



**Institute of Human Resource Advancement
University of Colombo, Sri Lanka**

**Master of Human Resource Management – Course No. 10
2nd Trimester Examination**

(Held in March/April 2021)

MHRM 5231 – Performance and Compensation Management

Instructions to the Candidates

- (1) Answer only five (05) Questions.
- (2) This paper consists of eight (08) questions and two (02) pages.
- (3) Time allocated for the examination is three (03) hours.
- (4) If a page or a part of this question paper is not printed properly, please inform the Supervisor immediately.
- (5) Use of any equipment /items such as mobile phone is prohibited, and Rules and regulations of University Examinations should be strictly followed.

1. a. Define the term 'compensation' (05 Marks)
b. Explain how compensation is perceived differently by different stakeholders of an organization (05 Marks)
c. Describe, giving examples, how managers can use compensation as a motivational tool in a financial institute (10 Marks)
(Total 20 marks)
2. Managing the compensation function is a challenging task, even if the Company has well-established practices. From time to time, different challenges arise that require special attention. Explain how you would address the following such situations:

a. Employees do not properly understand the value of the benefits plans
b. The employee union is not supporting the merit-based pay structure
c. Job evaluations conducted by managers are biased to their departments
d. New recruits must be paid a higher salary than current employees (05 mark each)
(Total 20 marks)
3. Describe how the following aspects of total rewards can be implemented at a large-scale garment manufacturing company:

a. Compensation
b. Benefits
c. Work-life
d. Performance and recognition
e. Development and career opportunities
(04 marks each)
(Total 20 marks)
4. Describe the key considerations in managing the compensation of following special groups:

a. Board of Directors
b. Chief Executive Officer
c. Professional employees
d. Sales staff
e. Contingent workers
(04 marks each)
(Total 20 marks)

5. a. Describe the stages of performance management process (5 marks)
- b. List the causes of poor performance of employees (5 marks)
- c. Explain, with specific examples, the actions you would take to improve the performance of an underperforming senior manager (10 marks)

(Total 20 marks)

6. Explain how you would design, implement and follow-up a new performance appraisal system at a garment factory having 2,000 employees.

(Total 20 marks)

7. a. Define 'Employee benefits' (5 marks)
- b. Compare and contrast, with examples, the following types of employee benefits
- i. Financial and non-financial benefits
 - ii. Individual and group benefits
 - iii. Statutory and voluntary benefits

(5 marks each)

(Total 20 marks)

8. Explain how you would develop a short-term and long-term incentive plans for a construction company.

(Total 20 marks)
