



**University of Colombo, Sri Lanka**  
**Institute of Human Resource Advancement (IHRA)**

**Masters Degree in Human Resources Management (MHRM)**  
**(1<sup>st</sup> Semester Examination – October 2011)**

**MHRM 04 – Compensation Management**

**Instructions to the Candidates**

- (1) *Answer five (05) questions including question number One (01).*
- (2) *Time allocated for the examination is three (03) hours.*
- (3) *Total number of questions is six (06).*
- (4) *Total number of pages is two (02)*
- (5) *If a page or a part of this question paper is not printed properly, please inform the Supervisor immediately.*
- (6) *Use of any equipment/items such as mobile phones is prohibited, and rules & regulations of University examinations should be strictly followed.*

Q-01

Brawn rather than Brain

The foundry has always been regarded as one of the worst places to work in Bokaro steel Manufacturing company. The work is not, dirty and heavy. Brawn rather than brain is considered the chief requirement to get the job done. Yet according to the job evaluation Plan "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.

In recent years it has been increasingly difficult to get men for working in the foundry. Management has had to take men who could not get jobs elsewhere – thus lowering the already low social status of the foundry in the eyes of other men in the plant. The whole matter has now reached a crisis. There are now sixteen vacancies in the foundry and it is impossible to hire new men at the evaluated value.

(Tripathi, 1992)

- I How should this problem be handled? Should management completely revise its job evaluation programme? Should it make foundry jobs an exception to job evaluation?

(10 Marks)

- II How should management deal with the reaction of other workers if it decides to increase foundry wages but not other wages?

(10 Marks)

(Total 20 Marks)

Q-02

- I What do you mean by reward management? Differentiate the wages from salaries?

(10 Marks)

- II "Evaluation is about the job not about the job holder or employee". Evaluate the above statement critically with reference to the job evaluation Principles.

(10 Marks)

(Total 20 Marks)

Q-03

- I Briefly describe the objectives of pay management.  
(10 Marks)
- II "Equal pays for equal jobs, unequal pays for unequal jobs". Discuss.  
(10 Marks)  
(Total 20 Marks)

Q-04

- I "The objective of welfare management is not to motivate employees, but to attract employees". Comment on.  
(10 Marks)
- II Define what employee welfare means and discuss the importance of employee welfare as Human Resource Management function.  
(10 Marks)  
(Total 20 Marks)

Q-05

- I Why it is important to manage incentives? Describe briefly.  
(10 Marks)
- II "Even though, mainly it is focused the workers for incentives, it is important to develop proper incentive plans to motivate professionals and senior managers of and organization." Evaluate critically.  
(10 Marks)  
(Total 20 Marks)

Q-06

Compare and contrast followings.

- I External Equity VS absolute equity.
- II Qualitative methods of job evaluation VS Quantitative methods of job evaluation
- III Red employees VS Green employees.
- IV Open pay system VS closed pay system.
- V Knowledge pay VS Knowledge based pay

(04 x 05 = 20 Marks)

