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MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION: DECEMBER - 2024
SEMESTER - IV
Sub.: Compensation Management (MHRM405)

Date : 27/12/2024**Total Marks : 60****Time: 10.00am to 12.30pm**

Instructions: 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

Q. 1. Write Short notes on (Any Three) (15)

1. Factors determining compensation
2. Impact of government policies and regulations on compensation management
3. Benefits of effective compensation management
4. Emerging trends in compensation management
5. Importance of Compensation Management

Q. 2. Answer in detail (Any One) (10)

1. How does compensation management software help organizations streamline their salary and benefits processes, and what are the key features to look for when selecting such a system?
2. What are the different types of compensation, and how do they impact employee satisfaction and performance?

Q. 3. Answer in detail (Any One) (10)

1. Give the distinctions between allowances and perquisites in the realm of employee compensation?
2. What factors influence wage differences across industries and regions, and how do they impact employee motivation and company performance?

Q. 4. Answer in detail (Any One) (10)

1. How do salary structures vary across different organizations, and what role do they play in attracting and retaining talent?
2. What are the key components of compensation management, and how do they contribute to attracting, retaining, and motivating employees?

Q. 5. Case study (15)

A production manager at the company recently discovered that his current salary package is below the industry standards for similar roles in the manufacturing sector. After researching the compensation trends within his industry, he found that professionals with his level of experience, expertise, and responsibilities are typically paid higher than his current salary. Given his critical role in overseeing production processes, ensuring quality control, and managing a team to meet production targets, the manager believes that his contributions are not being adequately reflected in his compensation. As a result, he has formally requested a salary raise, seeking an adjustment that aligns with industry standards for production managers in similar-sized organizations.

In his request, the production manager highlighted his achievements, such as improving

operational efficiency, reducing production costs, and maintaining high standards of product quality. He also emphasized the increased workload and responsibility that have come with overseeing more complex projects and leading a larger team. The manager pointed out that the company's growth and profitability are directly linked to the efficient management of its production operations, and it is important for his compensation to reflect the value he brings to the company.

Moreover, the production manager noted that offering a competitive salary is not only crucial for his job satisfaction but also for retaining experienced talent in the long term. As the industry becomes more competitive, retaining skilled employees like him is essential for the company's success. By aligning his salary with industry standards, the company can ensure that it continues to attract and retain top-tier talent, while also reinforcing its commitment to valuing employees and their contributions.

Questions :

1. What reasons did the production manager provide for requesting a salary raise?
 2. How can adjusting the production manager's salary to industry standards benefit the company in terms of employee retention and productivity?
 3. Why is it important for the company to align compensation with industry standards for critical roles like production management?
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