

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

FOURTH YEAR EXAMINATION FOR THE AWARD OF DEGREE
OF BACHELOR OF COMMERCE

BCOM 461: COMPENSATION MANAGEMENT

STREAMS: BCOM

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 06/12/2017

2.30 P.M. – 4.30 P.M.

INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER TWO

1. (a) Explain the various non-financial rewards that an organizations can use to motivate employees. [10 marks]
- (b) Organizations are guided by various factors to determine the remuneration package for their workforce. Identify the factors that should be considered while making this determination. [10 marks]
- (c) The principle of equity requires that people are treated in a fair and just manner. Identify the options available to an employee who perceives to be treated inequitably. [10 marks]
2. (a) Giving practical examples, differentiate between fringe benefits and incentives and show their importance to an organization. [10 marks]
- (b) Differentiate between time and preferential pay system and show which an employer in production sector may prefer to apply for his casual workers. Justify your answer. [10 marks]
3. (a) Explain the challenges that an organization with high labour turnover is likely to face. [10 marks]
- (b) Explain why job evaluation is a basic component of an organizations reward strategy. [10 marks]
4. (a) Justify the high salaries enjoyed by senior managers working in private companies. [10 marks]

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- (b) Most employee grievances in an organization emanate from money related factors. Discuss this statement. [10 marks]
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