



THE COUNCIL OF COMMUNITY COLLEGES OF JAMAICA

BACHELOR OF SCIENCE EXAMINATION

SEMESTER I – 2009 DECEMBER

PROGRAMME: BUSINESS STUDIES

COURSE NAME: COMPENSATION MANAGEMENT SYSTEMS
CODE: (HRMT3501)

YEAR GROUP: THREE

DATE: WEDNESDAY, DECEMBER 9, 2009

TIME: 1:00 P.M. – 4:00 P.M.

DURATION: 3 HOURS

EXAMINATION TYPE: FINAL



INSTRUCTIONS:

SECTION B: ANSWER ANY TWO (2) QUESTIONS FROM THIS SECTION.

SECTION B

Instructions: Answer any two (2) questions from this section.

Question 1

Curiott & Company manufactures a new brand of fertilizer using organic products available in Jamaica. It aims to replace the demand for foreign chemical fertilizer, but at the present productivity is low.

Make a presentation to the CEO in which you:

- (a) define “gainsharing”, and distinguish it from a “profit sharing” **(4 marks)**
- (b) explain how to establish an ESOP and a Scanlon Plan in a company **(10 marks)**
- (c) discuss the advantages and disadvantages of both plans **(8 marks)**
- (d) recommend, with reasons, one (1) of these plans to the CEO **(3 marks)**

(Total 25 marks)

Question 2

The employees at Hopeton Trading Company have been restive for the past 2 years. They complain about pay, but they also complain that there is no pay policy in the company which results in all manner of inequities in the compensation package and administration.

As HR manager, make a presentation to the CEO of the company in which you seek his approval for the pay policy that you have developed.

- (a) Explain what is a “pay policy” and the methodology used in its development. **(5 marks)**
- (b) Discuss issues to be considered in the development of a pay policy. **(10 marks)**
- (c) Discuss the benefits and disadvantages to a company in having a Pay policy. **(10 marks)**

(Total 25 marks)

Question 3

“Compensation is the most important motivating factor for employees, and high levels of compensation are sure to result in high levels of productivity”

Discuss this statement making reference to existing research on the matter, and giving examples to support your views.

(Total 25 marks)

Question 4

McIntyre’s Auto Supplies and Maintenance employs over 200 workers and is facing the likelihood of legal action for unfair, and gender prejudiced compensation practices. The HR has finally persuaded the owner to permit her to conduct a Job Evaluation which should appease the workers.

- (a) Explain to the owner what a Job Evaluation is, and discuss the benefits and any drawbacks that the company might experience from its implementation *(7 marks)*
- (b) Describe the steps to be taken in setting up a Job Evaluation *(8 marks)*
- (c) Describe clearly, **one (1)** job evaluation method that would be suitable to an organization of this size *(10 marks)*

(Total 25 marks)

END OF EXAMINATION