



III Semester MBA (Day) Degree Examination, January 2012
(2007-08 Scheme)
MANAGEMENT

H – 3 : Performance and Compensation Management

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer **any six** questions, **each** question carries **two** marks. **(6x2=12)**
- a) What do you mean by contingent pay ?
 - b) What is Indirect compensation ?
 - c) State the concept of fair wages.
 - d) Give two examples for Non-financial Reward.
 - e) What do you mean by Debt-Method of wages ?
 - f) Define Job evaluation.
 - g) What is organisation wide incentives ?
 - h) What is total compensation ?

SECTION – B

Answer **any three** questions, **each** question carries **eight** marks. **(3x8=24)**

- 2. What are the factors which influence employee high performance at the work place ?
- 3. Explain the objectives of compensation management.
- 4. Discuss the wage determination process of Indian manufacturing company.
- 5. Explain the challenges of compensation management.
- 6. Explain the following :
 - i) Diagnosis
 - ii) Inter and Intra industry
 - iii) Benchmarking.

P.T.O.



SECTION - C

Answer any two questions, each question carries 12 marks.

(2×12=24)

7. Discuss the latest trends in executive compensation in Indian context.
8. a) Compare the marginal productivity theory with Maslow's hierarchy of needs. Discuss the results as motivational theory of wages.
b) Discuss the factors influencing team reward.
9. Explain the modern and historical methods of performance appraisal. Which methods are suitable for MNC's ? Why ?

SECTION - D

10. Case study (Compulsory) :

(1×15=15)

Hunter Hunts for College Grads

Woody Hunter had been an HRM analyst with Control Data Corporation (CDC) for three years but was recently reassigned to the college recruitment staff. The basic duties in his new job were to visit college and university campuses and interview seniors in order to identify individuals who could fill entry-level positions at CDC in accounting, engineering and marketing.

After three month's traveling on the road, Woody received a report summarizing his performance to date. The figures showed he had conducted 540 preliminary interviews on 18 different campuses. Woody had follow-up interviews with 136 of these students, or approximately 25 percent. Based on these second interviews, woody recommended to his supervisor that 71 candidates be invited for company paid visits to appropriate CDC manufacturing and administrative facilities where new college graduates were needed. All of Woody's selectees were offered visits.

What concerned Woody and his supervisor was this statistic : Only four of the seventy-one candidates accepted the CDC invitation. Based on over seven years of recruiting experience with CDC, Woody's supervisor said that the company traditionally had better than a 60 percent acceptance rate. Woody's boss knew there was something seriously wrong. He asked Woody to summarize how he described opportunities at CDC to the recruits.

"I ask the students if they have read the CDC literature in the placement office", replied Woody. "Most usually have, but if they haven't I highlight what we do at CDC, the kind of entry -level positions we have to till and the kind of people were



looking for. But I know that these students have heard similar propaganda from a dozen other big company recruiters. So I emphasize the things CDC has that other don't. One thing I never fail to mention is our benefit package. It is superior to anybody else's. I tell students about our tuition-reimbursement plan, our comprehensive health insurance program and our pension system. I tell them that our pension plan vests after only five years. I point out that the employee pays nothing into it—that all the costs are paid by CDC. Most important, I emphasize that they can retire at age fifty-five and receive 80 percent of the salary they were making in their last year. There's not pension plan anywhere that attractive. I even take the time to show the students how, with inflation figured in, they can probably expect a pension of \$200,000 or \$300,000 a year if they come to work for CDC".

Questions :

- 1) What role do you think benefits play in the employment decision of a new college graduate ?
- 2) What role do you think the beginning salary plays in the employment decision of a new college graduate ?
- 3) What suggestions would you make that might improve Woody's acceptance ratio ?
- 4) Discuss the importance of pay structure.