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KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR
SECOND YEAR, SECOND SEMESTER EXAMINATION
FOR THE DIPLOMA IN HUMAN RESOURCE MANAGEMENT
DHR 1111: REWARD MANAGEMENT

Date: 18TH APRIL 2024

Time: 11:30AM-1:30PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

INVOLVEMENT AT B&Q COMPANY

A key challenge in most organisations is getting the people in all the different departments involved in the project of recruitment, employment policy, internal communications, human resources and reward policy which comprises total reward so as to be able to work together. In addition, it makes good business sense to have a fair, transparent reward system. B&Q company like any other organisation, also requires a reward policy and change strategies that helps to control cost. If change strategies do not carry everyone in the organization willingly forward, the process can be damaging slowly. So, it's vital that the reward manager builds relationships with the right people. You need to get key individuals to work together without them feeling that they are losing control of their initiatives. In this regard, never underestimate the value of in-depth employee consultation and involvement when formulating a reward policy. In addition, it is necessary to spend money on professional research – market research. Get HR consultants to design and facilitate focus groups – as though you are conducting a market survey exercise. Employees are consumers. You need to sell the initiative to them and help them understand why it is taking place.

Required:

- a) As a Reward Manager, highlight the issues that you seek to address when implementing an effective reward policy. **(6 Marks)**
- b) Explain the benefits of Total Rewards implemented at B&Q Company. **(6 Marks)**
- c) The Reward Manager at B&Q advocates for transparency in pay. Outline six benefits of pay transparency. **(6 Marks)**
- d) The CEO at B&Q stated that it makes good business sense to have a fair, transparent reward system and it helps us to control costs. State six features of a good reward system. **(6 Marks)**
- e) Examine the main aim of market analysis in rewards system. **(6 Marks)**

QUESTION TWO (20 MARKS)

- a) Discuss the concept of agency theory in relation to reward management, specifically in management of incentives. **(8 Marks)**
- b) Performance management is a natural process of management. Using a diagram, explain the process of performance management. **(8 Marks)**
- c) Discuss the implications of efficiency wage theory and human capital theory in explaining the pay levels and differentiation. **(4 Marks)**

QUESTION THREE (20 MARKS)

- a) Using examples, explain the aim of reward management strategies. **(8 Marks)**
- b) Developing reward strategy and the formulation of reward strategy is a process that requires understanding of key various stages. Discuss the four main phases that are vital in this process. **(8 Marks)**
- c) Highlight any four aspects of reward policies and strategies that should be monitored and evaluated in organisations systematically. **(4 Marks)**

QUESTION FOUR (20 MARKS)

- a) Using the Towers Perrin Model of Total Reward demonstrate your understanding of the concept of total rewards. **(8 Marks)**
- b) Discuss the importance of conducting job evaluation in organisations with unclear discriminative pay structures. **(8 Marks)**
- c) Using examples, discuss the various types of allowances that you will incorporate as a component of your transactional reward in the organisations. **(4 Marks)**

QUESTION FIVE (20 MARKS)

- a) Explain the role of line managers in the implementation of reward strategies. **(8 Marks)**
- b) Explain other broad strategic aims of broad-brush reward strategy. **(8 Marks)**
- c) A job evaluation is composed of job compensable factors. Explain how the compensable factors are used in determining the relative worth of the job. **(4 Marks)**