

Code No: MB1337/R13

MBA III Semester Supplementary Examinations, November -2017

**COMPENSATION AND PERFORMANCE MANAGEMENT**

Time: 3 Hours

Max. Marks: 60

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*Answer Any FIVE Questions  
All Questions Carry Equal Marks  
Question No. 8 is Compulsory*

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| 1. | a | Define Compensation and list out the factors influencing compensation in the modern organizations.                            | 6M |
|    | b | What is meant by internal and external equity? Design a frame work for the compensation policy in contemporary organizations. | 6M |
| 2. | a | Define wage and differentiate fair wages, living wages and real wages.  | 6M |
|    | b | What is meant by Wage incentives? Discuss various wage incentives in India.   | 6M |
| 3. | a | What is wage determination? Explain the process of Wage determination.  | 6M |
|    | b | Discuss various methods of wage fixation adopted in the organizations in India.   | 6M |
| 4. | a | What is the importance of Balanced Score Card in Performance Management?.   | 6M |
|    | b | Explain in detail about 360 Degrees of performance appraisal.   | 6M |
| 5. | a | Discuss the role of performance appraisal in promoting organizational effectiveness   | 6M |
|    | b | Define High Performance Team? Write the procedure for building up the high performance teams in the organizations.            | 6M |
| 6. | a | Differentiate Compensation and Reward?  | 6M |
|    | b | Explain Internal Equity and External Equity.  | 6M |
| 7. | a | What is meant by Performance Audit? Write the process of Performance Audit.   | 6M |
|    | b | What are the stages involved in the Performance Management Cycle?   | 6M |

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8. The employees of SVN Pharmaceuticals are worried a lot with the news that the company is going to be merged with ABC Pharma. All of them are worried about what would happen to their jobs and other benefits as a result of the proposed merger. There are all kinds of rumors regarding layoffs and reduction in pay and benefits. ABC Pharma is a leading firm with operations spread across Asia and Europe. SVN Pharmaceuticals had a strong hold in marketing and distribution in India, and so, it is considered to be a merger of equals. Amid all the confusion, the CEO of SVN pharmaceuticals addressed the employees about the reason for the decision, and advantages to the firm if the merger is completed. He felt, as a result of the merger, the firm would be able to explore various areas of research and development. But the employees have only one question in their mind, what would be the impact of this merger on their jobs and their pay packages. To their relief CEO made it clear that a benefits team would be formed and that would be from the representatives of both the companies. He requested the employees to be patient as it would take some time to clearly decide and bring in an effective benefit plan. As per the CEOs statement a benefits team was formed. 12M

The team was headed by the VP – HR of the merged company. He stated that since it is a merger of equals, they had to develop something that would be the best for the new company, even if it is time – consuming. The team felt that the best way to go about it is to merge the best of both the company’s benefit plans or create a new benefit program that would reflect the culture of the new company is trying to nurture. The head also stated that their aim is not just to design a new benefit plan, but also to make sure that all the employees are knowledgeable and comfortable about the changes in its benefit program. Before concluding the meeting, the VP – HR made it clear to the team that the people are of paramount importance to them and if the benefits program may not help in retain them, then the merger would serve no purpose.

- a The benefits team has to devise a benefit program that would satisfy the employees of both the firms. Can you suggest some steps for the benefit team to function it effectively?
- b Why they are taking more time to create a new benefit plan? What should be the action plan of the HR team?

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