



UNIVERSITY OF COLOMBO, SRI LANKA

FACULTY OF MANAGEMENT AND FINANCE

Postgraduate & Mid-Career Development Unit

Master of Business Administration in HRM, (Semester IV, Second half) Examination March, 2017

MBAHR 614 – Compensation Management

Three (03) Hours

Answer all questions

This is an open book examination

1. i. Define the term compensation and critically examine how a performance based pay system helps to drive business outcomes.

(05 Marks)

- ii. What are the elements of a performance management system, and how performance ratings are linked to compensation including non-tangible returns?

(15 Marks)

(Total 20 marks)

02. i. With relevant practical examples, explain “network of returns” offered for shop floor level employees?

(08 Marks)

- ii. What returns do you believe would make a difference in improving employee performance and how such measures help improve performance?

(12 marks)

(20 Marks)

03. i. Explain briefly the three basic building blocks of a pay model.

(08 Marks)

ii. Select an organization either from the few organizations studied during lectures or from the organizations you studied in your assignment and relate how the compensation policies of that organization would help achieve the compensation objectives.

(12 Marks)

(Total 20 marks)

04. Explain the factors that shape the internal pay structures of an organization with practical examples.

(20 Marks)

05. i. Explain how the internal alignment in compensation supports business strategy and motivates employee behavior.

(10 Marks)

ii. Explain how external competition shape the pay decisions of corporates

(10 Marks)

(Total 20 marks)
