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| ADMISSION NUMBER |  |  |  |  |  |  |  |  |  |
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**School of Business**  
**Bachelor of Business Administration**  
**Semester End Examination - May 2024**

**Duration : 180 Minutes**  
**Max Marks : 100**

**Sem VI - D1UA611T - Compensation and Reward Management**

*General Instructions*  
*Answer to the specific question asked*  
*Draw neat, labelled diagrams wherever necessary*  
*Approved data hand books are allowed subject to verification by the Invigilator*

- 1) Given an employee's salary and the number of years served in an organization, identify the gratuity amount according to the Payment of Gratuity Act's guidelines. K3 (6)
  
- 2) You are an HR manager at a rapidly growing technology company. As the company expands, there is a need to establish a structured job evaluation system to ensure fairness and consistency in compensation decisions. You are tasked with comparing and recommending between the Ranking Method and Grading Method for job evaluation, considering the company's dynamic and fast-paced environment. K3 (9)  
 Select the appropriate comparative analysis approach to evaluate the Ranking Method and Grading Method in job evaluation, considering their advantages, drawbacks, and application in a real-world scenario.
  
- 3) List out the various benefits of Job evaluation focusing on its application into Compensation Management K4 (4)
  
- 4) Imagine you're an HR consultant advising a manufacturing company, XYZ Manufacturing, on selecting the most suitable job evaluation method for their workforce. Compare and contrast the Factor Comparison Method and the Point Rating Method, outlining the advantages and drawbacks of each in the context of XYZ Manufacturing's organizational structure and goals. K4 (8)
  
- 5) Imagine you're an HR manager tasked with revamping the employee benefits program for a mid-sized tech company experiencing rapid growth. Your challenge is to create a benefits package that attracts and retains top talent while accommodating the diverse needs of your workforce. Considerations include factors like demographic shifts, employee preferences, and the need for flexibility in benefits offerings. Furthermore, explore how emerging trends like flexible work arrangements, student loan assistance, and AI-driven benefits platforms could enhance your program's effectiveness and appeal to current and prospective employees. K4 (8)

- 6) Estimate the methods through which fair wages can be ensured to contribute effectively to the reduction of income inequality. Additionally, discuss the concept of a "living wage" within the framework of social and economic justice, providing an estimate of the potential impact of such fair wage practices on narrowing income disparities and fostering societal well-being. K5 (10)
- 7) You have just been employed as an HR manager in a new organization. You are directed with the task of evaluating the existing jobs in that organization. Recommend two methods you would use to fulfill the Job Evaluation process. K5 (10)
- 8) In the ever-evolving landscape of employee compensation and benefits, Google has become a trailblazer in reimagining traditional approaches. The tech giant's commitment to innovation has led to groundbreaking strategies that set new standards for attracting and retaining top talent. K5 (15)
- Google's approach to compensation reaches far beyond basic salary structures. It embraces a comprehensive philosophy that encompasses financial incentives, health and wellness provisions, professional growth opportunities, and an inclusive work environment. A standout feature of Google's strategy is its emphasis on equity and transparency. The company has gained recognition for openly sharing financial information with its employees. This practice not only fosters a sense of ownership among the workforce but also reinforces the connection between individual contributions and overall corporate success.
- Furthermore, Google's benefits programs are thoughtfully designed to enhance employees' overall well-being. From on-site healthcare services to gourmet dining options and wellness initiatives, the company demonstrates a holistic commitment to nurturing both the physical and mental health of its employees.
- Studying Google's innovative approach to compensation and benefits provides invaluable insights into the potential of creativity, transparency, and comprehensive well-being programs. These aspects not only contribute to a highly productive workforce but also cultivate a sense of purpose and alignment with the company's mission – a testament to the transformative power of strategic employee-focused initiatives.
1. Assess the specific strategies or initiatives that set Google apart from traditional companies in terms of attracting and retaining talent? (5marks)
  2. Explain the importance of equity and transparency in Google's compensation philosophy.(5marks)
  3. Justify how does openly sharing financial information with employees contribute to a sense of ownership and accountability within the workforce?(5marks)

- 9) You are the Compensation and Benefits Manager for a well-established manufacturing company that has been facing challenges in retaining its skilled workforce. Employee turnover has increased, and there is a growing concern about talent retention. After conducting employee feedback sessions, you identify that the current reward system is not effectively meeting the needs and expectations of the workforce. K6 (12)
1. Propose specific changes or enhancements to the existing rewards program, considering elements such as compensation, benefits, recognition, and work-life balance. (6marks)
  2. Develop a comprehensive plan for implementing these changes, ensuring that they are aligned with both the organizational budget and employee preferences. (6marks)

- 10) Case Study: XYZ Corporation's Journey Towards Job Evaluation Excellence K6 (18)

**Background:**

In the ever-evolving landscape of the technology sector, XYZ Corporation found itself grappling with an increasingly complex workforce and a lack of clarity in compensation structures. The organization, with its diverse employee roles ranging from software engineers to marketing specialists and top-tier executives, recognized the pressing need for a comprehensive job evaluation system. This realization emerged from concerns about potential pay disparities, internal equity, and the need for transparent criteria aligning job roles with compensation.

The decision to embark on a job evaluation process was not taken lightly. The company's leadership understood the impact that a fair and systematic job evaluation system could have on employee morale, talent retention, and the overall competitiveness of the organization in the talent market. With this in mind, the Human Resources department initiated a thorough exploration of various job evaluation methods.

**Methods Employed:**

The organization's journey involved a meticulous exploration of different job evaluation methods. The ranking method, with its simplicity and intuitive appeal, was considered but posed challenges in maintaining objectivity. The job classification or grading method, though offering a structured framework, faced criticism for potentially oversimplifying the nuances of job roles.

The point factor method, a quantitative approach that assigned numerical values to key job factors, was deliberated upon. It offered a more objective assessment, but the challenge lay in selecting and scoring the appropriate factors accurately. The market pricing method, leveraging external market data to align with industry trends, addressed external competitiveness but faced hurdles in accessing reliable and up-to-date data.

Considering the advantages and limitations of each method, XYZ Corporation opted for a hybrid approach. This approach integrated elements of the point factor method and market pricing, aiming to strike a balance between internal equity and external market competitiveness.

#### Challenges and Outcomes:

The job evaluation process was not without its challenges. Subjectivity loomed as a potential issue, as committee members had to make judgments about the relative importance of different jobs within the organization. Accurate data collection, especially in the market pricing method, proved challenging due to the dynamic nature of the industry and the need for real-time market data.

Despite these challenges, the hybrid approach yielded positive outcomes. The organization successfully established a comprehensive job evaluation system that provided a foundation for internal equity and competitive compensation practices.

1. Evaluate the strengths and weaknesses of the ranking method, job classification, point factor method, market pricing, and factor comparison. (8 marks)
2. What factors should an organization consider when selecting a job evaluation method? (5marks)
3. How can organizations ensure that a hybrid system effectively addresses both internal equity and external market competitiveness? (5marks)