



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

Masters Degree in Human Resource Management
(3rd Semester Examination – December 2012)

MHRM 12 A – Compensation Management

Instructions to the Candidates

- (1) *Answer five (05) questions.*
- (2) *Time allocated for the examination is three (03) hours.*
- (3) *Total number of questions is seven (07).*
- (4) *Total number of pages is two (02)*
- (5) *Each question carries 20 marks.*
- (6) *If a page or a part of this question paper is not printed properly, please inform the Supervisor immediately.*
- (7) *Use of any equipment/items such as mobile phones is prohibited, and rules & regulations of University examinations should be strictly followed.*

01. "Gaining sustained competitive advantages is the key for a business organization to succeed in a highly competitive environment".

Explain the importance of aligning the compensation strategy of an organization with the overall business strategy to gain and sustain the competitive advantages.

(20 Marks)

02. "Development of a total reward strategy ensures maximum return on rewards investments by allocating limited resources into areas that add most value to the organization".

Assuming you are the head of the Human Resource Department of an entity, elaborate the considerations and steps to be followed when developing a total compensation strategy of the organization ensuring the maximum utilization of rewards investments.

(20 Marks)

03. "Job analysis is recognized as a cornerstone of Human Resource Management".

A. Briefly explain the task based approach and the competency approach to the job analysis.

(10 Marks)

B. How does each approach supports managers to make pay decisions in the organizations?

(10 Marks)

(Total 20 Marks)

04. "When developing a compensation strategy for an organization it is important to design such strategy 'fitting' with the environment and the business strategy of the organization. In contrast some argue that set of 'best practices' exist in the business world resulting better performance with any business strategy".

Critically evaluate the above statement highlighting the considerations to be made when selecting a best practice to an organizational reward management system.

(20 Marks)

05. "One of the biggest management challenges for a growing business entity is compensating sales personnel effectively as it has an enormous impact on the bottom line and on future growth of the business".

Elaborate the importance of having special reward programs for the sales personnel of an organization handles household items in the island highlighting the specific methods can be used to motivate them.

(20 Marks)

06. "While monetary rewards are well known to the organizations socio psychological compensation is less used but has an equally important role to play in keeping knowledge workers motivated".

Explore the considerations to be made when developing a reward program for the scientists in a pharmaceutical manufacturing organization.

(20 Marks)

07. "There has been renewed interest in the corporate governance practices of Sri Lankan organizations particularly in relation to accountability".

Highlight the importance of having a remuneration committee to an organization when rewarding the directors and executives giving examples.

(20 Marks)

