



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**SCHOOL OF BUSINESS AND ECONOMICS**  
**UNIVERSITY EXAMINATION FOR THE DEGREE OF MASTER OF BUSINESS**  
**ADMINISTRATION**  
**2<sup>ND</sup> YEAR 1<sup>ST</sup> SEMESTER 2023/2024 ACADEMIC YEAR**  
**MAIN**

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**COURSE CODE: MBA 838**

**COURSE TITLE: COMPENSATION MANAGEMENT**

**EXAM VENUE:**

**DATE: 02/04/2024**

**EXAM SESSION: 9.00 – 12.00 NOON**

**DURATION: 3 HOURS**

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**INSTRUCTIONS**

- 1. Answer any other FOUR questions**
- 2. Provide examples to support your answers.**
- 3. Candidates are advised not to write on the question paper**

**QUESTION ONE (15 marks)**

- a. You have been hired as a compensation consultant for a retail chain experiencing high turnover rates among its store associates. Identify the reasons for the high turnover. Develop recommendations to address these issues while ensuring internal equity and market competitiveness. (10 marks)
- b. Provide examples of compensation strategies that effectively motivate employees to achieve organizational goals. (5 marks)

**QUESTION TWO (15 marks)**

- a. You are the benefits administrator for a technology startup. The company wants to enhance its employee benefits package to attract and retain top talent in a competitive market. Develop a comprehensive employee benefits program. (10 marks)
- b. Explain the concept of compensation philosophy and its importance in guiding compensation decisions within organizations. (5 marks)

**QUESTION THREE (15 marks)**

- a. You are the compensation analyst for a sales-driven organization. The company wants to implement a performance-based compensation system to motivate its sales team. Develop a performance-based compensation plan. (10 marks)
- b. Provide examples of compensation strategies that align with organizational goals and motivate employees to achieve high levels of productivity. (5 marks)

**QUESTION FOUR (15 marks)**

- a. You have been tasked with optimizing the employee benefits package for a hospitality company with a diverse workforce. Develop a comprehensive benefits optimization plan that addresses the diverse needs of employees while managing costs and ensuring regulatory compliance. (10 marks)
- b. Provide examples of different pay structures and their implications for employee motivation and retention. (5 marks)

**QUESTION FIVE (15 marks)**

- a. You are the HR manager for a manufacturing company introducing a new compensation structure. Develop a communication strategy to effectively communicate the changes to employees. (10 marks)
- b. Provide examples of effective compensation practices that contribute to a positive work environment and employee retention. (5 marks)

**QUESTION SIX (15 marks)**

- a. You are the HR manager of a manufacturing company with various job roles. How would you conduct a job evaluation to determine the relative worth of each job within the organization? (10 marks)
- b. Discuss the challenges faced by organizations in adjusting compensation strategies during the pandemic and propose potential solutions. (5 marks)