Resource Person Moaz Ali

Trimester

Course Title Compensation & Benefits

Course Code XH-634

Course Type: Core

Pre-Requisite: MO & OB

Counseling Hours: Class Days

Program: MHRM

Program Head: Aizza Anwar

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|  | **Name** | **Signature** | **Date** |
| **Prepared By**  (Resource Person) |  |  |  |
| **Checked By**  (Program Head) | Ms. Aizza Anwar |  |  |
| **Approved By**  (Director SPA) | Dr. Naveed Yazdani |  |  |

**Course Description**

Compensation & Benefit Analysts are facing two challenges, one is how to keep the Companies Profitable and other is how to keep employees intact: by making cost-of-living adjustments to salaries, give cash subsidies for specific expenses, or provide annual increments in accordance to employee performance.

The overview of compensation and benefit includes the topic of wage and salary administration, variable pay (Incentives, Recognition & Bonus), accounting & Finance for HR Professionals, job evaluation to design pay structure & benefit plan, Compliance and legal side of Comp & Ben, Payroll & Taxation. The organizations also have taken retrenchment / restructuring / downsizing decision, such actions are taken affect employees livelihood. The company has to ensure that employees will be compensated appropriately in such time. substantial means of support to last through his or her unemployment for a certain period of time can help to soften the impact.

**Instructional Goals (or Course Objectives)**

Upon successful completion of this course the student will be expected to:

* Understand different pay programs: merit pay, pay-for-performance, profit sharing, team rewards.
* Understand the role of compensation in attracting, motivating, and retaining a high-quality workforce.
* Identify linkages between compensation and performance systems.
* To develop analytical skills in the areas of labour market and the dynamics of compensation and benefits management system
* Analyze and describe issues in the compensation system of an organization;
* Develop employees’ benefits and incentives programs by determining pay increase.
* Administer the compensation and benefits survey and monitor compensation cost.

**Course (Student) Objectives**

Upon completion of the course, students will be able to:

* Demonstrate understanding of the core concepts of compensation and Benefits Management System;
* Analyze and describe issues in the compensation system of an organization;
* Prepare compensation plan of any organization
* Develop employees’ benefits and incentives programs
* Administer the compensation and benefits efficiently and effectively

**Format of the Course:**

Weekly lectures with supplement exercising material

**Resource Material**

# *Compensation* by Milkovich, Newman & Gerhart

# *Compensation Management in a Knowledge – based World* by Richard I. Henderson

# *Compensation Management* by Dipak Kumar Bhattacharyya

* ***Strategic Compensation*** by Joseph J.Martocchio
* ***Performance Management,*** byHerman Aguinis 2/E (Prentice-Hall)
* ***Performance Management:*** [by Robert Bacal](http://www.amazon.com/exec/obidos/search-handle-url/ref=ntt_athr_dp_sr_1?%5Fencoding=UTF8&search-type=ss&index=books&field-author=Robert%20Bacal) (McGraw-Hill)
* ***Brief of Relevant Laws*** (Lawyer as guest speaker)

1. Payment of Wage Act (1936)
2. The Minimum Wages Ordinance (1961)
3. West Pakistan Minimum Wages Ordinance for Unskilled Workers (1969)
4. The Factories Act (1934)
5. The Companies Profit (Workers’ Participation) Act (1968)
6. Industrial & Commercial Employment (Standing Orders) Ord. (1968)
7. Employee’s Old-age Benefits Act (1976)
8. The Provincial Employee’s Social Security Ord. (1965)
9. Provident Fund Act, 1925
10. Workmen’s Compensation Act (1923)
11. Punjab Fair Price Shops Ordinance, 1971
12. West Pakistan Factories Canteen Rules, 1959
13. West Pakistan Maternity Benefit Ordinance (1958)

**Brief Course Contents**

**Session 1: Course Introduction**

* One-to-one Introduction
* Course Introduction, Teaching and Assessment Methodology
* Discussion on Course Outline
* Setting up Norms
* Understanding the course structure and introductory concepts of Compensation & Benefits Management System and relevant laws.

**Activity 1:**

* Formation of Groups for the Project
* Discussion on the choice of organizations

**Learning Outcomes**

* Students will be able to differentiate between salary and total compensation plan
* Understand the importance of this course for their career

**Session 2: Compensation system and its practical aspect**

* Concepts and definitions
* Compensation Management Purpose
* Types & Methods, Motivational theories of Compensation
* Components of Compensation system
* Minimum Wages and relevant laws

**Activity 2:**

* Class Discussion on Best Practices, Bench marks.

**Learning Outcomes**

* Understand difference between Compensation and Benefits.

