

**MANAGEMENT PROGRAMME (MP)**

**Term-End Examination**

**December, 2022**

**MS-027 : COMPENSATION AND REWARDS**

**MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 100*

*(Weightage : 70%)*

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**Note :** Attempt any **three** questions from Section A. All questions carry 20 marks each. Section B is **compulsory** and carries 40 marks.

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**SECTION A**

1. Explain the concept of 'corporate compensation policy' and highlight the issues involved in it.
2. Describe different categories of wages and how various Acts define the term 'wage'.
3. Describe the relevance and the process of pay surveys with examples.
4. Classify different types of incentives and discuss their merits and demerits. What are the prerequisites of effective incentive scheme ?
5. Write a comprehensive note on 'competency-based compensation' with the help of examples.

## SECTION B

6. Read the passage given below and answer

In today's marketplace, retaining and recruiting top-notch employees is one of the biggest headaches for Human Resource professionals. Competitive salaries are simply not enough, and once revolutionary perks such as stock options and casual Fridays are virtually industry standards. What lengths do companies need to go to, to recruit workers ? What new benefits must be added to packages to satisfy and maintain current employees ? Tom Johnson, company spokesperson for SmithKline Beecham, shares SKB's recipe for HR relief. Johnson had difficulty singling out a single perk or benefit that is a sure-fire hit with SmithKline recruits and employees. Individuals maintain very different lifestyles, so packages may appeal — or not — for very different reasons. For example, the recent BA graduate may prioritize profit-sharing, while the experienced MBA might be looking for a job with flex time, in order to spend more time with family. SmithKline does surveys of its current workers

in order to gauge their satisfaction with current benefits, and learn what new perks they need to implement to keep folks happy. They also do substantial research on innovative trends being tried out in other companies across the country. Their mission, according to Johnson, is to ‘give support to our employees (in order to help them) successfully integrate their personal and professional lives.’ The idea being, of course, that satisfied workers are productive workers, and that dissatisfied workers tend to be productive too — at finding other jobs. After further consideration, Johnson did list some perks in the SmithKline benefits package that are sure-fire crowd pleasers. One of these is free financial planning seminars. The seminars cover topics from successful investment strategies and managing kids’ college tuition to estate planning. Another perk offered is additional insurance. Over and above the complete medical, dental, and life plans that SKB already provides, supplementary life and home-owners’ insurance is offered to employees at discounted prices. One very special benefit Johnson mentioned was

SKB's elder care referral service. We are in an era of ever-increasing life expectancies. The responsibility for caring physically, as well as financially, for elderly loved ones has never been as great. As the baby-boom generation's offsprings enter the workforce, with fears of depleted social security benefits and parents who will most likely live into their eighties (if not nineties!), affordable elder care is of paramount importance. SKB employees who are presented with the misfortune of not being able to care for their elderly parents can consult an elder care referral service at no cost. Not only does the service provide lists of care options and aid with financial planning, it also provides support services designed to help families cope with the stress of such an emotionally trying situation.

***Questions :***

- (a) Briefly analyse the role of fringe benefits in employee motivation.
  - (b) Suggest improvements in the fringe benefits to make a job more attractive.
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