**HR563: Compensation & Benefits**

|  |  |
| --- | --- |
| Resource Person: | Kamran Hameed |
| Email: | Kamran.hameed@umt.edu.pk |
| Contact Hours: | 3 |
| Office Address: | Dean office |
| Programme: | MBA |
| Section: | A |
| Semester: | Spring 2024 |
| Course Pre-requisites: | Human Resource Management |
| Credit Hours: | 3 |
| Course Type: | Graduate |
| Venue/Day/Time: | Friday (8th Slot) |
| Course URL (if any): | https://lms.umt.edu.pk/course |

|  |
| --- |
| **Course Description:** |
| Compensation represents both the intrinsic and extrinsic rewards employees receive for performing their jobs. Together, both intrinsic and extrinsic compensation describes a company’s total compensation level. Effective compensation systems achieve three key goals. They provide a firm internal consistency, market competitiveness, and means for recognizing individual achievement. An internally consistent compensation system clearly defines the relative value of each job among all jobs within a company, providing an objective justification for their differences in pay. Market competitive pay systems allow firms to attract and retain the best employees by setting pay levels consistent with a firm’s competitive strategies. Finally, a compensation system that recognizes individual achievement can boost both employee morale and firm performance by effectively rewarding key contributors. This course is designed to provide students with concepts, tools and experiential exercises so that they are able to improve and develop compensation systems, which achieves the abovementioned goals. |

|  |
| --- |
| **Course Teaching Methodology:** |
| 1. Interactive lectures. 2. Self-assessment exercise 3. Research Articles. 4. Case analysis. |

|  |  |
| --- | --- |
| **Program Educational Objectives (PEOs): MBA** | |
| PLO1 | Apply and evaluate business plans and strategies in response to changing market conditions and unforeseen challenges. |
| PLO2 | Apply business theories and principles to real-world business challenges, demonstrating the ability to transfer knowledge into workplace settings. |
| PLO3 | Apply effective communication skills to convey ideas, proposals, and solutions. |
| PLO4 | Analyze local & global business environments to formulate business strategies. |
| PLO5 | Apply technology and analyze the impact of digital transformation on business operations and competitiveness. |
| PLO6 | Evaluate the ethical and social responsibility implications of business decisions and practices, considering their broader societal impacts. |

|  |  |  |  |
| --- | --- | --- | --- |
| **Course Learning Outcomes (CLOs):**  **After completing this course, students shall be able to:** | | |  |
|  | | **Mapping with PLOs** | **Learning Domain Level** |
| CLO-1 | * + Analyze various compensation systems, including pay models, to understand their design and effectiveness in organizational contexts. | * + PLO1 | * + L4 |
| CLO-2 | * + Apply knowledge of compensation theories and principles to develop and implement effective pay systems within organizations. | * + PLO2 | * + L3 |
| CLO-3 | * + Application of compensation and benefits tools within the contexts of organizations | * + PLO5 | * + L3 |
| CLO-4 | * + Evaluate the impact of technological advancement on compensation practices, considering technology’s role along with ethical domain of the field in enhancing competitiveness. | * + PLO6 | * + L5 |

**CLO – PLO MAPPING**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **PLOs** | | | | | |
| Apply and evaluate business plans and strategies in response to changing market conditions and unforeseen challenges. | Apply business theories and principles to real-world business challenges, demonstrating the ability to transfer knowledge into workplace settings. | Apply effective communication skills to convey ideas, proposals, and solutions. | Analyze local & global business environments to formulate business strategies. | Apply technology and analyze the impact of digital transformation on business operations and competitiveness. | Evaluate the ethical and social responsibility implications of business decisions and practices, considering their broader societal impacts. |
| 1 | 2 | 3 | 4 | 5 | 6 |
| 1 | L4 |  |  |  |  |  |
| 2 |  | L3 |  |  |  |  |
| 3 |  |  |  |  | L3 |  |
| 4 |  |  |  |  |  | L5 |

