PAN AFRICA CHRISTIAN UNIVERSITY

SCHOOL OF LEADERSHIP, BUSINESS AND TECHNOLOGY

END OF SEMESTER EXAMINATION FOR THE DEGREE OF

BACHELOR OF COMMERCE

SEPTEMBER - DECEMBER 2019

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS

COURSE CODE: CHR403

COURSE TITLE: COMPENSATION AND REWARD MANAGEMENT

EXAM DATE: MONDAY 9TH DECEMBER, 2019

DURATION: 3 HOURS

TIME: 2:00PM-5:00PM

MODE: ONLINE

INSTRUCTIONS

- Read the instructions and questions carefully before you write the answers.
- ***Answer any FOUR questions out of the SIX Provided***

SECTION A: Answer all the questions

QUESTION ONE

CARTER CLEANING COMPANY

Carter Cleaning Centers does not have a formal wage structure nor does it have rate ranges or use compensable factors. Wage rates are based mostly on those prevailing in the surrounding community.

Carter does not make any formal surveys when determining what his company should pay. He peruses the advertisements almost every day and conducts informal surveys among his friends in the local chapter of the laundry and cleaners trade association.

Although many of his colleagues adhere to a policy of paying minimum rates, Carter has always followed a policy of paying his employees about 10% above what he feels are the prevailing rates ,a policy that he believes reduces turnover while fostering employee loyalty. He also has an informal policy of paying men about 20% more than women for the same job because he believes men are stronger and can work harder for longer hours, and besides they all have families to support.

Questions

i. Discuss whether the company is at the point where it should be setting up a formal salary structure based on a complete job evaluation. **(4 Marks)**

ii. Is Jack Carter's policy of paying 10% more than the prevailing rates a sound one, and how could that be determined. **(3 Marks)**

iii. Explain whether Carters male female differential is justifiable. **(3 Marks)**

SECTION B: Answer any three questions

QUESTION TWO

a.
Managers must take into account all four
b. factors (environment, strategy, technology
c. and human resources) when designing the
d. structure of the organization
e.
Managers must take into account all four
f. factors (environment, strategy, technology
g. and human resources) when designing the
h. structure of the organization
i.
Managers must take into account all four

j. factors (environment, strategy, technology
k. and human resources) when designing the
l. structure of the organization
m.

Managers must take into account all four
n. factors (environment, strategy, technology
o. and human resources) when designing the
p. structure of the organization
q.

Managers must take into account all four
r. factors (environment, strategy, technology
s. and human resources) when designing the
t. structure of the organization

a) Describe how compensation professionals integrate internal job structures with external market pay rates**.** **(5 Marks)**

b) Explain the five steps that are followed when establishing pay rates. **(5 Marks)**

QUESTION THREE

Explain how the following factors affect the remuneration package. Illustrate your answer.

i) Labor market conditions **(2 Marks)**

ii) Ability to pay **(2 Marks)**

iii) Trade unions **(2 Marks)**

iv) Government legislation **(2 Marks)**

v) Individual performance **(2 Marks)**

QUESTION FOUR

a) Discuss two policy issues that employers would use to design benefit packages.

i. (4 Marks)

b) You are applying for a job as a manager and are at the point of negotiating salary and benefits. Describe the benefits package you would try to negotiate for yourself.**(6 Marks)**

QUESTION FIVE

a) Using an example explain two incentives plans that provide income over and above base salary to employees who meet specific individual performance standards. **(6 Marks)**

b) You have been appointed to head a recruitment team at Secumax ltd, a locally incorporated company dealing in electronic appliances. They are currently recruiting sales representatives. Identify five compensable factors for a sales representative job. **(4 Marks)**

QUESTION SIX

a) Using examples explain five key success factors in performance related pay **(5 Marks)**

b) Describe how employees age influence their choice of benefits. **(5 Marks)**