

based approach to compensating me will not work for long. I must give my answer to Pablo. Antony : You can't think of going back to our Italian subsidiary. You are precious to the headquarters. We already have an alarming internal attrition which is causing a dent in our reputation. Please give me two days. I will discuss your matter with the CHRO and get back to you at the earliest.

Questions :

- (a) Considering the points highlighted in the case, name and describe any of the *four* essential components that should be present in Maria's international compensation.
- (b) Why is the home-based approach not appropriate in Maria's case? Recommend an appropriate approach for international compensation for Maria with reasons.
- (c) Is Maria a PCN, HCN or TCN ? Why should she be treated special ?
- (d) Explain attrition. What is internal attrition. Give *three* ways to stem attrition.

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Roll No.

MB-202(H2)

**M. B. A. (SECOND SEMESTER)
END SEMESTER EXAMINATION,
June, 2023**

**COMPENSATION AND REWARD
MANAGEMENT**

Time : Three Hours

Maximum Marks : 100

- Note :** (i) This question paper contains two Sections—Section A and Section B.
- (ii) Both Sections are compulsory.
- (iii) Answer any *two* sub-questions among (a), (b) and (c) in each main question of Section A. Each sub-question carries 10 marks.
- (iv) Section B consisting of case study is compulsory. Section B is of 20 marks.

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Section—A

1. (a) According to Mint (October 2022), many Infosys employees received 10-13% salary hikes, with a section of top performers receiving 20-25% increments. On the other hand, according to Money Control (March, 2023) Noon Academy (a Saudi startup) laid off staff across roles and held back salaries for over eight months. Considering this, appraise any *two* internal factors and *two* external factors that might have influenced the compensation policy of these two organizations. (CO1)
- (b) HR professionals consider that the objective of compensation is to pay employees fairly while staying in line with the company budget. Understanding the linkage of other attributes with compensation can help leverage a good compensation plan to achieve better results for the organization. In view of this,

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illustrate how the following attributes link with the objectives of compensation :

(CO1)

- (i) Equity
- (ii) Macro-economic stability
- (c) Differentiate between the following : (CO1)
 - (i) Traditional and Modern approach to compensation
 - (ii) Voluntary benefits and Mandatory benefits
2. (a) One of the most valuable, yet underappreciated, documents for both hiring and managing people is the job description. While it is significantly important for compensation management, it is often confused with job specification. Bring out the difference between job description and job specification with appropriate examples of both. (CO2)
- (b) Describe the factor-based job evaluation method with an example. (CO2)
- (c) Consider any job of your choice. It may be that of a digital marketer, business

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development associate, data analyst, telemarketer etc. Prepare a job analysis report which should include the following : Job Title, Job Description, Duties and Responsibilities, Skills required, Minimum eligibility, Average package and Job Location. (CO2)

3. (a) According to a news article, 'In March 2023, Gujarat government announced in the state assembly that minimum wages given to skilled, semi-skilled and unskilled labour were given an increase by 25%.' Based on this describe your understanding of minimum wages. How is it different from living wages and fair wages ? Who decides the minimum wage of a given state ? (CO3)
- (b) Elucidate about the Wage Board of India along with its objectives. How does a Wage Board normally function ? (CO3)
- (c) Consider the following pay scales of digital marketer (fresher) and digital marketing (team lead, typically after 4 years). Critically analyze the pay scales and state clearly if you would recommend

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it to your management or not. If no, what would your recommended pay scale be ?

(CO3)

Digital Marketer (Fresher) :

10000-4000-22000-8000-38000

Digital Marketer (Team Lead) :

18000-2000-26000-4000-38000

4. (a) TCNS, women's apparel company of India, which operates under three brands viz., W, Aurelia, and Wishful, recently allotted 1437250 equity shares under ESOP. Explain the term ESOP along with its advantages and disadvantages in compensation package. (CO4)
- (b) While C. Vijaya Kumar, HCL Tech' CEO draws approximately ₹ 130 crore as his annual package, Salil Parekh, CEO and MD of Infosys draws about ₹ 71 crores. What special term would you give to their compensation ? Name any *four* components of such a high compensation. Explain any *two* factors that contribute to such high packages. (CO4)
- (c) Differentiate between the following : (CO4)
- (i) Cafeteria plan and Profit-sharing plan
 - (ii) Performance-based pay and Skill-based pay

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Section—B

5. Case Study : (CO5)

Antony Carlos was the senior HR executive in charge of the International Mobility Program of XR Chemicals, headquartered at Sweden. One evening he thought of spending time with all the expatriate employees. While many of the expats were happy with their experience of a new country, Maria Gomez, a Spanish engineer, wasn't really happy. She had moved to Sweden from Rome (Italian subsidiary) about a year ago and was doing a great job, but her husband, Pablo, was increasingly unhappy because he did not know English nor his Spanish medical degree didn't allow him to see patients in Sweden. Alternatively, he was pursuing research from a research center in Sweden. Since Pablo was not happy with his status, he was thinking of returning to their Italian subsidiary with their kids where things were better. He gave a choice to Maria to either continue in Sweden or accompany him. Maria was not happy with this and discussed it with Antony.

Maria : Before my move, we both agreed on a lot of points. You gave me hopes that everything will be taken care of. My three boys will be put to a good school, Pablo will get some good opportunity, and I will be able to lead a lifestyle which was better than what it was in Italy or Spain.

Antony : I did try every single way to figure out good schools for your boys and medical centers in Sweden where he could apply for a research post. I even got the company to agree to pay his tuition fee if he wanted to get a medical degree here.

Maria : Agreed. It's been almost a year and paying for the expenses is unimaginable. In Madrid, we get a water bottle for a Euro, here you must shell five Euros for the same. The sky-rocketing education fees for my boys is getting harder with the meagre salary I am getting as an expat. Not to forget, the extreme climatic conditions of this cold country. This town does not have proper connectivity with the main cities either. I am not being paid enough for this complex living. Your home-