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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR
THIRD YEAR, SECOND SEMESTER EXAMINATION
FOR THE DEGREE OF BACHELOR OF SCIENCE
(BUSINESS ADMINISTRATION)

Date: 14th August, 2024
Time: 11.30am – 1.30pm

KHR 2307 REWARD MANAGEMENT

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

NAIROBI HEALTHCARE HOSPITAL

Nairobi HealthCare Hospital, a leading healthcare provider in Kenya, has developed an integrated reward system to attract, retain, and motivate its medical and non-medical staff. The hospital's approach includes comprehensive compensation packages, strategic tax planning, and a focus on total rewards to enhance employee satisfaction and performance. Nairobi HealthCare Hospital has established a robust rewards system that includes financial and non-financial incentives. Their policy emphasizes performance-based bonuses, employee recognition programs, continuous professional development, and initiatives to improve work-life balance. Staff performance is regularly assessed, and high achievers receive monetary bonuses, awards, and public recognition. The hospital's total reward approach includes not only direct financial rewards like salaries and bonuses but also benefits such as health insurance, pension schemes, wellness programs, and flexible working hours. The hospital also offers opportunities for career growth and professional development, which are highly valued in the healthcare industry.

In the Kenyan context, effective tax planning is essential for maximizing employee net income. Nairobi HealthCare Hospital has implemented tax-efficient compensation structures, such as salary sacrifice schemes for pension contributions and allowances for medical expenses. The hospital provides tax advisory services to help employees understand and utilize available tax reliefs and exemptions. Nairobi HealthCare Hospital offers competitive compensation packages, including base salary, performance bonuses, and benefits. These packages are reviewed periodically to ensure they remain competitive within the healthcare sector and reflect the hospital's financial status and employee performance. The hospital follows a structured wage and salary administration process, involving regular market salary surveys, job evaluations, and internal equity assessments. This ensures that compensation is fair and equitable across all roles. Transparency in compensation practices is maintained, with clear communication to staff about how their pay is determined.

Required:

- a) Describe the elements incorporated into Nairobi HealthCare Hospital's rewards system. (5 Marks)
- b) Evaluate how the human resource manager at Nairobi HealthCare Hospital implements a total rewards approach. (5 Marks)
- c) Specify the tax-efficient compensation structures implemented by the management of Nairobi HealthCare Hospital. (5 Marks)
- d) Evaluate the components that are typically included in Nairobi Healthcare Hospital's compensation packages. (5 Marks)
- e) Explain how Nairobi Healthcare Hospital ensures fair and equitable compensation practices. (5 Marks).
- f) Describe the importance of tax planning for Nairobi HealthCare Hospital and its employees. (5 Marks)

QUESTION TWO (20 MARKS)

- a) Explain the steps involved in designing and managing compensation, reward, and incentive programs in modern organizations. (6 Marks)
- b) As a human resource assistant at TYZ Company Limited, provide advice to management on the importance of efficient reward systems in today's globalized economy. (6 Marks)
- c) Examine the role of non-financial incentives and benefits in motivation. (8 Marks)

QUESTION THREE (20 MARKS)

- a) Analyze the components of a total rewards approach in managing rewards in today's VUCA (Volatile, Uncertain, Complex, Ambiguous) world. (8 Marks)
- b) Explain the importance of a total reward strategy in modern organizations. (6 Marks)
- c) As the Human Resource Manager of Kuja Company, prepare a presentation outlining the advantages of performance-based pay for presentation to the company's board of directors, seeking their approval for implementation. (6 Marks)

QUESTION FOUR (20 MARKS)

- a) Examine the key components of an employee benefits plan. (8 Marks)
- b) Assess strategies for rewarding and motivating directors and senior executives in organizations. (6 Marks).
- c) Explain the advantages of performance management in contemporary organizations. (6 Marks)

QUESTION FIVE(20 MARKS)

- a) Examine the disadvantages of flexible benefits programs. (6 Marks)
- b) Explain the advantages of contemporary methods of performance appraisal. (6 Marks)
- c) Analyze strategies to enhance work teams' innovation and productivity. (8 Marks)