

2/33

1205M163

Candidate's Seat No : _____

M.B.A.-II (Sem.-IV) Examination
Compensation Management

May-2017

[Max. Marks : 100

Time : 3 Hours]

Note: All questions carry equal marks.

Q.1 Define the following terms:

- | | |
|----------------------|----------------------|
| 1) Base wage | 6) Expectancy |
| 2) Turnover effect | 7) Flexible benefits |
| 3) Competency | 8) Internal pricing |
| 4) Pay differentials | 9) Line of sight |
| 5) Entry jobs | 10) Pay bands |

Q.2 (a) Explain improvement of performance appraisal forms as one of the strategies of improving performance appraisals.

Q.2 (b) Write any two short notes:

- (i) Employee Stock Option Plans (ESOP)
- (ii) Advantages and disadvantages of individual incentive plans
- (iii) Market pricing

Q.3 How is competency analysis carried out? Describe with examples.

OR

Q.3 Which are the factors shaping internal salary/wage structures?

Q.4 Write short notes (Any two):

- 1) Pay/salary survey
- 2) Expatriate pay: considerations
- 3) Pay as a change agent

Q.5 Read the following text to answer the questions that follow:

You are the CEO of a 110-person consulting firm, Star Trek, that does high-level aeronautical engineering work for Boeing. You have 15 aeronautical engineers hired from the very best schools throughout the country. The problem is, six months ago you had 19 such engineers. Four have left recently, and rumors have it that some of the others are disgruntled. Table 1 lists characteristics of the four engineers who left. The salaries of the remaining 15, and some other data you might find useful, are shown in Table 2.

(P.T.O)

M163-2

Table1: Workers Who Left

Name	Degree	Years since Degree Received	Annual Salary	Performance Rating
Sam Lansing	B.S.	11	\$61,000	Good
Naresh Rao	M.S.	10	\$69,300	Excellent
Lance Welch	B.S.	1	\$37,000	New (no rating)
Kim Lee	Ph.D	10	\$87,238	Good

Table 2 Workers who remain

Employee	Highest degree received	Years since degree received	Annual Salary (\$)
1	BS	3	39,000
2	MS	6	58,800
3	MS	3	50,400
4	PHD	7	95,900
5	BS	6	48,000
6	PHD	9	1,05,300
7	MS	4	53,200
8	PHD	3	77,100
9	BS	7	51,000
10	PHD	6	91,200
11	MS	9	67,200
12	MS	7	61,600
13	PHD	4	81,800
14	BS	9	57,000
15	BS	4	42,000

Questions:

1. Why is everyone leaving, including Lance Welch? Would you be surprised to hear he left for another job offer? Why? Should you change salaries to reduce the turnover?
2. Assume your company has created a two-track career path for engineers. On one path, senior engineers serve as managers who also specialize in client relations. How might this change the nature of your argument about wages?