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This personalized approach extends to areas like professional development as well. Netflix encourages employees to own their career paths, providing the freedom to pursue growth opportunities that align with their interests and strengths.

Studying Netflix's approach to personalizing compensation packages offers insights into the significance of treating employees as unique individuals with varying needs. By prioritizing personalization, Netflix not only enhances employee satisfaction but also fosters a culture of trust, respect, and empowerment. This case study stands as a testament to the transformative power of acknowledging and embracing the diverse preferences of a modern workforce.

(a) Analyse the compensation package of Netflix.

(b) Design another compensation package for Netflix.

Total No. of Questions: 7

Total No. of Printed Pages:4

Enrollment No.....



Faculty of Management Studies

End Sem Examination Dec 2024

MS5EH04 Compensation Management

Programme: MBA

Branch/Specialisation: Management

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d. Assume suitable data if necessary. Notations and symbols have their usual meaning.

		Marks	BL	PO	CO	PSO
Q.1	i. Which of the following best defines "Compensation" in a workplace context?	1	1	2	2	
	(a) Benefits provided to employees for their social activities					
	(b) Payment, benefits, and rewards given to employees in return for their work					
	(c) Recognition given to employees for volunteer activities					
	(d) Costs incurred by the company to hire employees					
	ii. Intrinsic rewards are-	1	1	2	2	
	(a) Rewards that are tangible and can be measured financially					
	(b) Rewards that satisfy internal motivation, such as job satisfaction and personal growth					
	(c) Only available to senior management					
	(d) Always provided in the form of a salary increase					
	iii. What is the main purpose of an Employee Stock Ownership Plan (ESOP)?	1	2	2	2	
	(a) To provide employees with additional job training					
	(b) To increase vacation time for employees					
	(c) To allow employees to become partial owners of the company					
	(d) To guarantee minimum wage for all employees					
	iv. Economic Value Added (EVA) is a measure used to:	1	1	2	2	
	(a) Assess the value created by the company after accounting for capital costs					
	(b) Calculate the employee turnover rate					
	(c) Determine an employee's salary based on seniority					
	(d) Measure the company's environmental impact					

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v.	At the macro level, a country's compensation strategy aims to-	1	2	2	1
	(a) Maximize individual company profits				
	(b) Regulate wages and benefits to promote economic stability and equity				
	(c) Set fixed wages across all industries				
	(d) Focus on reducing employee turnover at specific companies				
vi.	The process of wage determination typically involves-	1	2	2	2
	(a) Only the employer setting wages based on company revenue				
	(b) Deciding wages based on the geographical location of the company alone				
	(c) Determining wages based on the age of the employee				
	(d) Negotiating wages through discussions between employers, employees, and sometimes the government.				
vii.	Which of the following is NOT a common method of performance appraisal?	1	1	2	1
	(a) 360-degree feedback				
	(b) Ranking method				
	(c) Self-assessment				
	(d) Weekly attendance records				
viii.	The main role of a wage board is to-	1	1	2	1
	(a) Set executive pay levels in multinational companies				
	(b) Review and recommend minimum wage levels for specific industries				
	(c) Establish international compensation standards				
	(d) Monitor employee performance				
ix.	A major advantage of incentive schemes is that they-	1	1	2	1
	(a) Motivate employees to improve productivity and performance				
	(b) Reduce company expenses on salaries				
	(c) Ensure uniform pay across all job roles				
	(d) Guarantee employee retention				
x.	Knowledge-based compensation is often used to reward employees for-	1	2	2	2
	(a) Their seniority within the company				
	(b) Skills, education, and knowledge that add value to their role				
	(c) Only sales achievements				
	(d) Physical output alone				