|  |  |
| --- | --- |
| **Assurance of Learning and Assessment Items:**  *Specify Assessment Items that will assure student learning through application and achieve objectives of specific PLOs / COs / CLOs* | |
| **Assessment Item** | **Application/ Objectives**  **PLO / CO / CLO** |
| Quizzes (n -1) | [CLO: 1, 2, 3] |
| Mid Term | [CLO: 1, 2, 3] |
| Class Participation | [CLO: 1,2, 4] |
| Mid project | [CLO: 1, 4] |
| Case Study & Discussion | [CLO:2, 3,4] |
| Final exam | [CLO:1, 2, 3, 4] |

|  |  |  |
| --- | --- | --- |
| **Assessment Structure and Grading Policy\*:** | | |
| **Assessment Item** | **Weight (%)** | **Execution Plan** |
| Quizzes (n -1) | 10% | After every 03 topics covered. |
| Class Activities | 05% | 07 (plus) activities in Lecture Sessions |
| Mid-term exam | 20% | One-time assessment |
| Class Participation | 05% | Daily assessment |
| Mid Project | 10% | Tools of compensation and benefits |
| Case Study & Discussion | 10% | Cases, in class group discussion |
| Final Project | 10% | 1-time assessment-Case Based-Open Book |
| Final exam | 30% | 1 – time assessment |
| Total | 100 |  |

**Weekly Sessions Plan:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Week.** | **Topics** | **Content** | **Readings & Activity** | **Application /Objectives PLO/CO/CLO** |
| 1. | Introduction | 1. Knowing more about each other and scope of course, Course outline and Learning Methodology 2. Moodle registration | Course Outline (Lecture and Discussion) | PLO1, CLO1 |
| 2 | Strategic Compensation | 1. Describe compensation and summarize evolution of compensation practices 2. Discuss differences between strategic and tactical compensation. 3. Identify the stakeholders of the compensation and summarize their stake in the work compensation professionals perform. | Chapter 1  **(**Lecture and Discussion) | PLO2, CLO2 |
| 3 | Essentials of Compensation | 1. Name and summarize the goals of compensation professionals. | Chapter 1  Assignment 1 | PLO2,CLO2 |
| 4 | Contextual Influences on Compensation Practice | 1. List and discuss laws that apply to compensation tactics 2. Explain how labor unions influence compensation practices | Chapter 2  Quiz 1 Class Activity | CLO1,2, PLO1,2 |
| 5 | Building Internally Consistent Compensation Systems | 1. Explain the concept of internally consistent compensation systems. 2. Summarize the practice of job analysis. 3. Describe the practice of job evaluation. 4. Explain how internally consistent compensation systems and competitive strategy relate to each other. | Chapter 6  Case 1 | CLO3,PLO5 |
| 6 | Traditional Bases for Pay | 1. Describe seniority and longevity pay practices. 2. List elements of merit pay. 3. Understand performance appraisal methods. 4. Explain how compensation professionals can strengthen the pay-for-performance link 5. Discuss limitations of merit pay programs. | Chapter 3  Quiz 2 Assignment 2 due | CLO4, PLO6, evaluation of traditional bases of pay |
| 7 | Incentive Pay | 1. Provide a contrast between incentive pay methods and traditional pay methods. 2. List three categories of incentive pay plans. Discuss the advantages and disadvantages of group incentive plans. 3. List and summarize five factors in the design of incentive pay programs. | Chapter 4  Case 2 | CLO4, PLO6, |
| 8 | Mid Term (Scenario based) | | |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sr.** | **Topics** | **Learning objective of this topic** | **Readings** | **Activity** |  |
| 9 | Person-Focused Pay | 1. Explain the concept and practice of person- focused pay. 2. Summarize the varieties of person-focused pay programs. 3. Contrast person-focused pay with job-based pay. 4. Provide an explanation of the advantages and disadvantages of person-focused pay plans. | Chapter 5  Lecture and discussion | | CLO4, PLO6, |
| 10 | Discretionary Benefits | 1. Give an overview of discretionary benefits. 2. List the three broad components of discretionary benefits. 3. Explain the benefits and costs of discretionary benefits. | Chapter 9  Case 3 | | CLO4, PLO6, |
| 11 | Building Market Competitive Compensation Systems | 1. Explain the concept of market-competitive compensation systems 2. Discuss how compensation professionals integrate job structures with external market pay rates. 3. Present the basic concepts of two compensation policy types: pay mix and pay level. | Chapter 7  Quiz 3 Assignment 3 due | | **CLO1,2,3, PLO1,2,5** |
| 12 | Legally Required Benefits | 1. Discuss Government of Pakistan’s enacted employee benefits. 2. Summarize main components of legally required benefits. 3. Indicate the main benefits and costs of legally required benefits. | Chapter 11  Class Activity 2  (Bring laptops) | | CLO4, PLO6 |
| 13 | Building Structures that Recognize Employee Contributions | 1. Explain the concept of pay structures. 2. Specify and explain the five steps necessary to construct a pay structure. 3. Discuss considerations in designing merit pay systems and person-focused pay program design. | Chapter 8  Case 4 | | CLO3,4, PLO5,6 |
| 14 | Challenges Facing Compensation Professionals | 1. Explain the impact of economic recession and underemployment on compensation practice 2. Describe the influence of changing workforce demographics on employee benefits practice. | Chapter 16  Quiz 4 | | CLO4,PLO6 |
| 15 | Final Project Presentations | | | |  |

