



**INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR**

**OB617: COMPENSATION AND BENEFITS MANAGEMENT**

**PGDM 2014-16 Term V**

**CREDIT: Full (3 credits)**

**SESSION DURATION: 90 Minutes**

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### **Introduction**

Compensation (Pay) and benefits constitute an important element in Human Resource Management. A number of factors including Government policy, Legal framework, Company objectives, Employee market situation, Union pressures and Competition significantly affect the Compensation and Benefits management. In a competitive market, organizations are adopting innovative approaches of Compensation and Benefits administration, which give the desired flexibility and better employee productivity.

### **Objectives**

The Course would help students in understanding and appreciating:

- ☐ The approaches that can be adopted in developing and managing compensation strategies for senior management
- ☐ Having practical guidance for developing and managing pay and reward systems
- ☐ Designing transparent Remuneration framework
- ☐ Understanding and appreciation of compensation and benefits taxation
- ☐ How International Compensation is managed in a competitive world.

### **Pedagogy:**

It will be highly interactive and would include lecture-cum-discussions, Case Study analysis, Seminars, Presentations by the Students.

## Evaluation

The evaluation components with their weightages would consist of the following:

<input type="checkbox"/> Class participation including Case analysis	10%
<input type="checkbox"/> Class Quiz	10%
<input type="checkbox"/> Project Assignment and Presentation	20%
<input type="checkbox"/> Mid Term	20%
<input type="checkbox"/> End Term Exam	40%

## Text Book:

Milkovich, George T., Newman, Jerry M. & Venkataratnam, CS. (2009).  
*Compensation*, 9<sup>th</sup> edition (Special Indian Edition), McGraw-Hill Education  
 (India), New Delhi.

## Suggested Readings:

1. Deb, Tapanmoy (2009), *Compensation Management*, Excel Books, New Delhi
2. Armstrong, Michael (2010), *Handbook of Reward Management Practice*. Kogan Page India, New Delhi
3. Joseph J.Martocchio (2008), *Strategic Compensation-a HRM approach*. Prentice Hall
4. Henderson, Richard I., (2009), *Compensation Management in a Knowledge-Based World*, Pearson Education, Inc.

## Broad Course Outline and Session Plan

Session	Topic	Readings
1 & 2	Overview of Compensation management: Pay developments in last two decades and	<b>Chap: 1*</b>
3 & 4	Reward Philosophy, Strategy and Policy Integration with business <i>Case: Pay Matters (Productivity does too)</i>  Aligning compensation to	<b>Chaps: 2 – 3 *</b>
5 & 6	Equal pay for work of equal value, equal pay reviews, market rate analysis, and role analysis. <i>Case: Job evaluation of Whole Foods</i>	<b>Chaps: 4 – 5 *</b>
7 & 8	<u>Grade and Pay Structure</u> The types of grade and pay structures, developing pay and grade structures <i>Case: Merit Pay : Making Policies</i>	<b>Chaps: 6, 8 *</b>
9 & 10	Pay for senior management-using financial, and market performance indicators <i>Exercise</i>	<b>Chap: 7 *</b>
11 & 12	Individual contingent pay, bonus schemes, team pay, paying for organizational performance, recognition schemes, performance management and reward. Stock, options and stock purchase plans	<b>Chap: 9 – 12 *</b>
13 & 14	Wages: Statutes and compliance issues Acts-Minimum Wages, Payment of wages, Payment of Bonus, Equal Remuneration, Gratuity <i>Case: Grass Cutter Vs. Gas Cutter</i>	<b>Chaps: 13, 17 *</b>
15 & 16	Tax issues in compensation (with special reference to increasing the post-tax value of compensation)	Exercise
17&18	Overview of Global Compensation trends in MNCs and large Indian Organizations.	<b>Chap: 16 *</b>
19&20	<b>Project Presentation</b>	

\*From the text book: **Compensation** by George Milkovich, Jerry Newman and CS Venkata Ratnam