**Session 3: Job Analysis**

* Analyzing Considerations in job analysis
* Understanding methods of job analysis
* Review questions

**Activity 3:**

* Discussion on the application of various jobs analyses concepts
* Discuss Job Descriptions and Key Performance Indicators (KPIs)

**Learning Outcomes**

* Developing Job Descriptions and Key Performance Indicators (KPIs)
* This skill will eventually enable the students to develop quality compensation plan

**Session 4: Job Evaluation**

* Learning job evaluation methods
* Understanding issues and complexities in evaluating jobs
* Learning the reasons for implementing job evaluation program
* Analyzing compensable factors in calculating job worth

**Activity 4:**

* Practical Application of Methods of Job Evaluation

**Learning Outcomes**

* This will help the students implement job evaluation program in their respective organizations

**Session 5: Factor Comparison & Point Factor Methods for Developing Compensation Plan**

* Understanding the uses of Factor Comparison & Point Factor Methods
* The strengths and weaknesses of market pricing
* Compensable factors and their uses

**Activity 5:**

* Practical Application of Factor Comparison & Point Factor Methods for evaluating all the jobs in the hierarchy of their organizations

**Learning Outcomes**

* This will help them construct meaningful and easily understandable job worth.

**Session 6: Surveying Market Pay**

### Understanding job surveys and dynamics of market compensation practices

* Understand the need for job survey for compensation plans management
* Define the process, methods and techniques of job surveys
* Analyze job survey data and assess its results for developing comprehensive compensation management system

**Activity 6:**

* Presentations by the group leaders on the project work done so far
* Discussion on conducting market pay survey in the organizations relevant to their group project organizations

**Learning Outcomes**

* This will help them construct their survey design for compiling meaningful information
* Discussion on the practical difficulties in conducting market surveys and how to overcome these bottlenecks

**Session 7: Designing Base Pay Structure**

* Understanding principles of base pay structure paragraph structure using examples
* Learning how to develop pay policy line
* Designing pay grades and aligning the pay grades to internal worth as well as market values

**Activity 7:**

* Discussion by the group members on the project work done so far

**Learning Objectives**

* Students will be able to learn how to design base pay structure for their organizations

**Session 8: Practical Application of Methods of Job Evaluation**

* Learning practical application of Factor Comparison & Point Factor Methods

**Activity 8:**

* Apply Factor Comparison & Point Factor Methods on evaluation of all the jobs in their project organization

**Learning Outcomes**

* Students will be able to Apply Factor Comparison & Point Factor Methods on evaluation of all the jobs in their project organization

**Session 9: Mid – term Exam**

* Conducting mid – term exam

**Activity 9:**

* Presentations by the group members on the project work done so far

**Learning Outcomes**

* Students will be assessed on the academic concepts.
* The progress of the course project will be discussed.

**Session 10: Compensating Performance & Teamwork**

* Pay for performance
* Merit pay and reward
* Designing a job content –base performance appraisal program
* Developing team-based compensation system

**Activity 10:**

* Graded Presentations

**Learning Outcomes**

* Learning the importance of relating kinds and levels of employer provide rewards to kinds and levels of employee contribution
* Analyzing the problems related to measuring and rating employee performance in teams
* Learning motivation dynamics and linking it with performance and compensation
* Design merit pay and team-based pay package

**Session 11: Short – term & Long – term Incentives**

* Premium and differentials
* Pay for units produced
* Bonuses and rewards
* Designing a long – term incentives plan
* Deferred compensation plan

**Activity 11:**

* Quiz (Marks: 5)
* Discussion on Government compensation structure

**Learning Outcomes**

* Students will be assessed on the concepts learnt so far.
* Students will be able to learn short-term and long-term incentives plan
* The students will develop understanding of the value and cost of these incentives

**Session 12: Executive & International Compensation**

* Executive compensation
* Capital accumulation
* Maximizing executive compensation opportunities
* International compensation
* Issues related to repatriation

**Activity 12:**

* Graded Presentations

**Learning Outcomes**

* The students will develop understanding of the executive compensation and capital accumulation
* The students will learn the dynamics of maximizing executive compensation opportunities
* The students will learn the dynamics of international compensation and United Nations compensation system

**Session 13: Employees Pay & Benefits Delivery Administration**

* Administering employees pay, benefits and services
* Reducing costs of administration
* The budget process
* Other compensation administration issues

**Activity 13:**

* Case Study (Marks: 5)
* Discussion on relevant laws
* Budget preparation in companies

**Learning Outcomes**

* Learn to administer pay and benefits
* Learn to compare pay and benefits administration issues of private and public sectors

