

Code No: MB1337/R13

MBA III Semester Regular/ Supplementary Examinations, November-2016

COMPENSATION AND PERFORMANCE MANAGEMENT

Time: 3 Hours

Max. Marks: 60

*Answer Any FIVE Questions
All Questions Carry Equal Marks
Question No. 8 is Compulsory*

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| 1. a | Differentiate compensation and reward? | 4 |
| b | Explain the factors influencing compensation. | 8 |
| 2. a | What are fringe benefits? | 4 |
| b | Classify and explain the various fringe benefits. | 8 |
| 3. a | What is a wage survey? | 4 |
| b | How do you organize a wage survey? | 8 |
| 4. a | State the objectives of a performance management system. | 6 |
| b | State the ways to make the performance management system effective. | 6 |
| 5. a | Why do you monitor a managees performance? | 6 |
| b | How do you mentor a managees performance? | 6 |
| 6. a | Throw light upon the new trends in compensation management globally. | 6 |
| b | Reflect upon a few trends of compensation management in India. | 6 |
| 7. a | Explain internal equity and external equity. | 6 |
| b | Elaborate upon the determinants of equity. | 6 |

8. **Hunter hunts for college grads**

Woody Rao had been an HRM analyst with control data corporation (CDC) for three years but was recently reassigned to the college recruitment staff. The basic duties in his new job were to visit college and university campuses and interview seniors in order to identify individuals who could fill entry- level positions at CDC in accounting, engineering and marketing. After three months travelling on the road, woody received a report summarizing his performance to date. The figures showed he had conducted 540 preliminary interviews on 18 different campuses. Woody had had follow-up interviews with 136 of these students, or approximately 25%. Based on these second interviews, woody recommended to his supervisor that 71 be invited for company paid visits to appropriate CDC manufacturing and administrative facilities where new college graduates were needed. All of woodys selectees were



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offered visits. What concerned Woody and his supervisor was this statistic: Only four of the seventy- one candidates accepted the CDC invitation. Based on over seven years of recruiting experience with CDC, Woodys supervisor said that the company traditionally had better than 60 percent acceptance rate. Woodys boss knew there was something seriously wrong. He asked Woody to summarize how he described opportunities at CDC to the recruits.” I asked the students if they have read the CDC literature in the placement office,” replied Woody.”Most usually have, but if they haven’t I highlight what we do at CDC, the kind of entry-level positions we have to fill, and the kind of people we’re looking for. But I know what these students have heard similar propaganda from a dozen other big company recruiters. So I emphasize the things CDC has that other don’t. One thing I never fail to mention is our benefit package. It is superior to anybody else’s. I tell students about our tuition- reimbursement plan, our comprehensive health insurance program, and our pension system. I tell them that our pension plan vests after only five years. I point out that the employee pays nothing into it- that all the costs are paid by CDC. Most important, I emphasize that they can retire at age fifty five and receive 80 percent of the salary they were making in their last year. There’s not a pension plan anywhere that attractive. I even take the time to show the students how, with inflation figured in; they can probably expect a pension of 25 to 30 lakhs a year if they come to work for CDC.”

- a CASE: What role do you think benefits play in the employment decision of a new college graduate? 4
- b What role do you think the beginning salary plays in the employment decision of a new college graduate? 4
- C What suggestions would you make that might improve Woody’s acceptance ratio? 4

