

PGDM, 2013-15
Compensation Management
DM-521

Trimester –V, End-Term Examination: December 2014

Time allowed: 2 hrs 30 min

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	$3*5 = 15$
B	2 out of 3 (Long Questions)	10 Marks each	$2*10 = 20$
C	Compulsory Case Study	15 Marks	15
		Total Marks	50

SECTION A

Qt.1) What are the four policy issues in the pay model?

Qt.2) Briefly explain how compensation system might be tailored to three general business strategies.

Qt.3) Why is internal alignment an important policy in a strategic perspective of compensation?

Qt.4) What are the 3 important characteristics of job evaluation?

Qt.5) What is a relevant market in compensation survey?

SECTION B

Qt.1) Why bother with job evaluation? Why not simple market price? How can job evaluation link internal alignment and external market pressures?

Qt.2) Consider your college. What are the compensable factors required for your college to evaluate jobs? How would you go about identifying these factors? Should the college educational mission to be reflected in your factors? Or are the generic factors used in the Hay plan okay? Discuss.

Qt.3) You supervise in a company that is a low payer relative to competitors. What things do you have control over to increase the likelihood that workers will feel fairly treated?

SECTION C

CASE- Burger Boy

Read the case carefully and answer the questions.

- 1) What appears to be the problem at this Burger Boy?
- 2) How many of the problems could be explained by compensation issues?
- 3) Are hours of work a reward? What might explain why I was happy to be working 20 hours per week, but chuck was unhappy with 30 hours per week? How might schedules be used as a reward?

Encl: Case

Person	Job Title	Base Salary	Other Wage Information	Avg Hrs/Wk
Otis	Assistant Store Manager	34k	Exempt (no overtime pay)	55
Leon	Shift Supervisor	23k	Nonexempt	55
Marge	Crew Member (fries)	\$6.25/hr	Nonexempt	30
Me	Cook	\$6.50/hr	Nonexempt	20
Chuck	Drive-thru Window	\$7.00/hr	Nonexempt	30
Lucy	Sandwich Assembler	\$7.00/hr	Nonexempt	35

It's a hot Friday in Florida, and lunch rush is just beginning. Chuck is **working** the pay window and is beginning to grouse about the low staffing for what is traditionally the **busiest** day of the week. "Where the heck is LaVerne" he yells to no one. Chuck has only worked here for six weeks, but has prior experience at another Burger Boy. Marge, typically working the fries station (the easiest job at this Burger Boy), has been pressed into service on the front drive-thru window because two of ten scheduled workers have called in sick. She can handle the job when business is slow, but she clearly is getting flustered as more cars enter the drive-thru line. I'm cooking, my third day on the job, but my first one alone. I've worked the grill for 10 years as a volunteer at Aunt Rosie's Womens Fastpitch Softball Tournament, but nothing prepared me for the volume of business we will do today. By 11:30 I've got the grill full of burgers. Lucy is going full speed trying to keep up with sandwich assembly and wrapping. She's the best assembler the place has, and would be a supervisor if she could just keep from self-destructing. Yesterday she lit a can of vegetable spray with a lighter and danced around the floor, an arc of flame shooting out from the can. She thinks this is funny. Everyone else thinks she's nuts. But she's rumored to be a friend of the manager, Nancy, so everyone keeps quiet.

"Marge, you've got to get moving girl. The line's getting longer. Move girl, move," shouts Otis, unfazed by the fact that Marge really isn't good enough to work the window, and clearly is showing signs of heavy stress. "I'll help her," chimes in Chuck. "I can work the pay window, then run up front to help Marge when she gets way behind." Otis says nothing and goes back to the office where he begins to count the morning receipts for the breakfast rush.

My job as cook also includes cooking baked potatoes in the oven and cooking chicken in the pressure cooker, so I have little time to do anything besides stay on top of my job. Finally, at noon, in comes Leon. He will replace Otis at three, but for now he is a sorely needed pair of hands on the second sandwich assembly board. Leon looks over at me and shouts above the din, "Good job, Jerry. Keeping up with Friday rush on your third cooking day. Good job." That's the first compliment I've received in the two weeks I've worked here, so I unexpectedly smile at the recognition. By 12:30 we're clearly all frazzled. Even with Chuck's help, Marge falls farther behind. She is now making mistakes on orders in efforts to get food out the drive-thru window quickly. Otis comes **barreling** up front from the office and shouts for everyone to hear: "We're averaging 3:05 on drive time. Someone's in trouble if we don't get a move on." He says this while staring directly at Marge. Everyone knows that drive times (the amount of time from an order being placed until the customer receives it) should be about 2:30 (two minutes, thirty seconds). In my head I do some mental math. The normal staffing for a Friday is 13 people (including management). Because of absenteeism we're working with eight, including Otis and Leon. By noon Marge is crying, but she stays at it. And finally things begin to slow at 1 p.m. We know rush is officially over when Lucy tells Leon she's "going to the can." This starts a string of requests for rest breaks that are interrupted by Otis, "All right, for God's sake. Here's the order of breaks." He points to people in turn, with me being next to last, and Marge going last. After Lucy, Chuck is second, and the others fill in the gap ahead of me. When my turn finally comes I resolve to break quickly, taking only 6 minutes instead of the allotted 10. When I return Otis sneers at me and chides, "What was that, about a half hour?" I snap, I'm angry, and let him know it. "If I could tell time, would I be working fast food?"

Now I realize I've done the unforgivable, sassing my boss. But I'm upset, and I don't care. My only care is I've just claimed fast food is work for dummies, and I absolutely don't believe this. But as I said, I was mad. Otis looks me over, staring at my face, and finally decides to let out a huge bellow, "You're Ok, Newman. Good line!"

It's now 2:10 and Marge has told Otis twice that she has to leave. Her agreement with the store manager at the time of hire was that she would leave no later than 2:30 every day. Her daughter gets off the school bus at 2:45, and she must meet her at that time. Otis ignores her first request, and is nowhere to be seen when, at 2:25, Marge looks around frantically and pleads to no one in particular, "What should I do? I have to leave." I look at her and declare, "Go. I will tell Otis when he comes out again." Marge leaves. Ten minutes later we have a mini surge of customers. Leon yells, "Where the hell is Marge? That's it, she's out of here tomorrow. No more chances for her." When he's done ranting, I explain the details of Marge's plight. Angrily Leon stomps back to the manager's office and confronts Otis. The yelling quickly reaches audible levels. Everyone in the store, customers included, hear what is quickly broadening into confrontations about other unresolved issues:

Leon: "I'm sick of coming in here and finding nothing stocked. Otis, it's your job to make sure the lunch shift (roughly 10 a.m.-2 p.m.) stocks items in their spare time. It never happens and I'm sick of it. Now you tell me you're leaving and sticking me with a huge stocking job."

Otis: "I'm sick of your whining, Leon. I work 50-60 hours a week. I'm sick of working 10-12 hours a day for crappy wages. You want things stocked . . . you do it. I'm going home and try to forget this place."

With that Otis drops what he has in his hands, a printout of today's receipts so far, and walks out the door. Leon swears, picks up the spreadsheet, and storms back to the office. I finish my shift, and happily go home. No more Burger Boy for this burger boy.

1. What appear to be the problems at this Burger Boy?