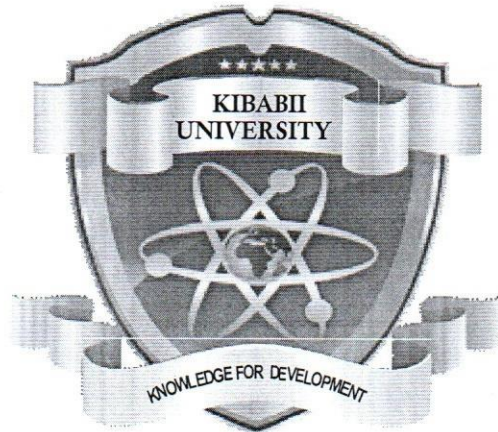


KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

SPECIAL/SUPPLEMENTARY EXAMINATION

2017/2018 ACADEMIC YEAR

FIRST YEAR FIRST SEMESTER

FOR THE DEGREE OF MASTER OF SCIENCE IN HUMAN RESOURCE MANAGEMENT

COURSE CODE: HRM 804

COURSE TITLE: PERFORMANCE MANAGEMENT REWARD SYSTEM

DATE: 16/10/2018

TIME: 11.30 – 2.30PM

INSTRUCTIONS TO CANDIDATES

- Answer question **ONE** (compulsory) and any other **THREE** questions
- Question **ONE** attracts 40 marks
- Time allowed is **THREE** hours
- All other questions attract equal marks (**20** marks)

QUESTION ONE

- a) As a reward specialist for a medium –sized firm with some 400 professional staff and 80 support staff, you have been asked to do a presentation to the top managers on what should be their current priorities on employee benefits including pensions. They are asking you to respond to their concerns that benefit costs are rising and want you to recommend how to cut the current provisions while maintaining employee morale. You should justify your choices by reference to research, theory and legal requirements and indicate how you propose to review the company’s benefits provisions **(20 marks)**

- b) You are a reward specialist and work for a large financial sector company. Your directors are concerned that their current reward practices on bonuses will need substantial changes to comply with the European Union proposals on the capping of bonuses in the finance sector. They are asking you to advise them if they should follow the lead of Barclays Bank and give senior bankers additional fixed monthly salary payments (rather than bonuses) as a response to the cap. You have been asked to write a report reviewing bonus payments for senior and professional staff, some of whom are traders and currently earn bonuses worth ten times their basic salary. Write a set of briefing notes for a meeting with senior managers setting out what you see as the main issues and concerns relating to bonuses, citing research and theory, as well as your understanding of the EU proposals **(20 marks)**

QUESTION TWO

- a) Reward practices that you have witnessed in this case study? **(5 marks)**
- b) Explain instances of what you consider to be good and bad reward practices at Kenya Furniture & Supplies Agency **(15 marks)**
- c) Compile a short management report to hand back to the HR manager at Kenya Furniture & Supplies Agency HQ outlining your recommendations about how reward practices should be standardised, highlighting any potential difficulties which you foresee in their implementation **(20 marks)**

QUESTION THREE

- a) Discuss the importance of pay as a motivator; in your answer you should comment on intrinsic and extrinsic motivators and incentives **(10 marks)**
- b) State and explain any Two Economic Theories that explaining pay levels in an organisations **(10 marks)**

QUESTION FOUR

- a) Explain briefly the term **pay structure**? **(5 marks)**
- b) Imagine you were designing a compensation/reward management system for implementation at Kibabii University;
 - (i) List the primary design criteria that would influence the structure of the system **(5 marks)**

- (ii) Discuss the criteria to be used in determining levels of pay and compensation **(10 marks)**

QUESTION FIVE

- a) Explain how organisations determine the relative value of jobs **(10 marks)**
- b) A small company calls you in as a consultant and asked you to explain to them whether or not they should introduce a job evaluation scheme, and how it should be done **(10 marks)**.

QUESTION SIX

- a) Explain the concept of job evaluation? **(5 marks)**
- b) Identify and describe the **three** different approaches of job evaluation that can be used in Mumias Sugar Company? **(15 marks)**