

REWARD MANAGEMENT EXAM

MARKING SCHEME

Question One

- a. Reward people according to what the organization values and wants to pay for, Reward people for the value they create, Reward the right things to convey the right message about what is important in terms of outcomes and behaviors, Develop a performance culture, Motivate people and obtain their commitment and engagement, Help to attract and retain the high-quality people the organization needs, Create total reward processes which recognize the importance of both financial and non-financial rewards, Align reward practices with both business goals and employee value
- b. Create a positive and natural reward experience-Leaders must take care, early on, to communicate and educate people on the reasons for changing rewards and the advantages to the workforce and company. Involve people in the change process to gain their understanding, acceptance, and commitment. Align rewards with business goals to create a win-win partnership-Both the company and people need to gain from the relationship. People who contribute to the organization achieving goals share in the success. To ensure a balanced win-win partnership, the company must provide clear direction, people must continue to add value, and the company must acknowledge their value with rewards. Extend people's line of sight-Involve people in extending their line of sight to how they influence the results of their team, group, business unit, and company. Engage people in understanding how what they do affects the customer and how they can adapt to evolving customer needs. Ensure that everyone is a knowledgeable stakeholder in overall success.
Integrate rewards-Use each reward tool for what it does best. Take an overall perspective of not only total pay but also total rewards when determining rewards for people. Create a customized better workforce deal from total rewards.Reward individual ongoing value with base pay-Use base pay to reward three dimensions of individual value: (1) the skills and competencies needed by the company and used by the individual to generate results, (2) the individual's consistent performance over time—whether individual contributions or contributions to team results, and (3) the individual's value relative to the labor market. Reward results with variable pay-The bottom line is that the company needs results to meet shareholder expectations and provide a compelling future. By rewarding the workforce for achieving results, variable pay (cash and equity) creates stakeholder and a win-win relationship between people and the company so that both share in success. Variable pay is best suited to reward results because it is agile, flexible, adaptable, responsive, and able to focus on key measures of success.
Reward The philosophy of reward management recognizes that it must be strategic in the sense that it addresses longer-term issues relating to how people should be valued for what they do and what they achieve. Reward strategies and the processes that are required to implement them have to flow from the business strategy

Question Two

Job analysis is an essential ingredient in designing a sound personnel programme. Job information gathered from job analysis may be used for following purposes -

(1) Organisation and Manpower Planning—Job analysis is helpful in organisational planning, for it defines labour needs in clear terms. It coordinates the activities of the work force and facilitates the division of work, duties and responsibilities. Thus, it is an essential element of manpower planning because it matches jobs with them.

(2) Recruitment and Selection—Job analysis indicates the specific job requirements of each job i.e. skills and knowledge. In this way, job analysis provides a realistic basis for hiring, training, placement, transfer and promotion of personnel. Basically, the goal of job analysis is to match the job requirements with a worker's aptitude, abilities and interests.

(3) Training and Development—Job analysis determines the levels of standard of job performance. Job analysis provides the necessary information to the management of training and development programmes. It helps to determine the content and subject matter of training courses. It also helps in checking application information, interviewing, and weighing test results and in checking references.

(4) Wage and Salary Administration—Job analysis is the foundation for job evaluation. By indicating the qualifications required for doing a specified job and the risks and hazards involved in its performance, it helps in salary and wage administration.

(5) Performance Appraisal—Job analysis helps in establishing clear cut standards which may be compared with the actual contribution of each individual. Job analysis data provide a clear cut performance for every job

Question Three

- a. Job evaluation attempts to assess jobs, not people, the standards of job evaluation are relative, not absolute, The basic information on which job evaluation are made is obtained from job analysis, Job evaluations are carried out by groups, not by individuals Job evaluation committees utilize concepts such as logic, fairness and consistency in their assessment of jobs, There is always some element of subjective judgement in job evaluation, Job evaluation does not determine pay scales, but merely provides the evidence on which they may be devised.
- b. Organizations should comply with legal requirements because the majority of the employees are unionized and unions ensure that their members are well compensated and failure to do so they go to court. Secondly , there are labour laws in every country that organizations are supposed to consider. Thirdly, Compensation is one of the factors that causes riots and strikes in organizations.

Question Four

- a. **Importance of job description-** It helps in grading and classification of job, in placement and orientation of new employees, promotion and transfer of new employees, developing work standards and counseling of employee, defining and outlining career path, work measurement and work improvement, helps in health and fatigue study, vocational guidance of employees, avoiding accidents and helps in the grievances procedure of employees
- b. **Job description and Job specification**

Job Description is an important document, which is basically descriptive in nature and contains a statement of job Analysis. It provides both organizational information's (like location in structure, authority etc) and functional information (what the work is). It gives information about the scope of job activities, major responsibilities and positioning of the job in the organization. This information gives the worker, analyst, and supervisor with a clear idea of what the worker must do to meet the demand of the job.

Job Specification-It tells us, what kind of person to recruit and also under what qualities that person should be tested. Job Specification translates the job description into terms of the human qualifications, which are required for performance of a job. They are intended to serve as a guide in hiring and job evaluation. Uses of this job specification;

- Physical characteristics, which include health, strength, age range, body size, weight, vision, poise etc.
- Psychological characteristics or special aptitudes: This include such qualities as manual dexterity, mechanical aptitude, ingenuity, judgment etc.
- Personal characteristics or fruits of temperament – such as personal appearance, good and pleasing manners, emotional stability, aggressiveness or submissiveness.
- Responsibilities: - Which include supervision of others, responsibility for production, process and equipment, responsibility for the safety of others and responsibility for preventing monetary loss.
- Other features of a demographic nature: Which are age, sex, education, experience and language ability.
- Job specifications are mostly based on the educated gneisses of supervisors and personnel managers. They give their opinion as to who do they think should be considered for a job in terms of education, intelligence, training etc.

Both job description and job specification are integral parts of job analysis. They define a job fully and guide both the employer and employee on how to go about the whole process of recruitment and selection. Both data sets are extremely relevant for creating a right fit between job and talent, evaluate performance and analyze training needs, and measuring the worth (value) of a particular job to the organization.

Question Five

- a. Reward management is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization. Reward management consists of analysing and controlling employee remuneration, compensation and all of the other benefits for the employees.

Reward management aims to create and efficiently operate a reward structure for an organisation. Reward structure usually consists of pay policy and practices, salary and payroll administration, total reward, minimum wage, executive pay and team reward. An effective reward structure will enhance motivation and satisfaction among employees, help in retention and increase productivity.

b. How organizations can carry out fair, just, equity and consistency compensation

Fair: A fair reward system is one in which people are treated justifiably in accordance with what is due to them and their value to the organization. Fairness means that the reward system operates according to the principles of distributive and procedural justice. Distributive justice is provided to people what they believe that rewards have been distributed in accordance with the value of their contribution, that they receive what was promised to them and that they get what they need. Procedural justice conforms to the ways in which managerial decisions are made.

Equity: Equity is achieved when people are rewarded appropriately in relation to others within the organization. Equitable reward processes ensure that relativities between jobs are measured as objectively as possible and that equal pay is provided to employees for their work of equal value.

Consistent: Consistent means decisions on pay should not differ randomly among different people or at different times.