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MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION: MAY - 2025
SEMESTER - IV
Sub.: Compensation Management (MHRM405)

Date : 21/05/2025**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. Employee stock options
2. Difference between allowance and perquisites
3. Wages
4. Objectives of compensation management
5. Compensation management software

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

1. What is meant by 'compensation'? What are the key components of an employee's compensation package?
2. Discuss in detail the influence of government on compensation management.

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

1. How can a well-structured compensation system benefit employers?
2. Can perquisites be used as a tool for talent acquisition and retention? How does providing uniforms benefit both employees and employers?

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

1. Explain the concept of time rate, piece rate under payment methods in detail. How does a time rate system benefit employees and employers?
2. Why is access to medical and hospitalization benefits important for employees?

Q. 5. Case Study

Amit Kumar, a senior software developer at ABC Technologies, has been working diligently for four years, finding satisfaction and appreciation in his job. However, he noticed a growing concern among his colleagues due to the company's lack of additional benefits, such as performance bonuses, wellness programs, and employee engagement initiatives, which is affecting motivation and job satisfaction within his team.

Amit, a proactive employee, sought help from the HR department after conducting extensive research on industry-standard benefits offered by similar companies. He discovered that such benefits include health insurance, professional development programs, flexible work arrangements, and performance-based incentives. His team members expressed concerns about the lack of motivation due to the absence of such benefits.

Amit, a team member at ABC Technologies, expressed his appreciation for the work environment and opportunities provided by the company. However, he noted that besides salaries, the team does not receive any additional benefits or perks that could enhance motivation and job satisfaction, highlighting the need for improved benefits and perks.

Ms. Malhotra informed Amit that research on industry standards revealed that most companies offer health benefits, learning programs, wellness initiatives, and other incentives to their employees, which not only contribute to salary but also maintain employee engagement, motivation, and commitment.

The speaker suggested that ABC Technologies could enhance employee morale and productivity by introducing benefits like health insurance, performance-based bonuses, and flexible work options, not only to retain current employees but also to make the company more attractive to potential new hires.

Ms. Malhotra acknowledged Amit's concerns and expressed gratitude for bringing them to their attention. She acknowledged the importance of employee well-being and satisfaction, and acknowledged the role of benefits and perks in motivation. Although immediate implementation may not be possible, she will discuss feasible options.

Amit expressed gratitude for Ms. Malhotra's consideration of his request and expressed his willingness to help with employee needs. Management announced the introduction of health insurance and professional development programs, with plans for future benefits, reassuring Amit and his colleagues that their concerns were heard, boosting their motivation and commitment to the company.

Questions :

1. How does the lack of benefits and perks impact employee motivation, engagement, and overall job satisfaction in the organization?
 2. What strategies did the employee use to present his concerns effectively to the HR department, and how did HR respond to the request?
 3. How can organizations balance financial constraints while implementing employee benefits to enhance retention and workplace morale?
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