

Compensation Structure and Laws

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
Compensation Structure and Laws	4	3	1	0	Pass in Class XII	NIL

Learning Objectives:

The course aims to make learners acquaint with pertinent aspects of compensation structure and laws. It seeks to design compensation structure and possibility of reduced tax liability on individuals as per the legislature.

Learning Outcomes:

After completion of the course, learners will be able to:

1. Comprehend the dynamics of compensation structure.
2. Analyse the current trends in designing the compensation structure.
3. Examine the components of compensation and their accrual to individual arising minimal tax liability.
4. Analyse the grievance redressal process relating to conflicts between Employers and Employees with regard to compensation structure.

Unit 1: Understand the Dynamics of Compensation Structure (10 Hours)

Concept of Compensation structure, Objectives and benefits, Factors affecting compensation decisions, Components of compensation package, Scope and importance of compensation structure, Basic issues that help in designing the organisational strategy for compensation structure.

Unit 2: Current Trends in Designing the Compensation Structure (13 Hours)

Introduction to job evaluation, Methods of job evaluation, Internal and external alignment in compensation structure, Market competitiveness, Application of expectancy and equity theories towards compensation structure, Cost to the company concept (CTC), Fringe Benefits: Different kinds of Fringe Benefits, ESOP, Executive remuneration, Compensation Committee and corporate governance.

Unit 3: Compensation Structure for Tax Benefits (12 Hours)

Optimal Salary Structure, Broad banding, Allowances and reimbursements, Group Insurance for Health and Life; Superannuation Benefits,

Unit 4: Grievances Redressal Relating to Conflicts Between Employers and Employees Relating to Compensation Structure (10 Hours)

Issues relating to wage determination, pay grades, wage surveys, comparable worth, competency-based pay, method of calculating wages.

Exercises:

The learners are required to:

1. make presentations about compensation structures of different companies from varied sectors.
2. creating a compensation structure to attract and retain the employees.
3. create optimal compensation structures using reimbursements as part of CTC arising minimum tax liability.
4. comparing different compensation structures keeping in view the international compensation structures.
5. resolving a case of conflict between employer and employees on the issue of compensation structure.

Suggested Readings:

- Cascio, Wayne F. Managing Human Resources-Productivity, Quality of Life, Profit. Mc Graw Hill.
- Duff, Michael C. Workers' Compensation Law: A Context and Practice Casebook. Carolin Academic Press.
- Milkovich, G., Newman, J. & Ratnam, C.S.V. Compensation. Tata Mc Graw Hill, Special Indian Edition.
- Sharma, J.P. An Easy Approach to Company and Compensation Laws. New Delhi: Ane Books Pvt Ltd. Additional Readings:
- Henderson, Richard. Compensation Management- In A Knowledge Based World. Pearson.
- The Code on Wages, 2019 - Bare Act

Note: Suggested readings will be updated by the Department of Commerce and uploaded on Department's website.