

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM / PGDM (M) / PGDM (SM)
FIFTH TRIMESTER (Batch 2021-23)
END TERM EXAMINATION, FEBRUARY 2023

Set - I

Course Name	Compensation Management	Course Code	20327
Max. Time	2 Hours	Max. Marks	40 MM

INSTRUCTIONS:

- a. All the Sections are compulsory
- b. Attempt all questions from Section A. Each question accounts for 6 marks.
- c. Section B is Case Study. Each Question accounts for 8 marks.

Section A

Brief Explanation

Q1 Are the three main elements of compensation systems—internal consistency, market competitiveness, and recognizing employee contributions—equally important, or do you believe that they differ in importance? If different, which do you believe is most important? Least important? Give your rationale. **6 MM**

Q2 There is currently a tendency among business professionals to endorse the use of incentive pay plans. Identify two jobs for which individual incentive pay is appropriate and two jobs for which individual incentive pay is inappropriate. Be sure to include your justification. **6 MM**

Q3 “Red Flag” management can be the cure as Quit Quitter and Moonlighters are the Red Flags, which needs to be identified and managed. Critique and give the strategic choices to curb. **6 MM**

Q4 What are the post pay roll activities? Which is the mandatory legal compliance concerning pay roll practices? **6 MM**

Section B

Case Study

With the demand for more nutritional food options growing, Nutriment Biotech is positioned to become a leader in agricultural biotechnology. Nutriment is a start-up biotech company that is working to develop genetically engineered food crops that offer enhanced nutrition along with easier production for farmers. Emily Hart and Harold James established Nutriment as a research organization through national grant funding 5 years ago. Nutriment is one of only a few agricultural biotechnology companies focused on enhancing nutrition in food crops. The company currently has an edge over competitors as its research has led to some scientific discoveries that now position them to grow their company significantly. As a result, Nutriment is ready to start hiring staff to get operations started. Emily and Harold have hired Jack Stewart, an HR management consultant, to help them determine how to hire the most talented staff to grow their business. Jack works mostly with start-up technology-based companies and plans to help Nutriment implement a recruiting and hiring plan and establish its preliminary HR management practices such as its pay structure. Nutriment has secured additional

funding to allow it to ramp up full operations quickly. An analysis of its projected workload suggests it will need to hire approximately 15 new employees to get started. It will need to hire not only 10 new scientists but also administrative staff members including a receptionist, an office manager, a lab manager, a marketing professional, and an accountant. As an experienced recruiter, Jack is confident that he will be able to quickly identify strong candidates for the administrative staff positions. The current labor market works in Nutriment's favor, and, therefore, Jack will be able to easily generate a pool of qualified applicants. The scientists, on the other hand, will be challenging to find as they need specific expertise related to agricultural biotechnology and genetic engineering. The number of scientists with this combination of skills is limited, and the scientists are in demand from competitors. However, Nutriment is in a geographic area rich with research universities and other biotech firms, so Jack is confident that it can attract a good pool of talent if it is able to offer an opportunity that is attractive to the scientists. To start the recruiting process, Jack must first establish a pay structure. Before he starts researching market rates, Jack plans to meet with Emily and Harold to establish pay level policies and discuss other strategic aspects of determining the compensation structure for the new employees. Nutriment must offer a pay package that will allow it to attract and retain both the administrative staff members and the scientists. Establishing the right pay practices will help ensure that the recruitment process allows it to put talent in place to position Nutriment for success.

Questions:

1. Write a brief synopsis of the case. What are some strategic considerations in establishing a pay structure at Nutriment? Explain. **8 MM**
2. Should Jack suggest a pay policy to lead, lag, or match the market? Explain your recommendation. **8 MM**