

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY  
FACULTY OF COMMERCE  
DEPARTMENT OF BUSINESS MANAGEMENT  
COMPENSATION MANAGEMENT – CBU 2203  
SUPPLEMENTARY EXAMINATION – SEPTEMBER 2007

**INSTRUCTIONS TO CANDIDATES**

- Answer any four questions.
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**Question 1**

Discuss the contributions of the performance management process to the effective management of compensation in an organisation. [25 marks]

**Question 2**

Why should (shouldn't) executives be given special treatment? What factors should be taken into account in designing remuneration packages for directors? [25 marks]

**Question 3**

Discuss factors affecting levels of pay in an organisation. [25 marks]

**Question 4**

In what circumstances do you think a company might usefully introduce flexible benefits? [25 marks]

**Question 5**

One of the dangers of skill based pay is that companies simply pay for the acquisition of skills and not for their effective use. The result could be an over skilled workforce. What can be done to avoid the foregoing problem? [25 marks]

**Question 6**

How can an organisation reconcile a policy of empowering line managers by developing more authority to them with a policy of achieving consistency in the application of remuneration management in an organisation? [25 marks]

Question 7

What problems do you think could be met in a typical organisation when it conducts a job evaluation exercise prior to a thorough job analysis? How can the problems be overcome?

**[25 marks]**