**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

**PGDM**

**FIFTH TRIMESTER (Batch 2020-22)**

**END TERM EXAMINATION, JAN-2022**

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| Course Name | **Compensation Management**  | Course Code | **HR 501** |
| Max. Time | **2 hours** | Max. Marks | **40** |

**INSTRUCTIONS: All questions are compulsory.** Please read the questions carefully before answering.

**Question. 1** There are more than 50 crore workers in the organized and unorganized sector of the country. A majority of these workers i.e. around 90 percent, are in the unorganized sector. Through these four Labour Codes, it has been ensured that all these workers will get the benefit of Labour Laws. Now all workers of the organized and unorganized sector will get the minimum wages and a large section of workers in unorganized sector would also get social security. *(source: Labour\_Code\_Eng.pdf)*

Illustrate at least five reasons why the new labour code proposed for India is beneficial for all the stakeholders. *Your answer should include the new clauses introduced to benefit an employee.* **(10 Marks)**

**Question 2.** Please find appended herewith a salary structure offered to fresh MBA/PGDM recruits by a company for their Management Trainee-Sales positions. Your tasks:-

1. Analyse the Fixed and Variable pay components and the distribution (ex. 80% and 20%).
2. Based on the class discussions on preferred employee benefits since 2020 Covid-19 outbreak, suggest a few innovative flexi pay components for this position.
3. Identify - the short term and long-term benefits; monetary and non-monetary benefits.

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| **SALARY**  |
| **POSITION** | Management Trainee – Sales |
| **COMPENSATION OFFERED** |
| **Head** | **Per Month (INR)** | **Per Annum (INR)** |
| **I) GROSS SALARY** |
| Consolidated Basic | 18698 | 224376 |
| House Rent Allowances | 9349 | 112188 |
| Company contribution to P.F | 1800 | 21600 |
| Flexi Pay | 11703 | 140436 |
| **II) EX-GRATIA** |  | 41550 |
| **TOTAL FIXED** | **41550** | **540150** |
| **III) VARIABLE PAY** |
| **Performance Linked Incentives (@ 100% achievement per annum)** | 150000 |
| **TOTAL (FIXED & VARIABLE)** |  | **690150** |
| **Note: Variable Pay and Ex-Gratia is not payable to the resigned employees.** |  |
| **IV) GRATUITY** | 10792 |
| **ANNUAL CTC** |  | **700942** |
| **V) BENEFITS** | **Coverage (INR)** |  |
| Group Mediclaim Coverage - Self , Spouse , 2 Children | 300000 |  |
| Group Mediclaim Coverage - Parents | 100000 |  |
| Group Personal Accidental Coverage - Self | 1000000 |  |
|  |  |  |
| **REMUNERATION PACKAGE IS CONFIDENTIAL AND IS NOT SUBJECT TO DISCUSSION WITH ANY OF YOUR****COLLEAGUES OR EXTERNAL CONTACTS.** |
| **FLEXI PAY** | Flexi- Pay contains a basket of components, which can be chosen as per employee’s personal preference and Tax management under salary structure. per employee’s personal preference and Tax management under salary structure. |
| **EX-GRATIA** | One month gross salary is payable to all permanent employees during Diwali on prorata basis. The employee has to be on rolls of company at the time of actual disbursement of the same in order to receive it. |
| **PERFORMANCE LINKED INCENTIVE** | Based on company's performance at sole discretion of the management and internal incentive policy.Performance Linked Incentive : INR 150000 Based on total assessment upon completion of 1 year of service. If the trainee leaves the organization within 18 months from the date of joining- Performance linked incentive shall be recovered from the Trainee. Note:. Resigned /Left /To be Separated employees are not eligible for any incentives. |
| **GRATUITY** | Payable after 5 years of continuous employment as per Payment |
| **Note:**1. For the campus hires, an amount of Rs 50000/- shall be recovered from the trainee if he/she resigns within 6 months from the date of joining. If the trainee resigns in less than a year from the date of joining, an amount of Rs. 30000/- Shall be recovered under the training policy of the company.
2. You will be eligible for the first appraisal cycle after successful completion of 1 year of services, based on performance. For consecutive appraisals you will be eligible for performance appraisal as per company policy for employees.
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 **(4+6+4= 14 Marks)**

**Question 3:** Read the attached case study carefully. Answer the following:

1. Analyse the case study and provide at least five reasons why designing expatriate compensation is a challenge for HR. Each reason you provide should refer to the case scenarios and mention the relevant facts, stated in the case, in support.
2. Identify the unique benefits (in the case) employees are seeking now in the wake of Covid-19, since 2020.

**(8+8=16 Marks)**