**Session 14: Group Project Presentations**

* Group Presentations

**Activity 14:**

* Presentations

**Learning Outcomes**

* The final group presentations will exhibit the overall comprehension attained by the students in respect of the concepts of compensation and benefits
* Students will demonstrate the presentation skills

**Session: 15. Group Project Presentations**

* Course Overview
* Question and answer session

**Activity 15:**

* Presentations

**Learning Outcomes**

* Whole course will be revised
* Students can evaluate their own learning of the course

**ASSESSMENT METHODOLOGY**

|  |  |
| --- | --- |
| Class Participation/Pre Class self-study | 10 % |
| Mid-term Exam | 10 % |
| Quiz | 05% |
| Class Activity (Case Study) | 15% |
| Group Project Assignment | 20 % |
| Group Project Presentations | 10% |
| Final Exam | 30 % |

**Note:** Detail description of every aforementioned assessment activity will also be provided in the class.

**Personal Ethics**

It is expected that both the stakeholders (teacher & students) will adhere to decorum of professional and ethical conduct. Cheating, plagiarism (submitting the language, ideas, thought or work of another as one’s own) or otherwise indulging in un-fair means to obtain a grade under false pretenses will result in severe disciplinary action leading to removal from the course. Any deliverables found falling in such category will result in straight Zero without further re-submission.

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| **Session** | **Sub-Topic** | **Readings** | **Activities** |
| **1** | * One-to-one Introduction * Course Introduction, Teaching and Assessment Methodology * Discussion on Course Outline * Setting up of Norms * Introduction of Compensation and Benefits Management System | **Compensation Management in a Knowledge – based World**  Richard I. Henderson  Ch. 1 | Activity |
| **2** | * Understand the need for compensation management * Define the process, methods and techniques of job design * Define assessment centers and the approach for job analysis * Analyze job design and assess its relation to compensation management system |  | Activity |
| **3** | * Analyzing Considerations in job analysis * Understanding methods of job analysis * Review questions | **Compensation Management in a Knowledge – based World**  Richard I. Henderson  Ch. 6 | Activity |
| **4** | * Learning job evaluation methods * Understanding issues and complexities in evaluating jobs * Learning the reasons for implementing job evaluation program * Analyzing compensable factors in calculating job worth | **Compensation Management in a Knowledge – based World**  Richard I. Henderson  Ch. 8 | Activity |
| **5** | * Understanding the uses of Factor Comparison & Point Factor Methods * The strengths and weaknesses of market pricing * Compensable factors and their uses | **Compensation Management in a Knowledge – based World**  Richard I. Henderson  Ch. 8 & 9 | Activity |
| **6** | Understanding job surveys and dynamics of market compensation practices  * Understand the need for job survey for compensation plans management * Define the process, methods and techniques of job surveys * Analyze job survey data and assess its results for developing comprehensive compensation management system | **Compensation Management in a Knowledge – based World**  Richard I. Henderson  Ch. 10 | Presentations |
| **7** | * Understanding principles of base pay structure paragraph structure using examples * Learning how to develop pay policy line * Designing pay grades and aligning the pay grades to internal worth as well as market values | **Compensation Management in a Knowledge – based World**  Richard I. Henderson  Ch. 11 | Activity |
| **8** | * Learning practical application of Factor Comparison & Point Factor Methods | **Compensation Management in a Knowledge – based World**  Richard I. Henderson  Ch. 9 | Activity |
| **9** | * Mid – term Exam * Discussion by the group members on the project work done so far |  | Mid – term  Exam |
| **10** | * Pay for performance * Merit pay and reward * Designing a job content –base performance appraisal program * Developing team-based compensation system | **Compensation Management in a Knowledge – based World**  Richard I. Henderson  Ch. 12 & 13  ***Compensation Management***by Dipak Kumar Bhattacharyya  Ch. 5 | Presentations |
| **11** | * Premium and differentials * Pay for units produced * Bonuses and rewards * Designing a long – term incentives plan * Deferred compensation plan | **Compensation Management in a Knowledge – based World**  Richard I. Henderson  Ch. 14 & 15 | Activity |
| **12** | * Executive compensation * Capital accumulation * Maximizing executive compensation opportunities * International compensation * Issues related to repatriation * United Nations compensation system | **Compensation Management in a Knowledge – based World**  Richard I. Henderson  Ch. 16  ***Compensation Management*** by Dipak Kumar Bhattacharyya  Ch. 7 & 14 | Presentations |
| **13** | * Administering employees pay, benefits and services * Reducing costs of administration * The budget process * Other compensation administration issues | **Compensation Management in a Knowledge – based World**  Richard I. Henderson  Ch. 17 & 18 | Activity |
| **14** | * Group Presentations |  | Presentations |
| **15** | * Course Overview * Presentations and Question / answer session |  | Presentations |