Seat No.: _____   Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA –   SEMESTER 3 – • EXAMINATION – WINTER 2016

Subject Code: 2830302   **Date: 04/01/2017**
Subject Name: Compensation Management (CM)
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.1   Objective Questions   **6**
(a)

1. Which among the following is relational communal reward with respect to Towers Perrin model of reward management ?
   A.   Contingent pay   B.   Healthcare
   C.   Leadership   D.   Career development

2. Rewarding employees based on their ability and skills to do a job for a specialized job is known as
   A.   Skill based rewards.   B.   Market rate Rewards
   C.   Contribution related   D   All of the above
        rewards.

3. Evaluation and monitoring reward practices by assessing views of those who are at receiving end of pay policies is known as
   A.   360 degree feed back   B.   Attitude survey
   C.   Relational mechanism   D.   Stake holders' approach

4. Which one from the below is not an important component circle of IES model of employee engagement ?
   A.   Commitment   B.   Perception
   C.   Motivation   D.   None of the above

5. Which one among the following is not a collective intrinsic reward?
   A.   Quality of working life   B.   Core Values
   C.   Work life balance   D.   None of the above
        policies

6. Functional or cross functional teams set up to deal with an immediate problem and operate as task force are known as
   A.   Project teams   B.   Work teams
   C.   Organizational teams.   D.   Ad hoc teams

Q.1 **(b)** Explain following   **04**
     (1) Intrinsic and Extrinsic Motivation
     (2) Convergence and divergence in reward policy
     (3) Allowances
     (4) Stake holder

Q.1 **(c)** Diagrammatically explain , various elements of total reward.   **04**

Q.2 **(a)** Explain internal and external contextual factors affecting reward strategies of a firm. **07**

(b) Explain Zingheim and Schuster model of reward management , and also brief – how that is different from Towers Perrin model? **07**

OR

(b) What is High performance culture and how reward system can help in building up high performance culture? Explain with suitable examples. **07**

Q.3 **(a)** Explain Home country based , Host country based and Hybrid basis reward strategies with respect to international reward strategy. **07**

(b) How reward strategy affect's on team performance? What reward strategy you will recommend to build high performing teams? **07**

OR

Q.3 **(a)** Explain IES model of employee engagement with example. **07**

(b) Differentiate between Competency –related pay and contribution related pay with suitable examples. **07**

Q.4 **(a)** Explain various factors affecting pay levels , diagrammatically. **07**

(b) Write a note on , Definition , scope , applicability , major amendment and exclusion of applicability of Payment of Wages act , 1965. **07**

OR

Q.4 **(a)** Differentiate among – broad banded , broad graded and narrow graded – grade structures of the rewards. **07**

(b) Write a note on , Definition , scope , applicability , major amendment and exclusion of applicability of Payment of Bonus Act , 19 **07**

Q.5 Shekhar and Sharma owned and operated Sagar Hotel in 1992. By 2000 they expanded well and had four hotels in a good locations at Delhi at four different places. Shekhar was head marketing and HR than and Sharma was heading all operations , of hotel and restaurant completely. Shekhar often commented "We reward the contribution of the people , not their hours of work" as HR head. Sharama too is agreed on the same. This philosophy found expression through Varity of incentives introduced by the promoters for improving leaving standards of the workers. They hired local consulting firm. They jointly designed following scheme. **14**

- Executives will get 1% of profit every quarter,
- When occupancy get over 95% - hourly worker will get free lunch at hotel.
- Housekeepers will be paid minimum wages plus Rs.50 per room when they meet hotels' '15 points cleanliness checking".
- Reservation officers will be paid minimum wages , besides Rs. 25 for each reservation of rooms they book.

Questions

(1) Critically evaluate and discuss , what problems you see with

these proposed incentive scheme and how will it impact on (1) Executives (2) Hourly workers and Rest other staff?

(2) **If you were a member of the consulting firm , what incentive scheme you will recommend for each group? Why?**

OR

Q.5 Patel Mills is a reputed textile mill in the woolen clothes business ,existing since long. Most of it's employees are nearing to retirement. HR department has started the process of replacing the old staff with new ones.   **14**

Patel Mills started receiving complains of quality deterioration from it's national and international clients in fabrics and clothes. While analysis it is found that this changes in organisation has widely impacted on the quality. Company value is depreciating in the eyes of the customer and stake holders.   Production manager founds 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 don't 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 quantity both are suffering gradually.

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

Answer the following question.

(1) What is the problem in the Patel Mills , and how reward strategy can help in overcoming problem?
(2) What is employee engagement ? Suggest , how Patel Mills can engage employees?
(3) What kind of the control function would you suggest to the company to improve the production?

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