

TILAK MAHARASHTRA VIDYAPEETH, PUNE
MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION: MAY- 2024
SEMESTER - IV

Sub.: Compensation Management (MHRM405)

Date : 27/05/2024

Total Marks : 60

Time: 10.00am to 12.30pm

- Instructions:** 1) All questions are compulsory.
2) Figures to the right indicate full marks.
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- Q. 1. Write Short notes on (Any Three) (15)**
1. Wages
 2. Salary
 3. Compensation management software
 4. Components of compensation Management
 5. Types of Compensation
- Q. 2. Answer in detail (Any One) (10)**
1. Discuss emerging trends in compensation management and their implications for the future of HR practices.
 2. What are the distinctions between allowances and perquisites in the realm of employee compensation?
- Q. 3. Answer in detail (Any One) (10)**
1. What are the significance and goals of compensation within the framework of Human Resource Management?
 2. What are the primary determinants that influence compensation management within organizations?
- Q. 4. Answer in detail (Any One) (10)**
1. Examine the ways in which government policies and regulations impact compensation management practices within organizations.
 2. What are the advantages or benefits associated with effective compensation management?
- Q. 5. Case study (15)**

At XYZ Corporation, two employees, Sarah and Alex, both hold the same position as Marketing Associates and have similar levels of experience and performance evaluations. However, they discover that their compensation packages are different during a casual conversation.

Sarah, who has been with the company for five years, receives a higher base salary compared to Alex, who joined the company two years ago. Additionally, Sarah benefits from an annual performance bonus based on individual and team achievements, along with comprehensive health insurance coverage and a company-matched retirement plan.

On the other hand, Alex's compensation package includes a lower base salary with no performance bonus structure. While Alex also receives health insurance benefits, they are less comprehensive compared to Sarah's plan, and the company's retirement plan does not offer a matching contribution.

Despite both employees contributing equally to the team's success and performing at a similar level, the differences in their compensation packages create a sense of unfairness and dissatisfaction among them. Sarah feels valued and motivated due to her higher compensation and additional benefits, while Alex feels overlooked and underappreciated, impacting their morale and engagement levels at work.

Question

- 1) What potential impact could the perceived unfairness in compensation have on Sarah and Alex's performance and willingness to contribute to the team?
 - 2) What factors might have contributed to the disparity in their compensation despite holding the same position?
 - 3) How can the company ensure transparency and fairness in its compensation practices to maintain employee morale and engagement?
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