

AP-276

- (d) Flipkart has recently announced six months of paid maternity leave, along with four months of flexible working hours with full pay for its female employees. Is this a fringe benefit or incentive? Justify your answer. 7

SECTION—C

5. Delta fertilisers is India based multinational company. The company is having 5000 employees. The products of a company are quality products and has a good market share. The company is paying handsome compensation package to its employees. The company takes a special care of its senior level employees. Still the senior level employees are leaving the company. The employee turnover rate is alarming. Management is very much worried. You are appointed as HR consultant.
- (a) In your opinion what may be the reason for high turnover. 6
- (b) Suggest a suitable strategic compensation system to company so that senior level employees turnover rate is reduced. 8

**M.B.A. Semester-III Examination
COMPENSATION MANAGEMENT**

Paper—MBA/3303/H

Time—Three Hours]

[Maximum Marks—70

Note :— (1) Solve ALL questions.

(2) Figures to the right indicate full marks.

SECTION—A

1. (a) Now a days, for compensation determination which economic theories are used and why? Discuss. 14

OR

- (b) Explain Reward management in detail. 14

SECTION—B

2. (a) Explain the necessity of Benchmarking while deciding pay structure. 7
- (b) New HR head of Sham electronics while reviewing a compensation package observed that the female supervisors are underpaid relative to male

supervisors. Do you think sex determination should be one of the criteria while deciding the compensation? What problems this discrimination might have caused in the company? 7

OR

- (c) How internal equity helps to maintain the consistency in pay rates of the organisation? Explain with example. 7
- (d) M Guard is manufacturing and selling home appliances. The company has wide network and doing a business all over India. President of a company wishes to restructure the compensation system by reducing the number of pay scales. You are HR consultant to company. How will you proceed? 7
3. (a) Discuss the tools used in designing compensation package in public limited companies. 7
- (b) Rohini cements is planning to start their new plant in Rajasthan. It is an integrated plant. Company is planning to employ 500 workers initially. You are HR manager in the company. What factors you will consider while designing a compensation package for workers? 7

OR

- (c) Design a compensation package for workers in a public sector company. 7
- (d) Raheja industries planned to expand their existing plant. Company is planning to recruit new CEO for expanded company. Owner wishes that new CEO should be growth oriented and should remain with the company for longer time. You are HR consultant to company. Design an effective compensation package keeping in view desire of Raheja industries owner. 7
4. (a) Incentives motivate employees more than fringe benefits. Justify. 7
- (b) Simi metals is a fast growing company. President of a company believes in social security of employees after retirement. He wants that employee should remain with a company for longer time. As HR consultant, what retirement benefits you will suggest to president that company should introduce to fulfill his desire. 7

OR

- (c) What are perquisites for the success of incentive schemes? 7