oil and lubricant requirement. The biggest challenge for the company is to design a low-cost innovative employee benefits scheme. The company is operating in a highly competitive market after liberalization and employees need to be on toes at selling points. The current compensation strategy is designed in view of market rate. With the joining of new director Mr. APTE the challenge faced is to devise the best compensation and benefit plan so that poaching of best employee by competitors can be prevented. He announced effective voluntary benefit discount schemes by building a mutual network with retail malls, travel agents, hotels, airlines, household appliances manufacture. Certain pensions schemes were announced prima facie of two types defined benefit and defined contribution and employee were asked to choose between the two.

He also announced certain loyalty programs and profit-sharing schemes among the employee. He also proposed periodic evaluation of the reward system. With continuous innovation and evaluation he was able to reduce the annual HR cost by 2 percent.

- (a) Discuss in short, the process for evaluation of reward system **07**
- (b) Differentiate between the two types of pension scheme that is defined benefit and defined contribution discussed in the case. **07**

OR

- Q.5** (a) Discuss in short, the tax treatment of various benefits as per Income Tax Act. **07**
- (b) Develop an alternative model of voluntary benefit which can be extended version of Mr. Apte taking into consideration the suitability of it with industry. **07**
