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 **Bengaluru**

**School of Management**

**Mid - Term Examinations –November2024**

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| **Semester**: III | **Date**: 12-11-2024 |
| **Course Code**: MBA 3066 | **Time**: 09:30am – 11:00am |
| **Course Name**: Compensation Management | **Max Marks**: 50 |
| **Program:** MBA | **Weightage**: 25% |

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *Do not write anything on the question paper other than roll number.*

**Part A**

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| **Answer ALL the Questions. Each question carries 3marks. 5Qx3M=15M** |
| **1** | Define compensation and state its importance in an organization. | 3 Marks | Knowledge | CO 1 |
| **2** | Identify the different types of compensation provided by organizations. | 3 Marks | Knowledge | CO 1 |
| **3** | List three cultural factors that can influence compensation practices in multinational companies. | 3 Marks | Knowledge | CO 1 |
| **4** | Identify the key factors that influence wage fixation in different industries. | 3 Marks | Knowledge | CO 1 |
| **5** | Describe the role of job evaluation in compensation system design. | 3 Marks | Knowledge | CO 1 |

**Part B**

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| **Answer ALL the Questions. Each question carries 10 marks. 2Qx10M=20M** |
| 6a | Use compensation strategies to demonstrate how an organization can gain a competitive advantage over its competitors | 10 Marks | Application | CO2 |
| **Or** |
| 7a | Apply the principles of direct and indirect compensation to design a comprehensive compensation package for a service industry | 10 Marks | Application | CO2 |

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| 8a | Solve a scenario where declining employee engagement can be improved through strategically designed incentive plans | 10 Marks | Application | CO2 |
| **Or** |
| 9a | Apply key considerations for designing a compensation system that balances internal equity and external competitiveness for a growing business. | 10 Marks | Application | CO2 |

**Part C**

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| **Answer the Question. Question carries 15 marks. 1Qx15M=15M** |
| **10** | **Case Study: The Transformation of Google’s Compensation Management Strategy**Google, now under the Alphabet Inc. umbrella, is one of the world’s largest technology companies. Known for its innovative products and its ability to attract top talent, Google has always placed a premium on creating a motivating and equitable compensation system. As a global tech giant, Google’s workforce spans multiple continents, with different employees having varying roles, from software engineers to salespeople and support staff.In the late 2010s, Google faced an increasing challenge in maintaining competitive compensation amidst rising scrutiny over pay equity, employee dissatisfaction with performance evaluations, and the need to remain competitive in the Silicon Valley talent war. Several issues emerged:* **Gender Pay Gap Allegations:** Multiple reports surfaced suggesting that there was a disparity in compensation between men and women at Google, sparking public criticism.
* **Market Competitiveness:** The competitive landscape for attracting high-level engineering talent became fierce, particularly from rivals like Facebook, Apple, and Amazon, all competing for the same talent pool.
* **Employee Dissatisfaction with Stock-Based Compensation:** Google’s compensation was heavily reliant on stock options, but fluctuations in stock prices made some employees feel undervalued, particularly those in lower-level positions.
* **Complexity in Global Operations:** With employees across the globe, it became difficult to balance compensation practices across different regions, where expectations, cost of living, and labor regulations varied.

Google’s goal was to overhaul its compensation management strategy to:* Address pay equity concerns and enhance transparency.
* Remain competitive in the tech talent marketplace.
* Create a fair, performance-driven pay system that motivated employees at all levels.
* Simplify the complexities of global compensation management while maintaining fairness.

Questions:1.Appraise how one of the world’s most innovative companies must continuously evolve its compensation strategies to meet changing internal and external challenges.2.Outline a suitable compensation policy to render its compensation policy competitive. | 15 Marks | Analysis | CO2 |