



UNIVERSITY OF RUHUNA
FACULTY OF MANAGEMENT AND FINANCE

No. of Pages : 02
No. of Questions: 05
Total Marks : 70

BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE

3000 LEVEL SECOND SEMESTER END EXAMINATION – FEB/MAR 2023

Three Hours

HRM 32403 – Compensation Management

Academic Year 2021/2022

Instructions

- The question paper contains Five (05) questions.
- Answer all the Questions.

1. "If an organization can maintain a well-designed pay system, it leads to achieving the organizational objectives by overcoming different barriers from the external and internal environment. However, designing a well-pay system is a big challenging task for compensation consultants in the organization"
 - I. Considering the above statement, illustrate the three basic building blocks of the pay model which you learned in the classroom.

(05 Marks)
 - II. Briefly explain how each component of the pay model contributes to a well-designed pay system in an organization.

(09 Marks)

(Total Marks 14)
2. "Employees in Sri Lanka may consider resigning from their organizations if they perceive that there are many difficulties in solving compensation problems. However, instead of resigning, they may use different strategies to address these issues."
 - I. Do you agree with the above statement?

(04 Marks)
 - II. Explain the above statement focusing on the government organizations in Sri Lanka.

(10 Marks)

(Total Marks 14)



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3. "All jobs in an organization are part of its internal job structure and, designing a fair internal job structure is a strength of the organization. However, designing a fair internal job structure is a major challenge with the impact of global events in the business environment"

I. What are the major steps that should be taken in determining an internal pay structure in an organization?
(07 Marks)

II. Explain briefly the major decisions that should be taken when designing a job analysis in the organization.
(07 Marks)

(Total Marks 14)

4. "Suppose that you are the manager of ten people in a large organization. All of the employees in the organization become very suspicious and upset when they receive a memo from the HR department saying their jobs are going to be evaluated"

I. How do you convince the importance of job evaluation to your employees? Write major steps that should be followed in determining an internally aligned job structure.
(06 Marks)

II. Explain briefly using a hypothetical example that how to conduct a job evaluation using the paired comparison method of the ranking method.
(08 Marks)

(Total Marks 14)

5. "A flexible workforce is a byproduct of the latest technology in the dynamic business environment. Further, it is an excellent solution for many organizational issues such as preventing the negative impact of traditional human resource practices, reducing deviated behavior, and utilization of scarce resources in the organization"

I. Do you agree? Justify the need for a flexible workforce for organizations in the present dynamic environment.
(07 Marks)

II. What are the factors that should be considered by employers and employees, when they design flexible work programs in organizations?
(07 Marks)

(Total Marks 14)

1).

2).