

R15**Code No: 724AJ****JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD****MBA IV Semester Examinations, June/July-2018****COMPENSATION AND REWARD MANAGEMENT****Time: 3hours****Max.Marks:75**

Note: This question paper contains two parts A and B.
Part A is compulsory which carries 25 marks. Answer all questions in Part A. Part B consists of 5 Units. Answer any one full question from each unit. Each question carries 10 marks and may have a, b, c as sub questions.

PART - A**5 × 5 marks = 25**

- 1.a) Discuss briefly on the issue of 'best pay practices' versus 'best strategic fit'. [5]
- b) What is 'Lag policy' of pay policy alternatives? What are its merits and demerits? [5]
- c) What are the steps involved in performance appraisal interview process? [5]
- d) Who are special groups? [5]
- e) What is the main objective of Payment of Bonus Act? [5]

PART - B**5 × 10 marks = 50**

- 2.a) Distinguish between task data and behavioural data.
- b) What is the need for internal alignment in compensation policy of an organization? [5+5]

OR

- 3.a) Define 'competency'. How can 'competency- based plan', support 'customer centered strategy'?
- b) How would you define 'compensation'? How do differing perspectives affect one's view of compensation? [5+5]
- 4.a) What is relevant market in the context of determining wages?
- b) What is 'pay grade'? How do you develop pay grades? [5+5]

OR

5. What shapes external competitiveness? Discuss each of these factors in detail. [10]
- 6.a) What is 'employee benefit handbook'? What information does it provide?
- b) What are the statutory provisions for retirement benefits? [5+5]

OR

7. What are the general corporate and specific objectives for offering fringe benefits to employees? Explain them briefly. [10]
- 8.a) Distinguish between expatriates and local nationals. What is its relevance to compensation?
- b) What is the impact of technological changes on collective bargaining? [5+5]

OR

9. What are the various elements of expatriate compensation? Discuss each of them briefly. [10]

- 10.a) What are the issues in linking pay to performance in public sector?
b) What are SEBI guidelines with regard to Employee Stock Option Scheme? [5+5]

OR

11. Case Study

In one public sector undertaking with chequered past, a line manager was appointed as a chief of personnel. Within a year after taking up the assignment, he had to sign a wage agreement with the workers union. The union at that time was dominated by non-technical staff. The union's charter of demands favored the interest of its dominant member groups. It asked for a significant revision in the gardeners pay but was not equally vocal in pressing for the increases in the pay scales of workers in certain technical grades. The management conceded these demands because the union cooperated with them in keeping the burden of the pay revision well within the guidelines of Bureau of Public Enterprises.

Once the agreement was signed and communicated to employees by the management, there was commotion among the technical staff. They walked out of the union, formed a separate technical staff union and marched round the company premises holding placards, which read, "Here, grass cutters get more than gas cutters!". In that engineering assembly unit, till the pay revision occurred, welding was a highly rated job. But not any longer. Now gardeners get more than welders.

- a) What happens if grass cutters get more than gas cutters?
b) Evaluate the pros and cons of the approach of both the management and the union in this incident.
c) List the lessons learnt. Suggest a way out for the problem on hand. [10]

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