



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

A. M. E. C. E. A

MAIN EXAMINATION

MAY – JULY 2016 TRIMESTER

FACULTY OF COMMERCE

DEPARTMENT OF MARKETING AND MANAGEMENT

REGULAR PROGRAMME

CMH 422: PERFORMANCE AND REWARD MANAGEMENT

P.O. Box 62157
00200 Nairobi - KENYA
Telephone: 891601-6
Fax: 254-20-891084
E-mail: academics@cuea.edu

Date: JULY 2016

Duration: 2 Hours

INSTRUCTIONS: Answer Question ONE and ANY OTHER TWO Questions

Q1. HINDUSTAN STEEL MANUFACTURING COMPANY

The foundry has always been regarded as one of the worst places to work in Hindustan steel manufacturing company. The work is hot, dirty and heavy. Physical endurance rather than brains and intelligence, is considered as chief requirement to get the job in the foundry. Yet according to the job evaluation plan of the company, 'physical ability' and working conditions are weighted relatively lower than 'responsibility training' and skill. As a consequence, most of the foundry jobs are rated at the bottom of the wage scale of the company.

In recent years, it has been increasingly difficult to get men for working the foundry. Management had to actively search for days to get men to work in the foundry. Often management had to employ men who could not get jobs elsewhere due to their personal limitations in terms of ability, intelligence and competence. This had led to further lowering of the already low social status of the foundry in the eyes of other employees in the plant. The matter has a crisis low. There are sixteen vacancies in the foundry at present and it is almost impossible to hire new men for these jobs at the evaluates rate.

The human resource manager of the company, Mr. Ray has difficult task on his hand.

Required

- a) As a human resource consultant, discuss the process of job evaluation. **(12 marks)**
- b) Besides the results of job evaluation, a remuneration policy is guided by the market rates. In view of this statement explain any FOUR sources of information for market rates. **(6 marks)**
- c) Analyze the type of wage systems that organizations may adopt. **(6 marks)**
- d) Write brief notes on the following types of pay structures
- i Graded pay structure
 - ii Broad banded pay structure. **(6 marks)**
- Q2. a) Performance management is a process. Discuss. **(15 marks)**
- b) Using appropriate examples, explain any FIVE performance rating errors that a rater may commit. **(5 marks)**
- Q3. a) Explain any FIVE factors that influence an organization remuneration package. **(10 marks)**
- b) Discuss any FIVE forms of performance related pay options that an organization can adopt; citing TWO advantages and ONE disadvantage of each. **(10 marks)**
- Q4. You have been appointed into a taskforce to prepare a reward policy for a newly established organization. Discuss the issues that the taskforce should understand before developing the reward policy. **(20 marks)**

END