

III Semester M.B.A. (Day)/V Sem. M.B.A. (Evening) Degree Examination,
January/February 2007

(Updated Scheme)

MANAGEMENT

H2 : Compensation Management

Time: 3 Hours

Max. Marks: 75

SECTION – A

Answer **any six** questions from the following. **Each** question carries **two** marks.

(6×2=12)

1. a) What do you mean by Graphic rating scale ?
- b) Define Management by objectives.
- c) What is 360-degree feed back ?
- d) Distinguish between fair wage and living wages.
- e) What do you mean by ESOP ?
- f) Define Severance pay.
- g) What are fringe benefits ?
- h) List out the different types of Job evaluation.
- i) What do you mean by self-esteem ?

SECTION – B

Answer **any four** questions from the following. **Each** question carries **five** marks.

(4×5=20)

2. State the Equity theory of Motivation.
3. What are the different types of appraisal interviews ?
4. State the objectives of Compensation planning.
5. What are the problems of considering comparable worth ?
6. What are the special components of executive compensation plan ?
7. List of the main provisions of the Payment of Bonus Act.

SECTION – C

Answer **any three** questions. **Each** question carries **ten** marks.

(3×10=30)

8. Explain the various techniques of determining wages of Blue collar and White collar employees.
9. Compare and contrast any two theories of motivation and their implications on developing compensation policies.

P.T.O.

10. "In the present knowledge based organisations, self appraisal is the best way to appraise executives" – Elucidate.
11. What are the legal and ethical issues involved in performance appraisal ? How can they be solved ?
12. What are incentives ? Explain different types of incentive plans developed for operating and managerial employees.

SECTION – D

13. Read the following case and answer the questions given below: (1×13=13)

Case study

M/s Micronics Ltd. is engaged in the manufacture of Micro electronic relays. These relays are assembled on precision relay assembly machine. This is a semi-automatic machine. When the alignment is not correct it gives out a warning signal in the form of a red light, which glows for 2 seconds. When the red light glows, the operator is expected to push an adjusting nob once. Rest is automatic. If adjusting nob is not operated or same is operated too late, relay alignment get disturbed. Such relays get rejected in the next stage of testing. Ever though adjustment is simple it requires vigilance and quick action. Many times operators are either miss the light or too late to push the knob. Management tried many steps to correct the erring operators, such as issuing warning letters; cutting wages, reducing merit rating etc. But all such primitive actions have not corrected the error. Large number of relays were declared defective at the end of each cycle.

The Management arranged for a training for the supervisors in a similar factory and the trained supervisors gave theoretical information to workers about the job, but still the situation was not improved. When the management initiated disciplinary actions against the erring workers, the workers Union stated criticising and threatened the management.

Questions:

- 1) What is the real problem in this case ?
 - 2) Why the workers and their union are criticising management ?
 - 3) If you were the Human Resources Manager of the company, what steps would you take to improve the condition ?
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