

**INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR**

**Post Graduate Diploma in Management (PGDM)**

**COMPENSATION AND BENEFITS MANAGEMENT (OB617)**

**CREDIT: Full (3 credits)**

**SESSION DURATION: 90 Minutes**

**TERM: V**

**YEAR: 2015-2017**

**FACULTY:** Dr. Deepak Sharma

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**Course Introduction:** Compensation and rewards have to play a strategic role in enhancing organizational capability, sustainability and competitiveness by contributing through effectively designed compensation and reward policies in the organization. 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.

**Learning Outcomes**

Upon completion of this course students will understand and appreciate:

- The approaches that can be adopted in developing and managing effective compensation and reward strategies (LO1)
- Wage and Salary Administration at Global and National Level (LO2)
- Incentive Systems (LO3)
- Legal framework of compensation management (LO4)
- Performance Linked Compensation and Managerial Remuneration (LO5)

**PEDAGOGY:**

- Lecture will be supplemented by discussion on Cases/Acts both individually and in groups along with presentations.

**Course Readings****Text Book:**

- Singh, B.D. (2012), Compensation and Reward Management, Excel Books, Noida

**Reference Books**

- Deb, Tapanmoy (2009), Compensation Management, Excel Books, Noida
- Milkovich, George T., Newman, Jerry M. & Venkataratnam, CS. (2009). Compensation, 9th edition (Special Indian Edition), McGraw-Hill Education (India), New Delhi.
- Sen, Ratna(2010), Industrial relations, Macmillan, New Delhi
- Goswami, V.G.(2011), Labour and Industrial Laws (Vol.2), Central Law Agency
- Armstrong, Michael (2010), Handbook of Reward Management Practice. Kogan Page India, New Delhi
- Joseph J.Martocchio (2008), Strategic Compensation-a HRM approach. Prentice Hall
- Henderson, Richard I., (2009), Compensation Management in a Knowledge-Base World, Pearson Education, Inc.

### Course Evaluation criteria

Component	Weight
Quiz	20%
Class Presentation	10%
Assignments	10%
Mid-term	20%
End-term	40%
<b>Total</b>	<b>100%</b>

### Session Plan

Session	Topic	Reading & Learning Outcome
1-2	<p><b>Introduction</b></p> <p>Background and conceptual aspects of compensation and reward management; theoretical dimensions of wages, compensation and reward systems</p>	<p><b>Readings:</b> Singh, pp1-50. Case: Strategizing Employee Compensation Issues: A Case of PSUs—Compensation at Power Finance Corporation (Singh, p.403)</p> <p>LO1</p>
3-4-5-6	<p>Wage and salary administration at global and national level; Wages: Statutes and compliance issues Acts-Minimum Wages, Payment of wages, Payment of Bonus, Equal Remuneration, Gratuity; Pay Commissions; Wage Boards; Collective Bargaining</p>	<p><b>Readings:</b> Singh, pp.51-78. Milkovich, Newman &amp; Venkataratnam, pp.497-527.</p> <p><b>Cases:</b> Performance Management System at Bharti telecom(Singh p.351)</p> <p>LO2</p>
7-8	<p>Job Evaluation</p> <p>Procedure, methods and systems</p>	<p><b>Readings:</b> Singh, pp.105-119. Milkovich, Newman &amp; Venkataratnam,pp.102-125</p> <p>Case:</p>

		Job Evaluation at Whole Foods (Milkovich, Newman & Venkataratnam, p.125) LO1
9-10	Compensation structure—Indian Practices: Salary Structures, Pay Structure in Practice, Compensation trends,	<b>Readings:</b> Singh, pp.133-154. LO2
11-12	Incentive schemes; classification of incentives; merits and demerits of incentives; types of incentive schemes; working of incentive schemes	<b>Readings:</b> Singh, pp.155-176. <b>Cases:</b> Restructuring Incentive Scheme—The Experience and Approach of National Fertilizers Limited (Singh, p.354) EVA Incentive Scheme: The TCS Approach and Experience (Singh, p.364) NTPC Reward Scheme (Singh, p.369) LO3
13-14	Performance linked compensation: Performance and Behaviour, Principal Pay Strategies, Forms and types of Performance linked reward system/contingent pay	<b>Readings:</b> Singh, pp.177-228. <b>Cases:</b> Performance Based Compensation Structure at Crompton Greaves (Singh p.347) LO5
15-16	Benefits and Services: Fringe benefits, classification of employee benefits, welfare	<b>Readings:</b> Singh, pp.229-266.

	provisions in India; administration of benefits and services	Milkovich, Newman & Venkataratnam, pp.387-419.  <b>Cases:</b> Family friendly benefits at Hascot Western Langley (Singh, p.377) Google India (Singh, 385) Intel India (Singh, 389) Qualcomm (Singh, 392) LO3
17-18	Managerial Remuneration: Elements of managerial compensation, executive compensation packages; strategies for managing talented employees; emerging trends	<b>Readings</b> Singh, pp.267-292. <b>Cases:</b> Executive Pay at RTZ PLC(Singh, p.381) LO5
19	Compensation issues in VRS, Retrenchment, Lay Off and Closure;	<b>Readings</b> Sen, pp.458-474 Goswami, pp319-382. LO4
20	Tax Planning: Tax implications of compensation package to employee	<b>Readings</b> Singh, pp.293-310. LO4