INTERNATIONAL UNIVERSITY OF EAST AFRICA
'Learning to Succeed'

FACULTY OF BUSINESS MANAGEMENT

END OF SEMESTER EXAMINATIONS - APRIL 2025

PROGRAMME: BHRM
YEAR/SEM: YEAR 3/SEMESTER 1
COURSE CODE: HRM 3103
NAME: REWARD MANAGEMENT

DATE:
TIME:

INSTRUCTIONS TO CANDIDATES:

SECTION A

Section A is compulsory and carries 40 marks. Answer all questions in Section A

Question 1:

Case Study on Financial and Non-Financial Rewards at Universal Holdings Ltd.

Universal Holdings Ltd. is a large retail company with over 500 employees across various departments. The company has been experiencing high turnover rates, low employee morale, and a decline in sales. The management team conducted a survey and found that employees were dissatisfied with the lack of rewards and recognition for their hard work. To address this issue, the company decided to implement a rewards program that included both financial and non-financial rewards. Basing on this, answer the following questions:

a) Explain any four components of Financial Rewards and non-financial rewards that Universal Holdings Ltd. can use change their current situation (10 marks)

b) It is often said that money is the best motivator of employees, why should Universal Holdings Ltd. use money to motivate its employees? (10 marks)

c) What is the importance of adopting non-financial rewards at Universal Holdings Ltd.? (10 marks)

d) What challenges can Universal Holdings Ltd. face in implementing a sustainable reward system (10 marks)

Question 2:

Case Study: The Stagnant Sales Team

"Peak Performance Products," a mid-sized company selling good athletic equipment, has consistently struggled to maintain high sales team morale and performance. While sales targets are generally met, there's a noticeable lack of initiative and a feeling of stagnation among the sales representatives. The company has a basic rewards system in place, offering commissions based on sales targets and annual bonuses tied to overall company performance. However, there

is a lack of a good employee recognition program beyond these financial incentives. Sales representatives feel their individual contributions and achievements often go unnoticed, leading to a sense of disengagement. Recent employee surveys reveal low job satisfaction and high turnover rates amongst the sales team.

Questions:

1. What are recognition programs? (5 marks)
2. Specifically, how does the absence of a formal recognition program contribute to the problems faced in the company? (15 marks)
3. Which types of recognition programs would you introduce into the company to overcome the problems faced in the country? (15 marks)
4. What recognition tips would you advise the management to follow while awarding the recognition programs? (5 marks)

SECTION B

There are SIX (6) questions in Section B; Answer any THREE (3) questions.

Question 1:

a) Define Performance Management (5 marks)

b) Explain how reward impacts both individual and organization performance (15 marks)

Question 2:

a) Given your knowledge of the traditional bases of pay as part of rewards management in an organization, would you support merit pay for politicians in Uganda? Give reasons for your response (10 marks)

b) Based on your knowledge of bases of pay /pay systems in the Organization, share your views on whether seniority pay systems should be maintained or not in Organizations today. Please give reasons for your submissions. (10 marks)

Question 3:

Write short notes on the following terms:

a) A Total Reward package (5 marks)
b) Incentive Pay systems (5 marks)
c) Extrinsic Rewards (5 marks)
d) Merit Pay systems (5 marks)

Question 4:

a) With the help of an illustration, explain the Towers Perrin model to total rewards (10 marks)

b) Discuss the steps required to introduce a total reward system in an organization (10 marks)

Question 5:

a) What is rewards management and why is it important for organizations today? (10 marks)

b) Explain some of the challenges faced by rewards professionals in the

current dynamic work environment (10 marks)

Question 6:

a) Identify and explain the different types of reward systems or bases of pay in an organization? (10 marks)

b) Examine the different ways an organization can ensure that their reward systems are fair and transparent? (10 marks)

Question 7:

a) What are the different types of bonus programs in an organization? (10 marks)

b) How can organizations use recognition programs to boost employee morale? (10 marks)

Question 8:

What do you understand by the term employee recognition in an organization? (3 marks)

Give reasons why employee recognition programs are important in an organization? (10 marks)

Identify the different ways to recognize employees for good performance in an organization. (7 marks)

Question 9:

a) What do you understand by the term “flexible workers/employees” in an organization? (3 marks)

b) Identify the different types of flexible workers in an organization today? (7 marks)

c) Explain **FIVE** advantages and disadvantages of any type of flexible worker mentioned in the question above (10 marks)

Question 10:

Write short notes on the following:

a) Flextime schedules (5 marks)

b) Compressed work weeks (5 marks)

c) Telecommuting (5 marks)

d) Virtual workspaces (5 marks)

Question 11:

Write short notes on the following motivational theories explaining rewards management:

a) Equity theory
b) Maslow’s Hierarchy of Needs
c) Goal setting theory
d) Expectancy theory

Question 12:

a) Giving examples, distinguish between legally required benefits and discretionary benefits in an organization (10 marks)
b) Explain the four-stage process of implementing a total rewards strategy in an organization (10 marks)