UNIVERSITI POLY-TECH MALAYSIA
UPTM

FINAL EXAMINATION

BACHELOR OF BUSINESS ADMINISTRATION (HONOURS) HUMAN RESOURCE MANAGEMENT

COURSE	:	**COMPENSATION AND BENEFITS / COMPENSATION MANAGEMENT**
COURSE CODE	:	**HRM4193/HRM4053**
DURATION	:	**3 HOURS**

INSTRUCTIONS TO CANDIDATES:

1. This question paper consists of **TWO (2)** parts : PART A (4 questions)
   : PART B (3 questions)
2. Answer ALL questions from Part A and Part B in the Answer Booklet provided.
3. Please check to make sure that this examination pack consists of:
   i. The Question Paper
   ii. An Answer Booklet
4. Do not bring any material into the examination hall. Electronic calculator is allowed.
5. Please write your answer using permanent ink.

MYKAD NO./ PASSPORT NO. : ______________________

ID. NO. : ______________________

LECTURER : ______________________

SECTION : ______________________

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

This question paper consists of 4 printed pages including the front page

PART A: STRUCTURED

Instruction: Answer ALL questions.

1. Describe **FIVE (5)** types of financial returns that employees receive from work.
(10 marks)

2. Explain **THREE (3)** reasons why organizations implement the pay range within their compensation structure.
(10 marks)

3. Describe **FIVE (5)** reasons for the growth of employee benefits in organizations.
(10 marks)

4. Describe **FIVE (5)** factors that influence the decision to increase the average pay level under a top – down budgeting approach.
(10 marks)

(TOTAL: 40 MARKS)

PART B: ESSAY

Instruction: Answer ALL questions.

1. An organization plans to shift from a traditional job-based pay structure to a person-based structure to improve workforce flexibility, employee motivation, and alignment with organizational strategy. Assess the advantages and limitations of implementing a person-based pay structure (skill-based or competency-based) compared to a job-based structure.

(20 marks)

2. An organization intends to revise its pay structure to remain externally competitive while maintaining internal equity. The HR department conducted a market survey for a benchmark position Engineer I (Table 1) and obtained the following market data:

Position	Engineer I
Market median (50th percentile) base salary	RM5,000 per month
Organization's pay policy	Match the market
Planned pay range spread	±20% from the midpoint
Current employee salaries	RM4,300 to RM6,200

Table 1: Market survey benchmark position Engineer 1

Based on Table 1, apply the concept of pay-policy lines and pay ranges by:

i. calculating the pay range minimum, midpoint, and maximum for the benchmark position, based on the organization's pay policy:

(10 marks)

ii. determining whether current employee's salaries are below range, within range, or above range and explain the implications for the decisions.

(10 marks)

(Total: 20 marks)

3. A manufacturing company applies Taylor and Merrick differential piece-rate systems to motivate workers. The standard production rate is 10 units per hour, and the standard wage is $5.00 per hour. The applicable piece rates are shown in the Table 2.

	Taylor		**Merrick**	
Output (Units/hour)	**Rate per unit**	**Wage**	**Rate per unit**	**Wage**
7	$0.50	$3.50	$0.50	$3.50
8	$0.50	$4.00	$0.50	$4.00
9	$0.50	$4.50	$0.60	$5.40
10	$0.50	$5.00	$0.60	$6.00
11	$0.70	$7.70	$0.70	$7.70
12+	$0.70	$7.70	$0.70	$0.70

Table 2: Taylor and Merrick Plans

A worker produces 9 units per hour on Day 1 and 11 units per hour on Day 2.
Required:

i. Using the Taylor Plan, calculate the worker's hourly wage for Day 1 and Day 2. (6 marks)

ii. Using the Merrick Plan, calculate the worker's hourly wage for Day 1 and Day 2. (6 marks)

iii. Assess which incentive plan provide better motivation for workers who perform close to or above the standard, and justify your answer using the calculated results. (8 marks)

(Total: 20 marks)

(TOTAL: 60 MARKS)
(TOTAL: 100 MARKS)

END OF QUESTION PAPER