

WOMEN'S UNIVERSITY IN AFRICA



Addressing gender disparity and fostering equity in University Education

FACULTY OF MANAGEMENT AND ENTREPRENEURIAL SCIENCES

BSC HONOURS DEGREE IN HUMAN RESOURCE MANAGEMENT

MAIN PAPER

HRMM 411: REWARD MANAGEMENT

INTAKE 9: FOURTH YEAR FIRST SEMESTER

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

Answer Question **1** and any other **two**.

Question 1

Salary inequities at UDT Manufacturing

James Sterling was trying to figure out what to do about a problem salary situation he had in his plant. Sterling recently took over as president of UDT Manufacturing. The founder and former president, Anelita Harding had been president for 35 years. The company was family owned and located in a small eastern Snellville town. It had approximately 250 employees and was the largest employer in the community. Sterling was the member of the family that owned UDT, but he had never worked for the company prior to becoming the president. He had an MBA and a law degree, plus five years of management experience with a large manufacturing organization, where he was senior vice president for human resources before making his move to UDT

A short time after joining UDT, Sterling started to notice that there was considerable inequity in the pay structure for salaried employees. A discussion with the human resources director led him to believe that salaried employees pay was very much a matter of individual bargaining with the past president. Hourly paid factory employees were not part of this problem because they were unionized and their wages were set by collective bargaining. An examination of the salaried payroll showed that there were 25 employees, ranging in pay from that of the president to that of the receptionist. A closer examination showed that 14 of the salaried employees were female. Three of these were front-line factory supervisors and one was the human resources director. The other 10 were non-management.

This examination also showed that the human resources director appeared to be underpaid, and that the three female supervisors were paid somewhat less than any of the male supervisors. However, there were no similar supervisory jobs in which there were both male and female job incumbents. When asked, the HR director said she thought the female supervisors may have been paid at a lower rate mainly because they were women, and perhaps Harding the former president, did not think that women needed as much money because they had working husbands. However, she added she personally thought that they were paid less because they supervised less-skilled employees than did the male supervisors. Sterling was not sure that this was true

The company from which Sterling had moved had a good job evaluation system. Although he was thoroughly familiar with and capable in this compensation tool, Sterling did not have time

to make a job evaluation study at UDT. Therefore, he decided to hire a compensation consultant from a nearby university to help him. Together, they decided that all 25 salaried jobs should be in the same job evaluation cluster, that a modified ranking method of job evaluation should be used, and that the job descriptions recently completed by the HR director were current, accurate, and usable in the study.

The job evaluation showed that the HR director and the three female supervisors were being underpaid relative to comparable male salaried employees.

Sterling was not sure what to do. He knew that if the underpaid female supervisors took the case to the local EEOC office, the company could be found guilty of sex discrimination and then have to pay considerable back wages. He was afraid that if he gave these women an immediate salary increase large enough to bring them up to where they should be, the male supervisors would be upset and the female supervisors might comprehend the total situation and want back pay. The HR director told Sterling that the female supervisors had never complained about pay differences.

The HR director agreed to take a sizable salary increase with no back pay, so this part of the problem was solved. Sterling believed he had for choices relative to the female supervisors:

Source: <http://www.chrmglobal.com>

Required:

- a) Explain the ranking method of job evaluation [10]
- b) Discuss the benefits of having a good job evaluation system [15]
- c) Explain the legal and institutional frameworks that promote fairness and equality in rewards among employees in Zimbabwe [15]

Question 2

Explore Michael Armstrong (2003)'s Total Reward Model justifying why the model has been widely accepted. [20]

Question 3

Examine the factors that influence the development of a reward strategy [20]

Question 4

Explain any five problems often found with performance appraisal systems and what organisations can do to overcome them. [20]

Question 5

Evaluate the extent to which individual performance related pay may or may not help an organisation to improve employee performance. [20]

Question 6

Using examples, discuss how organisations can use non-financial rewards to motivate employees. [20]

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