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| **C:\Users\ADMIN\Desktop\j.png** | **JAIPURIA INSTITUE OF MANAGEMENT, INDORE**Post Graduate Diploma in Management |
| **Course Title: Managing Human Resources, (Course Code: 40302)****End-Term Improvement Examination, Term – II (Batch 2022-24) (March, 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.** Your company wishes to assess the potential of its employees as it plans to expand its operations in the near future. As a human resource manager what techniques would you suggest for measuring employee skills and capabilities to handle higher end responsibilities?

 **(8 Marks)**

**Q2.** People are a vital asset to an organization, and compensation and benefits are essential pillars of a team member's satisfaction in the workplace. A rewarding compensation and benefits plan can attract loyal, motivated and engaged candidates and may reduce the turnover rate of people in a company. Understanding compensation and benefits can help you manage staff retention and advance your career as a human resources manager.

(Source: What Are Compensation and Benefits? (A Complete Guide) (<https://www.indeed.com/career-advice/pay-salary/compensation-and-benefits>)

Describe the role of Employee compensation and benefits policies in contributing to organization’s competitive advantage. **(8 Marks)**

**Q3.** Challenges linked to demographic changes make it necessary to review current personnel policies.

Motivation, job satisfaction and performance in future will be much more dependent on an HRM policy which will aim to maintain the workability and employability of all ages of the population.

1. As an HR professional, how do you foresee the demographic challenges of the HR function in India? **(4 Marks)**
2. Suggest at least five solutions for meeting these challenges. **(4 Marks)**

**SECTION - B**

**Q4**. The Indian Electric Company is a city-based manufacturer of welding machines and

motors. When Neeraj Shah established the company in 1970, he was keenly aware of

the importance of a highly motivated workforce, and how the company’s success, in

fact, depended on it. Therefore, Shah had to ensure that each employee would work as

diligently as possible for the good of the organisation.

Shah realised that the best way to motivate employees would be to link the company’s

reward and recognition system to its goals. To establish this connection, Shah developed and implemented a comprehensive incentive system. Its aim was to improve the company’s overall performance by allowing contributing workers to share in the proceeds. The plan rewards employees for turning out quality products efficiently while controlling costs. The system includes the following components:

Paying by the piece rate: Production workers are paid according to the number of “pieces” or product units they produce that are not defective. If a customer sends a defective part back to the company, the employee who produced it must repair it on his or her own time.

Providing year-end bonus: To reward workers further for their efforts, Shah introduced a year-end bonus system that gives all workers an opportunity to nearly double their base wages. Workers get the bonus if the company’s annual profit increases.

Providing stock options: Shah also provided his employees with the option of buying company’s stock at a low cost. Employees are also given shares of the company’s stock based on annual profits.

Q 4 a) What results would Neeraj Shah expect with the new incentive plan? **(8 Marks)**

Q 4 b) Explain the link between employee incentive policy and organizational effectiveness.

**(8 Marks)**