

Seat No: \_\_\_\_\_

Enrollment No: \_\_\_\_\_

**PARUL UNIVERSITY**  
**FACULTY OF MANAGEMENT**  
**MBA., Winter 2017 - 18 Examination**

**Semester: 4**

**Date: 12-01-2018**

**Subject Code: 06202252**

**Time: 10:30AM to 01:00PM**

**Subject Name: Compensation Management**

**Total Marks: 60**

**Instructions**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q.1(A) Multiple choice type questions/Fill in the blanks. (Each of 1 mark)**

**(05)**

1. 'A behavior which has rewarding experience is likely to be repeated' is postulated by
  - (a) Reinforcement and expectancy theory
  - (b) Equity theory
  - (c) Agency theory
  - (d) None of the above
2. The following is a requisite.
  - (a) Club membership
  - (b) Provident fund
  - (c) Medical allowance
  - (d) Group insurance
3. Reporting, Relationships and working conditions related to a job is stated in
  - (a) Job descriptions
  - (b) job analysis
  - (c) job specifications
  - (d) Both A and C
4. The following is not a concept of wage
  - (a) Daily wages
  - (b) Minimum wages
  - (c) Fair wages
  - (d) Living wages
5. Which of the following factor influence(s) employee compensation?
  - (a) Labor market
  - (b) Cost of living
  - (c) Labor unions
  - (d) All of the above

**(B).Define the following. (Each of 1 mark)**

**(05)**

1. Enumerate 07 dimensions of Compensation
2. Full form of IPE
3. What is the concept of Internal Equity?
4. Define main Objectives of Compensation
5. What do you mean by "A fair day's Pay for a Fair day's Work"

**(C).Direct Questions. (Each of 1 mark)**

**(05)**

1. Variable Pay
2. Three Gain Sharing Formulas
3. Deferred Income
4. Factors influencing choice of Benefit Package
5. Golden Parachutes

**Q.2 (A) Enumerate and Explain "New Trends in Compensation Management"?**

**(07)**

- (B) What is the concept of "Economy Theory of Wages"? With the help of diagram of "Model of**

**(08)**

Economic Theories”, explain only 08 Economy theories (Macro & Micro) in brief.

**Q.3 (A)** What are Methods and Systems of Job Evaluation? Enumerate 05 Non- Conventional Methods involved in Job Evaluation Methods and explain in brief. **(07)**

**(B)** What is the concept of wage Curve? How the wage –trend –line drawn? How Grouping of Jobs takes place in relation to Rate Ranges? With the help of diagram, explain Range Construction. **(08)**

**Q.4 Attempt any two Questions. (Each of 7.5 mark)** **(15)**

1. What is the concept of Group Incentive Plans (GIP)? Enumerate known, Group Incentive Plans (GIP) to you and explain in points.

2. What is the concept of PRP (Performance related Pay) in relation to Principal Pay Strategies of Compensation? Enumerate related Components with PRP, in points and explain in brief.

3. What is the concept of “Employees Service- Fringe”? Explain in brief, in points only.

**4. Case study-- Ghana Airport Company Limited**

Ghana is reputed to have a conducive environment for investments. Recent exploratory works have indicated that the country has a large reserve of oil. The country therefore has the potential of becoming a leading industrialized (if the potential is properly harnessed) nation in the world in the not-too-distant future due to this natural endowment. The current state of affairs in the nation in general as relating to the workforce motivation makes it necessary to temper this optimism with caution. “The workers are on strike again. “Over what?” “They are asking for another pay rise after the one granted just a few months ago.” “What more do they want?” These statements and comments and many similar ones are reported frequently in the dailies and are commented upon by watchers of development in various industry and service organizations. The questions are often asked as to what workers in general want from their employers. Can there be an end to the claim for increases in wages? Why do workers work and what induces them to give of their best? Money only plays the role of common denominator of all things. There is a general notion that if only management can identify other things that can motivate the workforce apart from money, perhaps there will be a dramatic reduction in the demand by workers for pay rises. Less time will be spent on the annual ritual of management/workers’ union negotiation meetings (James, 2011). The general problem inherent in the organizational set up is low salaries, irregular promotional structure and lack of recognition of workers’ achievements. All these tend to dampen workers morale and consequently affect their productivity. The aim of this research therefore is to find out the type of incentive package that needs to be given to workers and whether workers, given the right incentives other than money can put in their best to contribute to the productivity and growth of the organizations to achieve the corporate objectives. Based on problem of discussion, this study seeks to look at the impact of incentives on productivity of firms in Ghana.

Incentives are things that motivate an individual to perform an action. They may be used to incite or tend to incite to action or greater effort, as a reward offered for increased productivity. It can also be said to be a factor that motivates a person to achieve a particular goal. Incentives are therefore motivations for work. They could be monetary rewards or non monetary rewards. Incentives could be categorized as compensation incentives which may include items such as pay raises, bonuses, profit sharing, signing bonus, and stock options, recognition incentives which may include actions such as thanking employees, praising employees, presenting employees with a certificate of achievement, or announcing an accomplishment at a company meeting. Rewards incentives which may also include items such as gifts, monetary rewards, service award presents, and items such as gift certificates and appreciation incentives which includes such happenings as company parties and celebrations, company paid family activity events, ice cream socials, birthday celebrations, sporting events, paid group lunches, and sponsored sports teams.

**Questions:**

1. What workers in general want from their employers?

2. What are those factors tend to dampen workers morale in this Industry?

3. What are right incentives other than money can put in their best to contribute to the productivity and growth of the organizations to achieve the corporate objectives?