

## HR Specialization Subjects

**Course Title: Compensation Management**

**Course Code: 15MB62H4**

**SEM IV/Year II**

**L-T-P : 3-0-0**

**Credits : 3**

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### **COURSE OUTCOMES:**

Upon completion of this course, the student will be able to

1. Recognize how pay decisions help the organization achieve a competitive advantage.
2. Analyze, integrate, and apply the knowledge to solve compensation related problems in organizations.
3. Demonstrate comprehension by constructing a compensation system encompassing; 1) internal consistency, 2) external competitiveness 3) employee contributions, 4) organizational benefit systems, and 5) administration issues.
4. Design rational and contemporary compensation systems in modern organizations.

### **SYLLABUS**

**Compensation**, types of compensation, conceptual framework of compensation management, Theories of wages – criteria of wage fixation – Institutional and cultural factors on compensation practices – National differences in compensation – Compensation system design issues: Compensations Philosophies, compensation approaches – **Strategic Compensation Planning**: Developing a total compensation strategy – Competitive Advantage – Job evaluation systems, the compensation structure- Wage and salary surveys, the wage curve, pay grades and rate ranges, preparing salary matrix, fixing pay, significant compensation issues. **Variable Pay**: Strategic reasons for incentive plans, administering incentive plans, individual incentive plans – group incentive plans – team compensation, ESOPs – Performance measurement issues, incentive application and globalization – **Managing Employee Benefits**: Nature and types of benefits, employee benefits programs- security benefits, retirement security benefits, health care benefits, time-off benefits, benefits administrations, employee benefits required by law, discretionary major employee benefits, employee services designing a benefits package.

**Executive compensation** – elements of executive compensation and its management – Executive compensation in an international context – **Wage Determination**: Principles of wage and salary administration, methods of wage determination in India; internal and external equity in compensation systems, wage administration in India: wage policy in India, wage boards: structure, scope and functions – Pay Commissions. **International Compensation** - global convergence of compensation practices - Pay for performance for global employees - practices in different industries - Employee benefits around the world - CEO pay in a global context - Beyond compensation.

### **RECOMMENDED TEXT BOOK:**

1. Milkovich, Newman & Gerhart, Compensation, TMH, 2011, 10th Edition

### **REFERENCE BOOKS:**

1. Luis R. Gomez-Mejia & Steve Werner, Global compensation - Foundations and perspectives Routledge, 2008.
2. Richard I. Henderson, Compensation Management in a Knowledge-Based World, Pearson Education, 2009, 10th Edition.
3. B D Singh, Compensation And Reward Management, Excel Books, 2008
4. Tapomoy Deb, Compensation Management, Text and Cases, Excel Books, 2009, 1st Edition.