JAIPURIA
INSTITUTE OF MANAGEMENT
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JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

PGDM / PGDM (M) / PGDM (SM)

FIFTH TRIMESTER (Batch 2024-26)

END TERM EXAMINATIONS, JANUARY 2026

SET-1

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.

1. **Scenario**: An early-stage, SEBI-registered Indian fintech startup based in Bengaluru is preparing a 3-year compensation strategy for its mid-level product managers and senior software engineers. The founders want to aggressively conserve cash to extend the runway, but investors are pressuring them to attract top talent from established IT majors that offer high fixed pay and predictable annual bonuses. The founders are considering two broad alternatives:
   Alternative A: A relatively low fixed pay (at market 60th percentile) with a large performance-based annual cash bonus (up to 35% of CTC) and minimal equity.
   Alternative B: A moderate fixed pay (around the market 50th percentile) with a modest performance bonus (10–15% of CTC) and substantial ESOPs vesting over 4 years under an Employee Stock Option Scheme (ESOS) compliant with Indian regulations.

   Question: Illustrate and explain a 3-year total rewards–based compensation strategy for mid-level product managers and senior software engineers, choosing either Alternative A, Alternative B, or a hybrid, clearly distinguishing between direct financial compensation and long-term incentives in line with the total rewards framework. **(10 marks)**.

2. **Scenario**: A large Indian FMCG organisation headquartered in Mumbai has historically followed a highly confidential pay practice with significant managerial discretion in deciding variable pay and promotions. After recent campus hiring from top Indian B-schools, there is growing internal pressure from Gen Z employees for pay transparency, fairness, and clearly defined salary bands. Simultaneously, a long-serving group of middle managers believes that revealing pay bands and COMPA ratios will create unrest, expose historical inequities, and weaken managerial control. The CHRO is considering moving to a more structured, transparent, and job-evaluation-based pay system using the Hay Model, with clearly communicated bands, COMPA ratios, and rules for movement within the bands.

   Question: Summarise and outline a step-by-step plan of action for transitioning from the current discretionary pay system to a job-evaluation-driven system, using the Hay Model, ensuring internal alignment and external competitiveness. for managerial roles in India. **(10 marks)**.

3. **Scenario**: A leading Indian food-tech platform relies heavily on gig workers (delivery partners) who are paid primarily on a per-order and surge-incentive model, with very limited access to traditional employee benefits such as health insurance, retirement benefits, or paid leave. At the same time, its core employees (in tech, product, and operations) are increasingly working in hybrid or fully remote modes under "Industry 4.0" digital workflows, raising questions about location-based pay, flexibility benefits, and new forms of support (such as ergonomic allowances, mental health benefits, and digital upskilling).

   Question: Identify appropriate employee benefits for (i) gig workers and (ii) remote/hybrid core employees in an Industry 4.0 environment in India and develop a suitable benefits package that demonstrates how the rise of remote work can be used to redesign pay structures and benefits for these two groups. **(10 marks)**.

4. **Scenario**: A large Indian omni-channel retail company is redesigning its Pay-for-Performance system for its frontline sales force, store managers, and regional heads. Currently, all three levels receive an identical, individual-based quarterly incentive tied only to personal sales targets. This has created intense internal competition, complaints about free-riding in high-performing stores, and a perception that regional heads benefit from strong markets rather than genuine leadership. Management now wants to introduce a layered Pay-for-Performance design that meaningfully combines individual-based, team-based, and organisation-based incentives for these three roles.

   Question: Analyse the suitability of individual, team, and organisation-based Pay-for-Performance for frontline sales staff, store managers, and regional heads, and develop an integrated Pay-for-Performance package indicating which pay-for-performance approach should dominate for each role and why, briefly noting key behavioural and implementation risks. **(10 marks)**.