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Q.2	i.	Define compensation.	2	1	2	2
	ii.	What do you understand by cafeteria style compensation?	2	2	1	1
	iii.	Differentiate between monetary and non-monetary rewards.	4	1	2	2
OR	iv.	Differentiate between intrinsic and extrinsic rewards.	4	2	1	1
Q.3	i.	Define incentive plans.	3	1	2	2
	ii.	Write short note on quality in labour market.	5	2	1	1
OR	iii.	Discuss any three wage theories.	5	1	2	2
Q.4	i.	What do you understand by collective bargaining?	3	1	2	2
	ii.	Discuss compensation strategy at micro level.	5	2	1	2
OR	iii.	Explain different components of compensation package.	5	2	2	1
Q.5	i.	Discuss the role of wage board and & pay commissions.	3	2	3	1
	ii.	Explain the process of job analysis.	5	3	1	2
OR	iii.	Discuss the challenges in performance appraisal.	5	1	2	2
Q.6	Attempt any two:					
	i.	Explain the importance of international compensation.	4	1	2	2
	ii.	Discuss behavioural theory of compensation.	4	2	1	1
	iii.	Describe team-based compensation.	4	2	2	1
Q.7	Case Study:		10	1	2	3
<p>In the realm of employee compensation and benefits, Netflix has emerged as a trailblazer by implementing a personalized approach that sets it apart from traditional practices. The streaming giant's commitment to tailoring compensation packages to individual employee preferences has garnered attention and admiration.</p> <p>Netflix's strategy goes beyond the one-size-fits-all approach commonly seen in compensation structures. Instead, the company emphasizes understanding each employee's unique needs and aspirations. This approach allows Netflix to create packages that resonate on a personal level, fostering a sense of value and appreciation among its workforce.</p> <p>A standout feature of Netflix's approach is its acknowledgment that employees have diverse priorities. By offering options such as flexible work schedules, customizable benefits packages, and even a "no policy" vacation policy, the company empowers employees to shape their compensation and benefits to align with their lives and goals.</p>						

Marking Scheme

MS5EH04 (T) Compensation Management (T)

Q.1	i)	B) Payment, benefits, and rewards given to employees in return for their work	1
	ii)	B) Rewards that satisfy internal motivation, such as job satisfaction and personal growth	1
	iii)	C) To allow employees to become partial owners of the company	1
	iv)	A) Assess the value created by the company after accounting for capital costs	1
	v)	B) Regulate wages and benefits to promote economic stability and equity	1
	vi)	D) Negotiating wages through discussions between employers, employees, and sometimes the government	1
	vii)	D) Weekly attendance records	1
	viii)	B) Review and recommend minimum wage levels for specific industries	1
	ix)	A) Motivate employees to improve productivity and performance	1
	x)	B) Skills, education, and knowledge that add value to their role	1
Q.2	i.	Definition of Compensation.	2
	ii.	Definition of Cafeteria Style Compensation. Define 1 Mark Types 2 Mark	2
	iii.	Differentiate between monetary and non-monetary rewards. 6 Difference	4
	OR iv.	Differentiate between intrinsic and extrinsic rewards. Meaning 1 Mark Difference 3 Marks	4

Q.3	i.	Definition of incentive plans.	3
	ii.	Write short note on quality in labour market. As per answer	5
	OR iii.	Discuss any three wage theories.	5
Q.4	i.	Definition of collective bargaining.	3
	ii.	Discuss compensation strategy at micro level. As per answer	5
	OR iii.	Explain different components of compensation package. At least 5 component with detail.	5
Q.5	i.	Discuss the role of wage board and & pay commissions.	3
	ii.	Explain the process of job analysis. Complete process	5
	OR iii.	Discuss the challenges in performance appraisal. Five challenges	5
Q.6		Attempt any two:	
	i.	Explain the importance of international compensation. Four points	4
	ii.	Discuss behavioural theory of compensation.	4
	iii.	Describe team-based compensation. as per answer	4
Q.7		Case Study	10
		1. analysis of compensation package	5 Marks
		2. Create another compensation package	5 marks
