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| **C:\Users\ADMIN\Desktop\j.png** | **JAIPURIA INSTITUE OF MANAGEMENT, INDORE**Post Graduate Diploma in Management |
| **Course Title: Compensation Management, Course Code: 40325** **End-Term Examination, Term - V (Batch 2021-23) (February, 2023)**  |
|  **Time Duration : 2 Hours Total Marks: 40** |

***General Instructions*:**

1. *Answer the questions as directed. The break-up of the marks is given wherever necessary.*
2. *Marks against each question is indicated to its right.*
3. *Answer all the questions of a ‘Section/Question’ at one place in continuation.*
4. *Answers should be brief and to the point.*
5. *Do not write on the question paper except your roll number.*

**SECTION - A**

**Q1.** What arethevarious internal and external factors influencing the determination of remuneration structures for employees at various levels in Indian organizations? **(8 Marks)**

**Q2.** You have been working as Manager HR in Devi Ltd., and you have been asked to carry out a study on the salary structure comparison amongst various jobs within the organization to achieve internal parity. Suggest how will you carry out the process and what methods you will use and why. Students can take the help of Hay Consultants compensation model. **(8 Marks)**

**Q3** You have been hired as HR Consultant to design an innovative and flexible compensation benefits plan for an organization of ABC limited. Explain in detail what components of salary structure and illustrative list of allowances and benefits you will consider to be offered to the organizational employees? Also reflect on the emerging trends/developments in employment benefits and how benefits program might increase executive attraction, retention, and motivation in Indian organization?  **(6+ 4 Marks)**

 **CASE STUDY - LAKESIDE UTILITY COMPANY**

Lakeside Utility Company provides electrical power to a state with 50,000 households. Pamela is the manager in charge of all repair and installation crews. Each crew consists of approximately seven employees who work closely together to respond to calls concerning power shortages, fires caused by electrical malfunctions, and installation of new equipment or electric lines. Fourteen months ago Johnson decided to implement a team based incentive system in which annual bonus would be provided to each crew that met certain performance criteria. Performance measures included such indicators as average length of time needed to restore power, results of a customer satisfaction survey, and number of hours required to complete routine installation assignments successfully. At the end of the first year, five crews received an average cash bonus of Rs.18000 each, with the amount divided equally among all crew members.

Soon after Johnson announced the recipients of the cash bonus, she began to receive a large number of complaints. Some teams not chosen for the award voiced their unhappiness through their crew leader. The two most common complaints were that the teams working on the most difficult assignments were penalized (because it was harder to score higher on the evaluation) and that crews unwilling to help out other crews were being rewarded.

Ironically, members of the crews that received the awards also expressed dissatisfaction. A surprisingly large number of confidential employee letters from the winning teams reported that the system was unfair because the bonus money was split evenly among all crew members. Some letters named employees who received "more than their share" because they were frequently late for work, took long lunches and frequent smoking breaks, and lacked initiative. Johnson is at a loss about what to do next.

Questions:

**Question B-1** What major issues and problems concerning the design and implementation of pay-for-performance systems do this situation illustrate? Explain. **(4 Marks)**

**Question B-2** Are team-based incentives appropriate for the type of work done by Johnson's crew? **(4 Marks)**

**Question B-3** Is it desirable to use a combination of team-based and individual-based incentives at Lakeside utility company? How will you structure such a plan? **(6Marks)**