

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM / PGDM (M) / PGDM (SM)
FIFTH TRIMESTER (Batch 2023-25)
END TERM EXAMINATIONS, JANUARY 2025
MAIN EXAM

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

INSTRUCTIONS:

- a. All the questions are compulsory.
- b. Be precise and objective in your answers.

Q1. You are the human resource director for a premier supplier of rubber floor mats and matting that is expanding its production operations to Rockville, MD. The organization is headquartered in San Antonio, TX. Based on the organization's mission statement, the company's goal is to provide top-quality products with customer service that well exceeds expectations and with a strong commitment to continuous improvement. The following personnel are required to start the Rockville operation (the numbers in parentheses indicate the number of positions):

- Operations analyst (3)
- HR administrative assistant (1)
- Benefits manager (2)
- Front desk receptionist (1)

The degree for each of the compensable factor is on a scale of 1-4. The weight of the skill compensable factor (divided into education level at 25% and technical skills at 25%) is at 50% since the organization is very knowledge-intensive and depends heavily on its human capital; responsibility (distributed into scope of control with 10% and impact of job with 20%) is weighted 30% as each job has the potential to affect other jobs; and effort is assigned 20% with problem-solving weighted at 10% and task complexity weighted at 10%.

Question:

Analyze the calculated JEP for all the position and classify the positions as per the JEP. (10 marks)

Q2. Global Tech Solutions (GTS) is a mid-sized software development company based in India, known for its innovative products and services. As the company expanded, it faced challenges in ensuring internal alignment of pay among its diverse workforce, which includes software developers, project managers, sales personnel, and support staff. The company's rapid growth led to discrepancies in compensation, creating employee dissatisfaction and potential retention issues. Global Tech Solutions (GTS) has three job roles: Software Developers, Project Managers, and Sales Representatives. The company wants to analyze its internal pay structure to ensure alignment and fairness. Below are the current salaries for each role:

Job Role	Current Salary (Annual)	Performance Rating (1-5)
Software Developer	\$78,000	4
Software Developer	\$85,000	5
Software Developer	\$92,000	5
Project Manager	\$95,000	3
Project Manager	\$105,000	4
Project Manager	\$115,000	5
Sales Representative	\$70,000	2
Sales Representative	\$80,000	4

Sales Representative	\$90,000	5
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Question:

Identify Performance-Based Pay Adjustments if GTS decides to implement a 10% increase for employees with a performance rating of 4 and above. (10 marks)

- Employees with a performance rating of 4 or 5 will receive a 10% increase.
- Employees with a performance rating of 3 will receive a 5% increase.
- Employees with a performance rating of 2 or lower will receive no increase.

Q3. Your base pay is \$50000. As a part of performance appraisal, you are entitled to merit payout of 8% and merit bonus of 5%. Calculate what will be the change in base pay after receiving merit pay and merit bonus for year 1. Additionally, calculate the new base pay for year 5 along with the extra total cost if the merit payout and merit bonus remains the same.

Questions:

Analyze the relative costs of the merit payout and merit bonus over the 5 years. Compare the financial implications for the company when considering merit payouts versus merit bonuses as part of compensation strategy. (10 marks)

Q4. You have announced a new package of enhancements to benefits and compensation, tied to mental, physical, social and financial well-being. These increases are the biggest in the history of the company. You have to make sure your base compensation meets the market, but you also must have attractive benefits. For example, we cut healthcare premiums by 10% for 2022 with no change in benefit levels, and we introduced healthcare advocacy services. You are introducing a single, automatic company-funded contribution within the plan that's equal to 6% to 8% of eligible pay. As part of this, the organization is focusing on the crucial element of ensuring that employees know you're watching out for them. They also are looking for flexibility—you don't want to under-index on how important that is. You also are providing up to three weeks additional caregiver leave, apart from PTO. And all parents will receive 12 weeks of paid parental leave, in addition to disability leave for employees who give birth, allowing some up to 22 weeks of paid leave. You also have expanded our holiday calendar to now include Juneteenth.

Question:

Find out the flaws in the existing benefits program and outline a redesigned benefits package, providing justifications for each change. (10 marks)