



TECHNICAL UNIVERSITY OF MOMBASA

School of Business

Department of Business Administration

UNIVERSITY EXAMINATION FOR:
BACHELOR OF BUSINESS ADMINISTRATION
BHR 4306: REWARD MANAGEMENT
END OF SEMESTER EXAMINATION

SERIES: APRIL 2025

TIME: 2 HOURS

DATE: 5 May 2025

Instructions to Candidates

You should have the following for this examination

Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions.

Attempt question ONE (Compulsory) and any other TWO questions.

Do not write on the question paper.

Question ONE

- a) When developing a reward management system, certain elements should be borne in mind by the developers of that system. Discuss. (10 marks)
- b) Describe the principal factors that may lead to pay differentials among employees of an organization. (10 marks)
- c) Salary survey is a pre-requisite for establishing competitive pay rates. Discuss. (10 marks)

Question TWO

- a) Mr Meza is the Human Resource Manager of Uzuri Milk Processors Ltd. A Human Resource Consultant has advised him to carry out a job evaluation exercise for the purpose of enhancing equity in the pay structure. Describe **FOUR** ways in which

the company can utilize information obtained from job evaluation to achieve compensation objectives. (8 marks)

- b) More and more organizations have embraced a skill-based pay scheme to compensate their employees. Explain the features of an effective skill-based pay scheme. (6 marks)
- c) Describe the importance of Reward Management to the successful achievement of an organization's goals. (6 marks)

Question THREE

- a) Many companies tend to reward their employees based on their job performance. Explain the criteria that management of any organization uses in assessing employees' performance. (10 marks)
- b) The Chief Executive Officer of Wool Limited has introduced a fringe benefits scheme for its employees. Describe the benefits derived from doing so. (10 marks)

Question FOUR

- a) Describe the key principles considered when conducting a salary survey for any organization. (10 marks)
- b) Discuss the strengths enjoyed by paying the workers of an organization using performance-related pay. (10 marks)

Question FIVE

- a) You are the Human Resource Manager of a large manufacturing company. You have suggested to the top management of the company to perform the Job Classification method of job evaluation. Explain the importance of this method. (10 marks)
- b) Describe the merits of adopting the broad banding pay structure when designing the pay structure for workers of a large service organization. (10 marks)