

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS MANAGEMENT

COMPENSATION MANAGEMENT – CBU 2203

SUPPLEMENTARY EXAMINATION – JULY 2014

TIME ALLOWED: 3 HOURS

INSTRUCTIONS TO CANDIDATES

Answer any **FOUR** questions.

INFORMATION TO CANDIDATES

- (i) All questions carry **25** marks each
 - (ii) Questions may be answered in any order.
 - (iii) As much as possible, use relevant examples.
 - (iv) This paper contains **Seven** questions.
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QUESTION 1

‘The purpose of a pay structure is to provide a **fair** and **consistent** basis for **motivating** and **rewarding** employees.’ As the Chief Executive Officer, show how you would design a pay structure that meets the implications of the underlined words. **[25 Marks]**

QUESTION 2

Analyze the effectiveness of performance-related pay in relation to supporting the achievement of organizational objectives. **[25 Marks]**

QUESTION 3

‘There is a danger that a company can pay for skills that are not utilized for the benefit of the organization’. Indicate why you agree or disagree with the foregoing statement. **[25 Marks]**

QUESTION 4

‘As much as employee benefits may not have a direct and immediate impact on performance, their commitment value should not be underestimated’. Discuss. **[25 Marks]**

QUESTION 5

Lawler (1990) propounded the concept of “New Pay”. Say how this concept embraces or does not embrace the current global view of business.

[25 Marks]

QUESTION 6

Evaluate the effectiveness of competence-based pay in relation to unlocking value from people in organizations.

[25 Marks]

QUESTION 7

Discuss the relevance of any three economic theories related to pay in terms of pay determination in Zimbabwe.

[25 Marks]

END OF EXAMINATION PAPER