



076

UNIVERSITY OF RUHUNA

FACULTY OF MANAGEMENT AND FINANCE

**Bachelor of Business Administration Degree 3000 Level 2nd Semester End Examination
(March/April 2021)**

Academic Year 2020/2021

HRM 32403: Compensation Management

Duration: Three hours

Total Marks: 70

Instructions

The question paper contains 06 questions.

Answer five (5) questions only.

01.

i) The basic objective of compensation management can be briefly termed as meeting the needs of both employees and the organization. Discuss numerous objectives of compensation management.

(06 marks)

ii) Differentiate between intrinsic and extrinsic rewards.

(03 marks)

iii) "Core Job Characteristics can influence on intrinsic rewards thereby providing subsequent benefits to employers." Explain this statement.

(05 marks)

(Total marks, 14)

02.

i) Describe the relationship between pay and individual employee behaviour using the perspective of Reinforcement Theory.

(04 marks)

ii) "Some employees are not motivated on their job and only do the minimum necessary"
Explain this statement using the perspective of Expectancy Theory.

(05 marks)

iii) Discuss common errors in performance appraisal process.

(05 marks)

(Total marks, 14)

03.

i) Explain the concept of job evaluation.

(04 marks)

ii) What are the steps to be followed for job ranking method?

(04 marks)

iii) Describe the importance of external market price consideration for designing a pay structure.

(04 marks)

iv) What are the possible sources to obtain ongoing salary information from the market?

(02 marks)

(Total marks, 14)

04.

i) UC 2 = 20000- 15×500 is the basic salary code for the post of Library Clerk of the government university in Sri Lanka. Explain the main component of this basic salary code.

(03 marks)

ii) The immediate position for the post of the Library Clerk of the government university is Senior Library Clerk. It's salary code is UC 1. Propose suitable basic salary code for Senior Library Clerk and give reasons for your proposed salary code.

(03 marks)

iii) Generally, "a compensation practice is to raise the level of base salaries matching with job level". Do you agree with this practice? Give reasons.

(04 marks)

iv) "Some employees can receive higher basic salaries than their superiors." Briefly explain the above statement using appropriate examples.

(04 marks)

(Total marks, 14)

05.

i) "Internal alignment is important from a strategic perspective of compensation. "Briefly explain the above statement.

(04 marks)

ii) "Different business strategies require different compensation approaches." Discuss your answer focusing on the strategies of cost reduction and innovation.

(06 marks)

iii) Briefly describe the Individual based compensation strategy and Risk sharing compensation strategy.

(04 marks)

(Total marks, 14)

06.

Write short notes on the **four** of the followings.

- i) Process of performance appraisal.
- ii) 360 degree performance appraisal.
- iii) Broad banded pay structures.
- iv) Performance related pay.
- v) Employee provident fund.
- vi) Employee pension scheme.

(3.5 *4= Total marks 14)

