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Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306

**POST GRADUATE DIPLOMA IN MANAGEMENT (2024-25)**  
**MID TERM EXAMINATION (TERM -III)**

**Subject Name:** Compensation and Reward Management

**Time:** 01.00 hrs

**Sub.Code:** PGH32

**Max Marks:** 20

**Note:** Section A contains two questions, each carrying 5 marks, while Section B also contains two questions, each carrying 5 marks

**SECTION-A**

**Case Study:**

**Nova Manufacturing Ltd.** is a mid-sized automobile parts company with 500 employees. Over the past year, the company has noticed a decline in worker motivation and productivity, alongside an increase in employee turnover. Many employees feel that their compensation does not align with their efforts, while the management struggles to balance wages with financial sustainability.

Currently, all employees in similar roles receive the same salary, regardless of their individual performance or experience. Some workers have expressed concerns that their pay does not reflect their contributions, while others believe they are not being adequately rewarded for their skills and tenure. At the same time, the company's leadership is debating whether wages should be determined based on performance, market conditions, or other factors.

The HR team has been tasked with designing a new wage structure that enhances employee motivation and productivity while ensuring financial stability.

**Questions:-**

**Q1. Based on different wage theories, how should Nova Manufacturing Ltd. structure its compensation system to improve employee motivation and productivity?**

**CO1**

**Justify your answer with relevant economic and motivation theories of wages**

**Q2. If you were part of the management team, how would you ensure that the company's wage structure is fair and competitive while maintaining financial sustainability? Which wage-related factors would you prioritize and why?**

**CO1**

## SECTION-B

**Q.3.**

**CO5**

As the HR manager of **NextGen Ltd.**, you are responsible for implementing the provisions of the Code on Social Security in your organization. One of the provisions of the code requires employers to provide social security benefits to their employees, including health insurance, disability insurance and maternity benefits. **Suppose a female employee in your organization is pregnant and needs to take maternity leave. Discuss the key provisions of the maternity benefit act, including the duration of leave, the amount of pay and the eligibility criteria for employees.**

**Q.4.**

**CO5**

**What are the key provisions of the Code on Wages, 2019 and how does it differ from the previous wage-related laws in India?**