

adopted by many companies today linked in had relied on equity based compensation as a start-up. But as Linked in failed in performing at equity platform, it was acquired by Microsoft.

Avoidance of employer attrition is how the biggest threat after drastic equity performance. The trust which used to be three in the hearts of employees is no more. Now Microsoft has to ensure that share prices steadily and continuously improve and revive the trust again.

Experts say mere monetary outcomes are not the catalysts for employee attraction and retention. Microsoft has to travel a long road ahead.

- a) Analyse the Case. 7
- b) What are your suggestion to Microsoft to retain & attract skilled and talented workforce? 7



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M.B.A. Semester - III

Paper - MBA / 3303 / H
Compensation Management

P. Pages : 4

Time : Three Hours

Max. Marks : 70

- Notes : 1. Attempt all questions.
2. Figures to the right indicate marks.

SECTION - A

1. a) Define compensation. Discuss wage theories of compensation determination. 14

OR

- b) Discuss various components of compensation package in detail. 14

SECTION - B

2. a) What do you mean by Commitment? Discuss with example. 7

- b) A newly established company has to design compensation package for its employees. A variety of jobs are there. The company desired that there should not be more than 20 pay scales. As an HR executive, how can you help? 7

OR

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c) Discuss the factors that influence internal pay structures. 7

d) A company's approach to equity is as important as the actual pay programs it implements. Companies typically emphasize external equity in design of their compensation structures. This focus on external equity enables a company to develop a compensation structure which competitive with other companies in appropriate market. But ironically company's employees are dissatisfied with the existing compensation structure due to difference in pay check within as well as other department. As an HR executive, how can you help the company in designing internal equity. 7

3. a) Discuss different tools used in designing compensation package. 7

b) You are asked to design a compensation package for CFO of a public limited company. What factors you will consider and give the components of compensation package for CFO. 7

OR

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c) What are principles of compensation design? 7

d) "Money is not a motivational factor for selecting managers?" How will you use the information for designing the compensation plan for selecting manager? 7

SECTION - C

4. a) Incentives motivate the employees more than fringe benefits, Justify. 7

b) Describe how a flexible benefit program might increase worker satisfaction with benefits at the same time the costs are being reduced. 7

OR

c) What are fringe benefits? Discuss any four items covered under fringe benefits. 7

d) Describe the impact of fringe benefits on the salary structure of the employees. 7

SECTION - D

5. Attracting and retaining talented and skilled employees is an evergreen challenge facing multinationals. Equity based compensation was designed to meet this need which is

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