

VPM's
DR VN BRIMS, Thane
Programme: PGDM (2016-18) (HR)
PGDM Trimester V Examination December 2017

Subject	Wages and Salary Administration & Compensation Management		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	30.12.2017

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

Case Study: Express Automotive, an automobile mega-dealership with over 600 employees that represents 22 brands, has just received a very discouraging set of survey results. It seems their customer satisfaction scores have fallen for the ninth straight quarter. Customers complaints included, lack of promptness in giving feedback, sales people not returning phone calls, finance people were pushy, cars not properly cleaned and minor adjustments missing, repair work to be re-done etc. The following table describes Express Automotive's current compensation system.

Team	Responsibility	Current Compensation Method
1. Sales Force	Persuade buyer to purchase a car	Very small salary (minimum wage) with commissions. Commission rate increase with every 20 cars sold per month.
2. Finance Office	Help close the sale; persuade customer to use company finance plan.	Salary, plus bonus for each Rs. 200,000 financed with the company.
3. Detailing	Inspect cars delivered from factory, clean and make minor adjustments.	Piecework paid on the number of cars detailed per day.
4. Mechanics	Provide factory warranty service, maintenance and repair.	Small hourly wage plus bonus based on 1) number of cars completed per day and 2) finishing each car faster than the standard time to repair.
5. Receptionist/phone service personnel	Primary liaison between customer and sales force, finance and mechanics	Minimum wage

As an HR Manager of the organization analyze the compensation package of different teams and answer the following questions:

1. In what ways Organization's compensation plan contribute to the customer service problems?
2. Are there rewards/consequences provided by the department that facilitates/obstructs the work of other departments?
3. What recommendation would you make to improve the compensation system in a way that would likely improve customer satisfaction?

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What are the factors that affect wages? Explain any two factors.
- b) What is the difference between salary and wages?
- c) What are the factors that affect compensation fixation?

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What are the economic theories of compensation? Explain any two theories.
- b) What are different types of Executive Compensations?
- c) Elaborate on relationship between motivation and compensation.

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What are the merits and demerits of Individual and Group Incentive plans?
- b) What are different types of Incentive plans? Explain any two of them.
- c) Outline the main features of the current Provident rule under Provident Fund Act 1952.

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is the relationship between compensable factors and job specifications?
- b) What are the pros and cons of the following methods of job evaluation: ranking, classification, factor comparison and point method?
- c) It was recently reported in the news that the average pay for most University Presidents ranged around Rs. 25 Lacs per year, but that a few earned closer to Rs. 50 Lacs per year. What would account for such a disparity in the pay of Universities' Presidents?

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Design the compensation structure of a Sales Manager.
- b) What is 3-P concept of compensation strategy? Explain them.
- c) What is TDS? List out how it impacts different components in a compensation structure?

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What are the objectives of a salary survey? Elaborate the steps involved in a salary survey.
- b) What way fringe benefits help in employee motivation?
- c) Elaborate various employee benefits and services.