

PGDM, 2014-16
Compensation Management & HR Metrics
DM-521
Trimester –V, End-Term Examination: December 2015

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) How and why compensation should be aligned with the Business strategy?

Qt.2) Why internal alignment is required before designing a pay structure?

Qt.3) What is the relationship between compensable factors and job specifications?

Qt.4) Why HR Audit is considered overall quality control check on human resource activities?

Qt.5) How do differing perspectives affect our views of compensation?

SECTION B:

Qt.1). What pay level does the efficiency wage predict? Does the theory accurately predict the labour market scenario of today?

Qt.2) How does HR Scorecard measures the degree of alignment between business strategy and HR deliverables?

Turn Over

Qt.3) What are the advantages and disadvantages of following Lead, Lag and Match policy?

SECTION C:

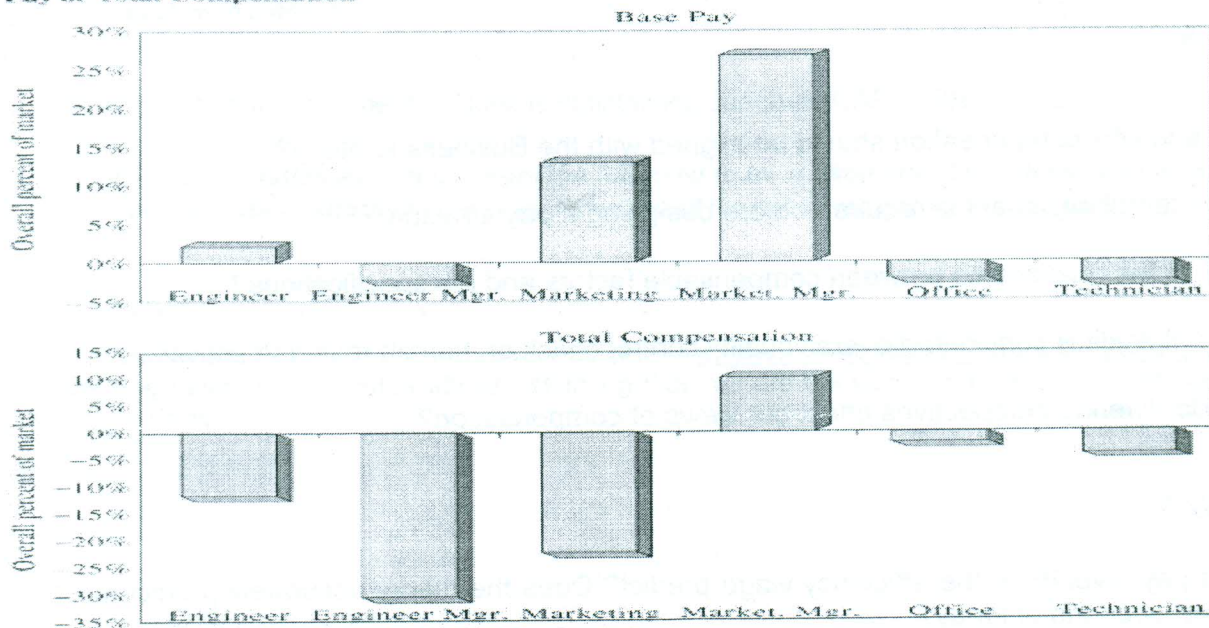
CASE STUDY

Software engineers directly affect the success of many start-up companies. Suppose you are facing a clean slate: A group of investors is about to create a new start up, a specialty software company based in Hyderabad, India. These investors have hired you to help them determine the Marketing manager's pay. What would you advise? Consider the information given in Exhibits- 1, 2 and 3 below, in making your recommendation.

- 1) What policy regarding the external competitiveness would you advise? List the options and the pros and cons of each policy option.
- 2) What forms of pay and in what percentages would you recommend? Offer your rationales.
- 3) List three pieces of additional information you would like to have to refine your recommendations. Explain how this information would help you.

Exhibit 1:

EXHIBIT 7.1 A Single Company's Market Position May Differ Depending on Whether Comparing Base Pay or Total Compensation



Turn Over

Exhibit 2:

EXHIBIT 7.2
Two
Companies:
Same Total
Compensation,
Different
Mixes

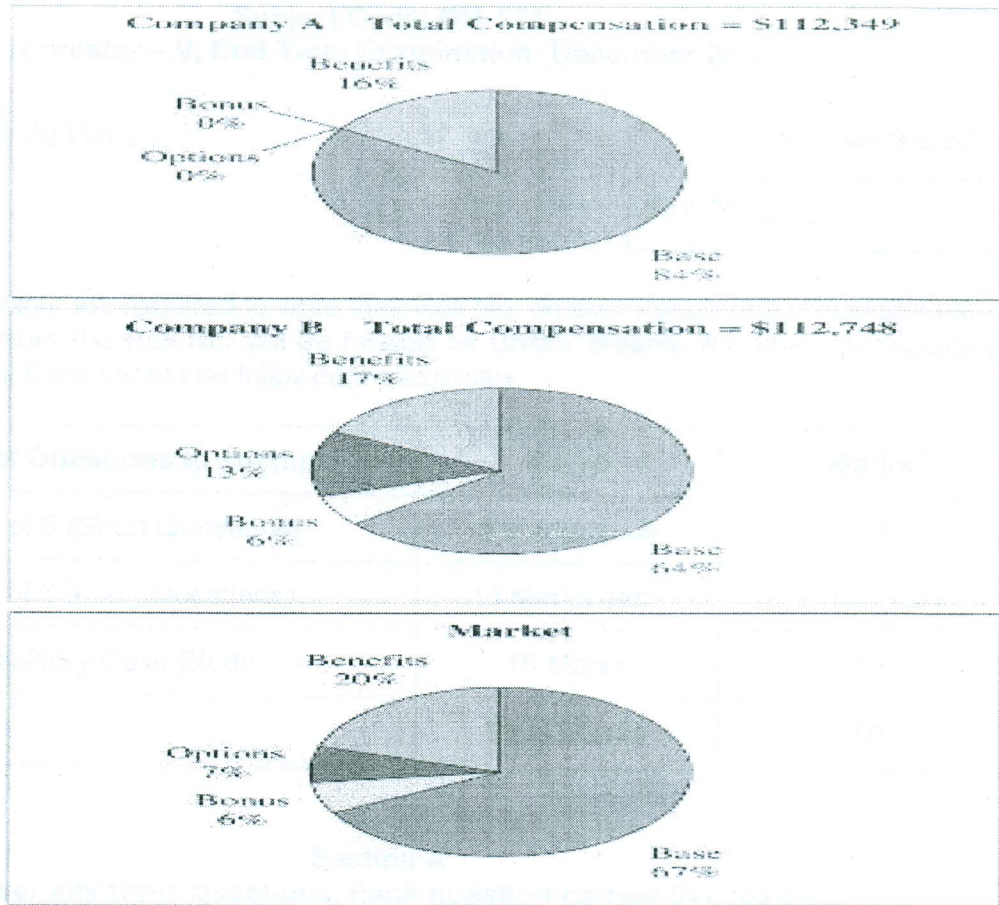


Exhibit 3:

EXHIBIT 7.12
Merrill Lynch's
Pay Mix Varies
within the
Structure

