

[31007]
SPECIAL DRIVE-DEC./JAN.-2023
M.B.A. DEGREE EXAMINATIONS
THIRD SEMESTER
SPECIALIZATION: HUMAN RESOURCE MANAGEMENT
Paper - VII: COMPENSATION AND WELFARE MANAGEMENT
(2016-17 and 2017-18 Admitted Batches)

Time : 3 Hours

SECTION - A

Maximum Marks: 75

I. Answer any FIVE questions not exceeding one page each. (5×4=20)

1. Discuss the objectives of Compensation.
2. Differentiate between Salary and Wage.
3. Salient features of Voluntary Agencies.
4. What is social security?
5. What are Incentive Plans?
6. The philanthropic theory of labour welfare.
7. Importance of compensation management.
8. Scope of Labour welfare.

SECTION - B

II. Answer ALL the questions not exceeding 4 pages each. (5×8=40)

1. a) Discuss the factors responsible in deciding the salary and wage of an organization.

(OR)

- b) Explain the significance of compensation management in modern organizations.
2. a) What is Job Evaluation? Explain the advantages and drawbacks of job evaluation.

(OR)

- b) Enumerate the salient features of Minimum Wages Act 1948.

3. a) What is employee welfare? And explain its scope and significance.

(OR)

- b) What is a Trade Union? Explain the major problems faced by Indian Trade Unions.

4. a) Explain the various statutory and non-statutory employee welfare programs.

(OR)

- b) Distinguish between social Assistance and social Insurance.

5. a) Explain the role of Labour Welfare Officer for maintaining industrial hygiene.

(OR)

- b) Explain the historical development of Labour welfare system in India.

SECTION - C

III. Case Study (Compulsory)

(1×15=15)

The case discusses the compensation management practices at Tata Consultancy Services Ltd. (TCS), one of the leading Indian IT companies. TCS compensation management system was based on the EVA model. With the implementation of Economic Value Added (EVA) based compensation, the salary of employees comprised of two parts, fixed and variable. The variable part of the salary was arrived after considering business Unit EVA, Corporate EVA and also individual performance EVA.

During the fourth quarter of the financial year (FY) 2020-21, TCS announced its plans to slash 1.5 per cent of the variable component of employee salaries since its EVA targets for the third quarter of FY 2020-21 were not met. The announcement came as just not only to TCS employees but also to the entire Indian IT industry. The company came in for severe criticism and it was accused of not being transparent with respect to EVA calculation. However, some analysts felt that the pay cuts were as result of the macro-economic challenges that the Indian IT companies were facing rapid appreciation of the rupee against the US dollar and the recession in the US economy (USA was the largest market for the Indian IT companies).

Questions:

- Discuss the importance of variable compensation in the light of its ability to motivate employees and enhance organizational productivity.
- Understand the rationale behind the cut in the compensation of the employees at TCS.
- Appreciate the importance of HR goals and strategies in the success of an organization.