Register No.: ....   Name.: ....

SAINTGITS COLLEGE OF ENGINEERING (AUTONOMOUS)

(AFFILIATED TO APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY, THIRUVANANTHAPURAM)

THIRD SEMESTER MBA DEGREE EXAMINATION (Regular), DECEMBER 2022
(2021 Scheme)

Course Code :   **21MBA237**

Course Name: **Compensation Management**

Max. Marks :   **60**   **Duration: 3 Hours**

PART A
(Answer all questions. Each question carries 2 marks)

1. Contrast Intrinsic and Extrinsic Rewards.
2. Explain the concept of Internal Equity with a suitable example.
3. What is a Pay Spine?
4. Identify the objectives of Bonus Schemes.
5. Outline the components of Executive Compensation.

PART B
(Answer any 3 questions. Each question carries 10 marks)

6. Examine the Objectives and Significance of Compensation Management.
7. Analyze the link between the process of Job Analysis and Job Evaluation.
8. Inspect the major Types of Grade and Pay Structures commonly found in Organizations.
9. Compare Contribution Based Pay, Skill Based Pay and Service-Related Pay.
10. Identify the major principles and Types of Employee Benefits.

PART C
(Compulsory question, the question carries 20 marks)

11. **Team Based Compensation – Will it work, always?**

Superpower an FMCG major, introduced team – based incentive system for its employees. The employees of the company worked in cross-functional teams that were driven by a common goal. Team-based compensation was determined using criteria such as customer satisfaction, profitability against budgeted goals and retail sales. Managers and executives stood to lose 10 per cent of their salaries if they did not satisfy these criteria. On the upside, the new incentive system gave them an opportunity to earn 12.5 – 25 per cent more than what they could have normally earned under the straight compensation system. For three consecutive years, 90 per cent of the managers and executives lost 10 per cent of their salaries on account of poor customer satisfaction. The employees attributed this to the faulty system

used to analyze customer satisfaction. Customers were dissatisfied because the company did not have adequate manpower to address their complaints. The company, after some research, blamed the marketing team for low customer satisfaction claiming that they did not adequately educate customers on product handling. The marketing team urged the company to redesign the team-based incentive plan and link it with sales targets.

a) If you were the HR Manager of Superpower, how would you have solved the issue?
Marks (10)
b) In the backdrop of the Case, analyze the advantages and disadvantages of Team-based Pay.
Marks (10)

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