



**MASENO UNIVERSITY**  
**UNIVERSITY EXAMINATIONS 2016/2017**

**THIRD YEAR FIRST SEMESTER EXAMINATIONS FOR THE  
DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION WITH  
INFORMATION TECHNOLOGY**

**CITY CAMPUS- EVENING**

**ABA 334: COMPENSATION MANAGEMENT**

Date: 19<sup>th</sup> June, 2017

Time: 5.30 - 8.30 pm

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**INSTRUCTIONS:**

- Answer question ONE and any other THREE questions.



### QUESTION ONE

- a) Existence of remuneration in organizations has been explained using certain theories. Describe relevance of theories of remuneration. (10 mks)

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- b) Wage policy should achieve certain things in an organization. Describe what wage policy should address. (10 mks)
- c) Explain causes of lack of retention of employees by organizations.(5 mks)

### QUESTION TWO

- a) Remuneration of employees differs from organization to organization and country to country. Explain the determinants of remuneration in any country (10 mks)
- b) Discuss the relevance of job evaluation in remuneration of employees. (5 mks)

### QUESTION THREE

- a) Discuss approaches that an organization can use in determining base pay for her employees. (10 mks)
- b) Remuneration practices are dynamic and have undergone several changes. Describe the emerging issues in employee compensation. ( 5 MKS)

### QUESTION FOUR

- a) Explain the role of human resource managers in employee compensation (10 mks)
- b) Discuss challenges that managers face in remuneration of employees

### QUESTION FIVE

- a) The base pay is what employees are given regardless of the level of work performed they do. Explain criteria that organizations can use to determine base pay. (10 mks)

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- b) Describe challenges that organizations face by using contingency pay as a way of rewarding employees. (5 mks)

**QUESTION SIX**

(a) Labour turnover is a cost to the organization and should be addressed.  
Describe employee retention strategies that organizations can use.

(10 mks)

(b) Describe challenges that compensation managers have to deal with in organizations.

(5 mks)