

DSEH05 – Compensation and Negotiation Strategy

Master of Commerce
Semester III
DSE – Elective Paper
Compensation and Negotiation Strategy

Course Type/ Course Code	Course Title	Lectures	Tutorials	Practical	Credit	Pre-requisites
DSEH05	Compensation and Negotiation Strategy	3	1	0	4	NIL

Objective: This course provides advanced understanding of strategic compensation design, negotiation theory and practice, and contemporary reward strategies in global organizations.

Learning Outcomes: After completing this course, the students should be able to:

- Design strategic compensation frameworks aligned with business strategy
- Apply advanced negotiation techniques in various organizational contexts
- Evaluate global compensation practices and cultural considerations
- Assess pay equity and develop transparent compensation strategies
- Create innovative reward and recognition programs

Contents:

Unit I (10 Hours)

Compensation strategy formulation and total rewards philosophy; Job evaluation methods and competency-based pay systems; Market pricing and compensation benchmarking; Pay structure design and salary band management.

Contemporary Focus: Skills-based pay, pay transparency, global mobility compensation.

Framework Development: Total rewards strategy design.

Unit II (10 Hours)

Negotiation theory: distributive vs integrative bargaining; Multi-party negotiations and coalition building; Cross-cultural negotiation strategies; Negotiation psychology and behavioral economics.

Contemporary Focus: Virtual negotiations, AI-assisted negotiation preparation.

Simulation Exercises: Complex negotiation scenarios and role-plays.

Unit III **(10 Hours)**

Incentive plan design: individual, team, and organizational levels; Executive compensation and long-term incentive plans; Sales compensation and territory management; Risk management in incentive design; Pay equity analysis and gender pay gap remediation.

Analytics Project: Pay equity analysis and remediation plan.

Case Studies: Innovative incentive programs, clawback provisions analysis.

Unit IV **(15 Hours)**

Compensation analytics and predictive modeling; Legal compliance and regulatory considerations; Compensation communication and transparency strategies.

International compensation strategy and localization vs standardization; Expatriate compensation and global mobility programs; Benefits design and flexible benefits programs; Future of rewards: blockchain, cryptocurrency, non-financial rewards.

Contemporary Focus: AI bias in compensation, algorithmic pay decisions, pay transparency laws, Remote work compensation, digital nomad policies, wellbeing benefits.

Strategic Assessment: Global compensation strategy for multinational organization.

Tutorial Exercise: Students will design total rewards frameworks and conduct pay equity analysis using regression techniques. They will participate in negotiation simulations including multi-party salary negotiations and cross-cultural scenarios, and develop variable pay plans for different organizational roles.

Suggested Readings:

- Fisher, R., Ury, W., & Patton, B. (2011). *Getting to Yes: Negotiating Agreement Without Giving In* (3rd ed.). Penguin Books.
- Gerhart, B., & Rynes, S. L. (2003). *Compensation: Theory, Evidence, and Strategic Implications*. Sage Publications.
- Lewicki, R. J., Barry, B., & Saunders, D. M. (2019). *Negotiation* (8th ed.). McGraw-Hill Education.
- Martocchio, J. J. (2020). *Strategic Compensation: A Human Resource Management Approach* (10th ed.). Pearson.
- Milkovich, G. T., Newman, J. M., & Gerhart, B. (2020). *Compensation* (13th ed.). McGraw-Hill Education.
- Thompson, L. L. (2015). *The Mind and Heart of the Negotiator* (6th ed.). Pearson.
- WorldatWork. (2020). *The WorldatWork Handbook of Compensation, Benefits and Total Rewards*. Wiley.