



**MASINDE MULIRO UNIVERSITY OF
SCIENCE AND TECHNOLOGY
(MMUST)**

MAIN CAMPUS

UNIVERSITY EXAMINATIONS

2022/2023 ACADEMIC YEAR

FIRST YEAR SECOND SEMESTER EXAMINATIONS

FOR THE DEGREE

OF

MASTER OF BUSINESS ADMINISTRATION
& MASTER OF SCIENCE IN HUMAN RESOURCE MANAGEMENT

COURSE CODE: HRM 804

COURSE TITLE: REWARD MANAGEMENT

DATE: TUESDAY, 18TH APRIL 2023

TIME: 8:00 – 11:00AM

This paper consists of 4 printed pages. Please Turn Over

lengthy report to Mr. Makasi on how to manage the school. In the report, the following advice and guidelines were spelt out that:

- (i) While establishing the school and in the course of running the same, compliance with the provisions of Education Act is mandatory.
- (ii) All the relevant labour laws must be adhered to without exception to avoid unnecessary expenses on fines and penalties.
- (iii) The teacher's benefits must reflect merit.
- (iv) Enough funds should always be set aside through the budgetary process to cater for teachers pay packages.
- (v) The pay packages must reflect the performance of each teacher. This would be determined through annual performance appraisal reports.
- (vi) The school must offer competitive market rate of remuneration to attract and retain performance oriented teachers.
- (vii) The pay structure must be clear to enable each teacher to project and predict the next possible salary position.
- (viii) The school must strive to recruit only qualified and experienced teachers in the respective subjects.

Mr. Makasi was at a loss interpreting the recommendations of the education specialist. He ignored the whole report citing huge expenses involved in implementing the report. He therefore decided to continue running the school as he had previously done.

- (a) Mamba Secondary School advertised for teachers vacancies and in a part of the advertisement, indicated that "salary will be commensurate with qualification and experience".
Explain the factors which should be considered when designing a commensurate salary.
(10 marks)
- (b) Poorly formulated reward management policies are important in determining the level of success of Mamba Secondary School.
Explain the impact of the failure to observe such reward system at his school. (10 marks)
- (c) Explain the relevance of Mr. Maswali's recommendations in reward management system at Mwamba Secondary School (10 marks).
- (d) Mamba Secondary School administrators seem to have failed in their mission for not giving remuneration packages the attention they deserve in employment.
Identify and describe the remuneration aspects not observed by Mambo Secondary School Management. (10 marks)

2. (a) Mpenda- Chake Ltd, a medium scale paper industry has been experiencing the problem of disharmony among its employees. Katos, a Human Resource Management professor recommended the adoption of team- based incentive scheme strategy. Evaluate the advantages and limitations of the professor's strategy proposal.
- (b) Makosa Company Ltd, an international Company operating in Kenya has commissioned a Human Resource expert to formulate a reward policy. Analyse the aspects that should be covered by the reward policy.
3. (a) In an effort to provide intrinsic motivation for its work force, Human Resource Managers often advice companies to introduce autonomous work groups. Explain why organizations are reluctant to adopt this type of approach.
- (b) The management of Jokem Enterprises Ltd. Has in the recent past experienced a rise in employee grievances related to the manner in which their salaries have been reviewed. Explain the measures that should be taken in order to correct the situation.
4. (a) County Yetu is in the process of reviewing its pension scheme which is almost a century old. Explain the factors that should be taken into account when undertaking this task.
- (b) Jasho Ltd has been reviewing and implementing the salaries of individual employees based on merit achievement. However, this arrangement has become increasingly difficult to implement. Explain the various reasons why Jasho ltd may have been unable to continue with this arrangement of salary reviews.
5. (a) You are appointed a Human Resource Manager of Uchumi Ngumu Enterprises. Explain the methods of wage payment you may employ to pay your staff.
- (b) Ben and Eric Company Limited, a fast expanding fruit industry has been compelled to establish a Salary Department. Describe the functions that should be carried out in the Salary Department (10 marks)

Read the case below and answer questions that follow: (40marks)

MAMBA SECONDARY SCHOOL

Mamba Secondary School is a private school registered under the Education Act. The school started in 1986 with the enrolment of form one students. The proprietor, a Mr. Mamba Makasi was compelled to invest in this venture after realizing that many students who completed Primary School within the surrounding locations could not secure admission in form one in the government or Missionary sponsored secondary schools.

In the later part of 1985, the school advertised for both form one admission and teaching vacancies. In the advertisement, the school emphasized on suitable qualifications of the prospective teachers. In a part of the advertisement, it was stated “..... those with lesser qualifications may also apply”. The advertisement further indicated that “salary to be offered will be commensurate with qualifications and experience”.

The response to student’s advertisement was overwhelming, it surpassed the school’s management expectation. Mr. Mamba Makasi considered this as a fortune and decided to have a double intake for form one class. The response on teacher’s vacancies advertisement was, however, dismally responded to. Mr. Makasi was however to continue with recruitment of students notwithstanding the poor response to the teaching advertisement.

Those teachers who applied for teaching posts were neither qualified in the subject they showed interest in nor had sufficient experience as required. Mr. Makasi was not himself a teacher and was relying on his cousin who was a P1 teacher to recruit graduate teachers. Since the opening of the term was at hand, Mr. Makasi had to contend with the less qualified teachers who had applied.

During the opening day, the Proprietor of the school held a meeting with recruited teaching staff. He spelt out the importance of hard work and emphasized that the remuneration packages besides salary will be determined by individual teachers performance. He also announced that the salaries would be reviewed at least once a year. In response, the teachers brought to his attention that the appointment letter they had, did not mention the salary to be paid but only insinuated a “good package”.

At the end of the first month, the teachers as usual expected to be paid their salary, however, by 5th of the preceding there was no word or sign of the school effecting salary payment of the previous month. On 10th of the same month, teachers flocked in to the school administrators office and demanded for their pay packages. The school administrator pleaded with the teachers to accept part payment but the teachers could not accept. The teachers complained, that none of them knew the actual salary or pay package they were expecting. As discussion degenerated to arguments the teachers demanded for letter of appointment with details of the pay package.

Mr. Makasi, taking into account the amount of money he had put into the project and the threats from financiers to put the school to receivership, decided to consult Mr. Peter Maswali. Mr. Peter Maswali had been in the education system as a Programme Coordinator for distance education in a local university for a long time. As a specialist in education management Mr. Maswali wrote a