

**BOTSWANA COLLEGE OF DISTANCE AND OPEN LEARNING**

**In collaboration with**

**ZIMBABWE OPEN UNIVERSITY**

**Diploma in Human Resources Management**

**COMPENSATION AND REWARD SYSTEM**

**CR101**

**Sessional Examination**

**Time Allowed : 3 hours**

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**Instructions**

1. The examination consists of **Four** sections: A, B, C and D
2. Begin each answer to a new question on a new page.
3. Answer questions according to instructions given in each section
4. Write answers in the answer booklet provided
5. Write in grammatical English

SECTION A - MULTIPLE CHOICE QUESTIONS

[10 MARKS]

Answer ALL questions. Each question carries ONE (1) mark.

1. The systematic process of collecting relevant, work-related information related to the nature of a specific job refers to \_\_\_\_\_.
  - A. job content
  - B. job evaluation.
  - C. job analysis.
  - D. job descriptions.
  
2. Employees who understand the work related rationale for pay differences could better direct their behavior towards \_\_\_\_\_.
  - A. organization downsizing
  - B. employee empowerment
  - C. organization objectives
  - D. job analysis
  
3. Merit based pay, bonuses, commissions are examples of \_\_\_\_\_.
  - A. pay for performance
  - B. pay equity
  - C. perquisites
  - D. value-added compensation
  
4. If employees do not feel they are being fairly paid compared to employees in similar jobs outside the organization, this is a problem of \_\_\_\_\_.
  - A. employee contributions.
  - B. the relative importance of jobs.
  - C. external competitiveness.
  - D. inflationary pressure.
  
5. An incentive payment can be described as \_\_\_\_\_.
  - A. a guaranteed level of payment irrespective of output.

- B. a form of pay tied directly to achievement of objective performance standards.
  - C. a lump sum payment to an employee in recognition of goal achievement.
  - D. increases to base pay based on an employee's seniority.
6. When are group incentive plans more appropriate than individual incentive plans?
- A. When individual performance standards are readily apparent
  - B. When the management information and cost accounting systems are simple
  - C. When organizational commitment is an important goal
  - D. None of the above
7. What type of appraisal error consistently rates someone higher than is deserved?
- A. Halo
  - B. Horn
  - C. Leniency
  - D. None of the above
8. The basic cash compensation that an employer pays for the work performed is called \_\_\_\_\_.
- A. merit pay
  - B. base wage
  - C. compensation
  - D. incentives.
9. A major disadvantage of the ranking method used in job evaluation is that \_\_\_\_\_.
- A. is difficult to use
  - B. provides no yardstick for measuring the relative value of jobs
  - C. is too easily understood
  - D. is too flexible
10. In Herzberg's "Two-Factor Theory of Motivation," a hygiene factor is \_\_\_\_\_.

- A. Salary
- B. Achievement
- C. Recognition
- D. Responsibility

**SECTION B – TRUE/FALSE QUESTIONS**

**[10 MARKS]**

**Answer ALL questions. Each question carries ONE (1) mark.**

**State whether each of the following statements is TRUE or FALSE.**

1. A key objective of an external competitiveness policy is to attract and retain employees.
2. Well-designed variable-pay plans have a proven track record in motivating better performance and helping cut costs.
3. A review of firms using MBO indicates generally positive improvements in performance both for individuals and the organization.
4. If a supervisor likes an employee, then regardless of how well the employee performs, the supervisor is likely to evaluate the employee very objectively.
5. The benefits planning process must address the vital question of the relative role of benefits in a total compensation package.
6. A manager uses pay to influence employee behaviours and improve organization performance.
7. Incentives may be long-term or short-term.
8. Collective bargaining is a method of determining terms of employment and regulating the employment relationship.
9. The job specifications portion of a job description specifies the most important responsibilities of a job.
10. Managers must tie at least some reward to employee effort and performance.

**SECTION C – SHORT ANSWER QUESTIONS**

**[30 MARKS]**

**Answer all questions**

1. Identify and explain five employee benefits that fall into the category of pay for time not worked.

**(5 Marks)**

2. Define expectancy theory. Identify the theory's three key concepts. **(5 Marks)**
3. Identify and explain any four goals of employees' compensation system in organisation. **(10 marks)**
4. Explain the Two Factor Theory of Motivation and highlight how you would use this theory to motivate employees of your organisation. **(10 marks)**

**SECTION D ESSAY QUESTIONS**

**[50 MARKS]**

**Answer any two questions.**

**QUESTION 1**

Miss Masego has been appointed as compensation and Rewards Manager in Mokwena Pty limited located in Kanye. Miss Masego's friend, Mr Lesego approaches her for advice. He wants to know various types of employee's compensation and reward systems one could put in place to minimise employee intention quit from organisation. As a student of Compensation and Rewards systems. Advise Masego's friend.

**(25 Marks)**

**QUESTION 2**

**[25 MARKS]**

There are various approaches used in Job evaluation to determine the relative worthiness of a job in organisation. Discuss any three approaches of job evaluation you are familiar with and indicate how they are used in determining the worthiness of a job.

**(25 Marks)**

**QUESTION 3**

- a. Besides money, do other rewards influence employee behaviour? Provide examples to support this proposition. **(15 Marks)**
- b. Discuss the advantages of Employee Benefits to the employer. **(10 Marks)**