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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR**  
**THIRD YEAR, SECOND SEMESTER EXAMINATION**  
**FOR THE DEGREE OF BACHELOR OF SCIENCE**  
**(BUSINESS ADMINISTRATION)**

Date: 20<sup>th</sup> April, 2023  
Time: 8.30am –10.30am

**KHR 307 - REWARD MANAGEMENT**

**INSTRUCTIONS TO CANDIDATES**

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**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

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**QUESTION ONE (30 MARKS)**

**MEMA COMPANY LIMITED**

When Mema Company Limited discovered that its reward and recognition programme was only reaching and rewarding a small fraction of its employees, it opted to rebrand and repackage it, establishing a seamless user journey and providing a varied variety of rewards that inspire values-led employee behavior. With only forty awards worth 100,000 Kenyan shillings offered to a workforce of 2,400 through Mema's, my Recognition programme, less than 2% of the whole employees were publicly honored each year. Only 20% of its employees responded favorably to the question "I receive acknowledgment when I do a good job" in its annual engagement survey. They wanted to be recognized throughout the year for going above and beyond, to be managed consistently and equitably, and to be able to share and celebrate achievement across the firm. To build a programme that acknowledged more employees for the same amount of money, the team needed to work within their existing budget. Heineken has a diversified workforce that includes office-based support personnel, field-based sales people, and breweries operators, so it needed a strategy that catered to everyone. They also needed to acquire agreement and support from a diverse set of stakeholders in a major corporation. They set out to create a new modern, adaptable, and inventive recognition programme that would achieve the following goals:

- i) Shifting from huge awards for a few to smaller honours for many
- ii) Making acknowledgment more timely
- iii) Providing recognition that is applicable to all employees
- iv) Protecting localized recognition methods
- v) Getting the most out of a limited budget

**Required:**

- a) Advice Mema Company Limited's management on the factors affecting compensation planning that they should always keep in mind when planning their compensation. (6 marks)

- b) As a Human Resource Expert, explain all of the various modes of compensation that Mema Company's management should use to remain competitive and attract the best employees from the labour market. (6 marks)
- c) You have been asked to make a presentation to the board of directors of Mema Company Limited on the characteristics of an ideal performance management system. Create a plan for the same. (6 marks)
- d) Specify the components of an effective reward strategy to Mema Company Limited's management. (6 marks)
- e) Examine the three most important reward management goals that could boost employee productivity at Mema Company Limited. (6 marks)

### **QUESTION TWO (20 MARKS)**

- a) Assess the employee retention strategies used in today's organizations. (10 marks)
- b) Evaluate the critical component of sound wage and salary administration in the modern workplace. (10 marks)

### **QUESTION THREE (20 MARKS)**

- a) Describe the benefits of compensation planning to employers in the modern world of work. (10 Marks)
- b) Explain the benefits of a total reward approach to employers and employees in contemporary organizations. (10 marks)

### **QUESTION FOUR (20 MARKS)**

- a) Examine the various types of fringe benefits that employees in modern organizations can receive from their employers. (10 marks)
- b) Describe the contributions of effective performance management systems to organization performance. (10 marks)

### **QUESTION FIVE (20 MARKS)**

- a) Explain the functions of a performance management system in modern organizations. (10 marks)
- b) Analyze the phases of reward strategy formulation that are described as a process for developing and defining a sense of direction. (10 Marks)