



**NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY  
FACULTY OF MANAGEMENT SCIENCES**

**DEPARTMENT OF MANAGEMENT**

<b>QUALIFICATION: BACHELOR OF HUMAN RESOURCES MANAGEMENT HONOURS</b>	
<b>QUALIFICATION CODE: BHRM HON</b>	<b>LEVEL: 8</b>
<b>COURSE CODE: CMA812S</b>	<b>COURSE NAME: COMPENSATION MANAGEMENT</b>
<b>SESSION: NOVEMBER 2019</b>	<b>PAPER: THEORY</b>
<b>DURATION: 3 HOURS</b>	<b>MARKS: 100</b>

<b>FIRST OPPORTUNITY QUESTION PAPER</b>	
<b>EXAMINER(S)</b>	<b>Michael Adekoya-Sanni</b> <b>Werner W Coetzee</b>
<b>MODERATOR:</b>	<b>Dr Simeon Amunkete</b>

<b>INSTRUCTIONS</b>
1. Answer ALL the questions. 2. Write clearly and neatly. 3. Number the answers clearly.

**PERMISSIBLE MATERIALS**

1. Examination paper.
2. Examination script.

**THIS QUESTION PAPER CONSISTS OF 3 PAGES (Including this front page)**

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Answer all the questions below.

**Business Case:           incentives and good rewards (Extracted from “The Remuneration for Handbook for Africa”, by Bussin, M, 2012)**

Offering top salaries and attractive incentives to staff is the quickest, surest way for an organisation to become profitable, according to a survey conducted in the United States of America (*BusinessDay*, 2000). The comprehensive cross-industry survey study found that investing to attract and keep top sales, marketing and customer service professionals can add more than \$40m to a typical \$1bn business unit’s bottom line. The survey put the potential payback for financial rewards and incentives at \$13m. Other investments related to creating a high performance organisation could add another \$27m, including, for example, attracting and retaining “stars” (\$10m) and developing selling and service skills (\$9,5m).

Sales and marketing remuneration above industry averages were closely related to higher profits in every industry studied. The survey sampled the views of about 500 executives from more than 250 companies such as chemicals, communications, electronics and high technology, forest products, pharmaceuticals and retailing.

For the 21 capabilities with a particularly high effect on organisation profits across industries, it was determined that even moderate improvements could result in additional pre-tax profits of \$40m to \$50m a year for a typical \$1bn business unit. A fully-fledged, multi-pronged approach to driving world-class performance with these 21 capabilities could boost pre-tax profits by \$120m to \$140m a year. Technology skills ranked among the top value-adding skills in all industries studied. Many capabilities fueled by technology helped groups gain knowledge of customers, convert it into insight, and implement plans based on that insight. Using technology to collect and analyse data, then sharing information gained with everyone in the organisation, profits could be lifted by another \$12m. The following research takes the guesswork out of where CEOs should put their investment dollars. It starts and finishes with people and technology that enables them to understand their customers better and to convert that knowledge to tangible results.

**Question 1**

Based on the above business case, discuss the factors that would be considered relevant if you were to advise your organisation about the purpose of implementing variable pay in your compensation system in the pay package of the organisation (15)

**Question 2**

With the use of a table and practical example, discuss both short and long term incentives you can use in the case of variable pay consideration (21)

**2.1** Discuss the term payroll and the value to human resources in the organisation (4)

**Question 3**

Discuss the basis for remunerating the employees who your organisation has deployed to international assignment (20)

**Question 4**

One of the major reasons for the compensation system is to offer both monetary and non-monetary rewards to employees for their contributions towards achieving the business objectives. Employee benefits represent an aspect related to the non-monetary rewards. Discuss the objectives of employee benefits in the compensation system of your organisation (20)

**Question 5**

You have been newly appointed as a compensation manager, discuss the process through which you will use compensation system in your organisation to solve the business challenge of growth that the organisation is going through (20)

Best of Luck!!!



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<b>2<sup>ND</sup> OPPORTUNITY QUESTION PAPER</b>	
<b>EXAMINER(S)</b>	<b>Michael Adekoya-Sanni</b> <b>Werner W Coetzee</b>
<b>MODERATOR:</b>	<b>Dr Simeon Amunkete</b>

<b>INSTRUCTIONS</b>
<ol style="list-style-type: none"><li>1. Answer ALL the questions.</li><li>2. Write clearly and neatly.</li><li>3. Number the answers clearly.</li></ol>

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**Answer all the questions below.**

**Excerpt:**

Organisations in the fourth industrial era face huge human resource motivation challenge. Compensation is key in the contract of employment. At the beginning of the new financial year, the announcement came as a shock that ABC organisation is not performing to the best of its operations. The company came under severe criticism and it was accused of not being clear about its strategy to renew its pay structure.

As a consultant, you have been called upon to help the organisation. As a result, you are confronted with the following tasks:

**Question 1**

Advise the organisation on the factors that influence the design of pay structure of the organisation. Discuss them all in brief detail (21)

**Question 2**

There are several methods that organisation can use to assist in the development of a remuneration strategy. Discuss these methods. (20)

**Question 3**

Advise the company on the guidelines special attention should be given in the process of implementing job evaluation (15)

3.1 Briefly discuss these two terminologies: i. Pay overlaps; ii. Pay ranges (4)

**Question 4**

Discuss the ground to which the remuneration of the executives may be justified (20)

**Question 5**

Discuss features of well-designed pay structure considering its ability to motivate employees and enhance productivity/service delivery in your establishment. (20)

Best of Luck!!!