INTERNATIONAL UNIVERSITY OF EAST AFRICA
'Learning to Succeed'

FACULTY OF BUSINESS MANAGEMENT

END OF SEMESTER EXAMINATIONS - DECEMBER 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

Question 1:

Noval Electric Company is a city-based manufacturer of welding machines and motors. When Tamim established the company in 2001, he was keenly aware of the importance of a highly motivated workforce, and how the company's success, in fact, depended on it. Therefore, Tamim had to ensure that each employee would work as diligently as possible for the good of the organisation. Tamim realized that the best way to motivate employees would be to link the company's reward and recognition system to its goals. To establish this connection, Tamim developed and implemented a comprehensive incentive system. Its aim was to improve the company's overall performance by allowing contributing workers to share in the proceeds. The plan was rewarding employees for turning out quality products efficiently while controlling costs. The system includes the following components:

Paying by the piece rate:, Production workers are paid according to the number of "pieces" or product units they produce that are not defective. If a customer sends a defective part back to the company, the employee who produced it must repair it on his or her own time.

Providing year-end bonus:, To reward workers further for their efforts, Tamim introduced a year-end bonus system that gives all workers an opportunity to nearly double their base wages. Workers get the bonus if the company's annual profit increases.

Providing stock options: Tamim also provided his employees with the option of buying company's stock at a low cost. Employees are also given shares of the company's stock based on annual profits.

a) To motivate his employees Mr. Tamim uses piece rate system.

Questions

i) Discuss the advantages and disadvantages of such a system. 10marks

ii) Discuss other methods of rewarding employees, clearly showing their advantages and disadvantages. 10marks

b) The basic objective of compensation management can be briefly termed as meeting the needs of both employees and the organization. Discuss the other objectives of compensation management. 10marks

c) A strategic reward system is an integrated framework that links an organization's reward philosophy and practices to its overall business strategy. It is guided by clear principles that answer the fundamental questions for employees: "What should I be doing?" and "What's in it for me?" Explain the key characteristics of a strategic reward system. 10marks

Question 2:

Mukwano industries. is a manufacturing division of a larger Uganda - based conglomerate. The company's workforce has been reduced by 50% due to cost-cutting pressures and increasing competition. Despite adopting a high-quality strategy, internal employee surveys reveal low morale and high turnover intentions. The new managing director has been tasked with improving performance and reducing labor costs and wants to review the reward strategy.

Questions

a) How can Mukwano industries align its new reward strategy with its business objectives and desired employee behaviors? 10marks

b) What are the potential benefits and challenges of using performance-related pay to manage labor costs? 10marks

c) What role should non-financial rewards play in Mukwano industries' new strategy, particularly given the low morale? 10marks

d) Suggest different ways how Mukwano Industries can Reward

Employees Effectively in a way that drives results. 10marks

SECTION B

CHOOSE ANY THREE(3) QUESTIONS OF YOUR CHOICE

Question 1:

The purpose of job evaluation is to produce a defensive ranking of jobs on which a rational and acceptable pay structure can be built. Discuss its important features. 10marks

b) Enumerate the benefits of job evaluation exercise. 10marks

Question 2:

Using relevant examples where appropriate, discuss how organisations can use non-financial rewards to motivate employees' and to reward them for their performance. 20marks

Question 3:

In order to achieve the objectives of compensation management, it should proceed as a process. Discuss the compensation/reward management process. 10marks

b) Identify and explain the causes of wage differentials within and among organisations. 10marks

Question 4:

Define the concept of total reward and justify why the total rewards and justify why the total rewards concept should be adopted. 20marks

Question 5:

What are the aims of reward systems including pay, financial and non-financial rewards? 10marks

b) Discuss the different types of rewards available for employees within organizations today. Use organizational examples to illustrate

your answer. 10marks

Question 6:

Reward system refers to the official method used by firms to reward and compensate employees for their work. Reward system includes monetary as well as non-monetary rewards that help motivate workers to give their best performances. In details, explain the elements/components of a reward system. 20amrks

Question 7:

Organisations have various reward systems depending on their purpose, industry custom, and their human capital needs. Examine the most essential types of reward systems used by Morden organisations. 20marks

Question 8:

With relevant examples, explain the five pillars/elements of total rewards. 10marks

b) discuss the advantages of total rewards to both the employees and the organisation. 10marks

Question 9:

Salary structure defines the range of pay rates for every job classification, and it usually includes compensation factors like experience, responsibilities, education, and skills. As a BHRM student, explain the different types of salary structures used in organisations. 10marks

b) Elaborate on the different steps taken to designing an effective pay structure. 10marks

Question 10:

Recognizing and rewarding employees for performance can have a

multitude of positive effects on both the individual and the organization as a whole. In fact, 80% of employees would work harder if they felt better appreciated. Assuming you're the HR manager of Global group of companies, Explain the benefits of rewarding employees for good Performance. 20marks

Question 11:

Discuss the different types of employee Bonus Schemes. 10marks

b) A well-designed bonus scheme can improve wellbeing whilst also getting companies closer to their overarching targets. Providing an employee with a bonus payment can bring multiple benefits, explain these benefits. 10marks

Question 12:

Employee benefits and pension schemes are structured packages of non-salary perks, including also financial security benefits. Using your knowledge of Reward management, discuss the common employee benefits and types of pension schemes that organisations provide to their employees. 20marks