|  |
| --- |
| **Primary Text Book (s):** |
| * Strategic Compensation: A Human Resource Management Approach (8th Edition) By: Joseph J. Martocchio Prentice Hall 2014 [Gary Cokins (Contributor)](https://www.goodreads.com/author/show/47692.Gary_Cokins) * Cichelli, D. J. (2017). *Compensating the sales force: a practical guide to designing winning sales reward programs*. McGraw Hill Professional. * Milkovich, G. T., Newman, J. M., & Gerhart, B. (2014). *Compensation*. McGraw-Hill. |

|  |
| --- |
| **Reference / Supplementary Reading (s):** |
| * [Compensation and Benefits for Startup Companies (hbr.org)](https://hbr.org/1989/01/compensation-and-benefits-for-startup-companies) * [Help Employees Give Away Some of That Bonus (hbr.org)](https://hbr.org/2008/07/help-employees-give-away-some-of-that-bonus) * [Compensation and benefits - HBR](https://hbr.org/topic/subject/compensation-and-benefits) |
| **Useful Online / Web Resources:** |
| * [The Top 10 Blogs in Compensation and Benefits - HR Daily Advisor (blr.com)](https://hrdailyadvisor.blr.com/2011/05/12/the-top-10-blogs-in-compensation-and-benefits/) * <https://www.youtube.com/watch?reload=9&v=lakwCL5zSm4> * [David Burkus: Why you should know how much your coworkers get paid | TED Talk](https://www.ted.com/talks/david_burkus_why_you_should_know_how_much_your_coworkers_get_paid) |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **CLOs** | **Direct Assessments** | | | | | | | | | | | | | |
| QUIZ 1 | QUIZ 2 | QUIZ 3 | QUIZ 4 | Quiz 5 | CP Case 1 | CP Case 2 | CP Case 3 | Case Study 1 | Mid Project | Final Project | MIDTERM EXAM | ENDTERM EXAM | Class Participation |
| 1 | \* |  |  |  |  | \* |  |  |  |  |  | \* |  | \* |
| 2 |  | \* |  |  |  |  | \* |  |  | \* |  |  | \* | \* |
| 3 |  |  | \* |  |  |  |  | \* |  | \* | \* | \* | \* | \* |
| 4 |  |  |  | \* |  |  | \* |  |  | \* | \* |  | \* | \* |