DSE (Stream)- Human Resource Management

Compensation Management

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

Learning Objectives

The course aims to familiarize students about concepts of compensation management and how to use them to face the challenges of attracting, retaining and motivating employees to high performance.

Learning Outcomes

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

1. Recognise the basics of compensation management.
2. Analyse various aspects of job evaluation.
3. Discuss basics of social security.
4. Discuss contemporary issues in compensation management.
5. Review recent trends in compensation management.

Course Contents:

Unit 1: Introduction to Compensation Management (11 hours)

Nature and Objectives of Compensation, Factors affecting Compensation Policy, Concept of Wages and Salary, Wage Determination, Pay Grades, Wage Surveys, Minimum Wages, Fair Wages and Living Wages. Understanding Elements of Compensation Structure - Fixed Pay, Variable Pay, Cash Benefits, Incentives, Executive Compensation, Stock Options, Understanding Salary Slip, Company Wage Policy: Wage Components.

Unit 2: Job Evaluation (11 hours)

Methods of Job Evaluation; Incentive plans for production employees and for other professionals, developing effective incentive plans, pay for performance; Supplementary pay benefits, insurance benefits, retirement benefits, employee services benefits, Benefits & Incentive practices in Indian industry.

Unit 3: Understanding the Basics of Social Security (9 hours)
Concept of Social Security, Laws relating to Social Security -Introduction to Provident Fund, Employees State Insurance, Gratuity, Superannuation, Bonus, Reward Systems, Retirement, VRS / Golden Handshake

Unit 4: Contemporary Issues and Recent Trends of Compensation Management (14 hours)
(A) Contemporary issues of Compensation Management (7 hours)
Contemporary issues of Compensation Management, International Compensation, Global convergence of compensation practices - Pay for performance for global employees – practices in different industries.
(B) Recent Trends of Compensation Management (7 hours)
Employee benefits around the world - CEO pay in a global context - Beyond compensation. Modern trends in compensation - from wage and salary to cost to company concept, Comparable worth, broad banding, competency based pay.

Exercises
The learners are required to:
1. Discuss case studies on compensation management.
2. Analyse different methods of job evaluation used in any organisation.
3. Discuss various social security benefits in India.
4. Discuss contemporary issues in compensation management.
5. Analyse the recent trends in compensation management in India.

Suggested Readings

- Bhattacharyya, D.K. (2018). Performance Management systems and strategies. Delhi, India: Pearson Education.
- Dessler, G. (2019). Human Resource Management. (12th ed.). Delhi, India: Prentice Hall.
- Milkovich, G., & Newman, J. (2018). Compensation. (12th ed.). New York, United States: McGraw Hill.
- Henderson, R. (2019). Compensation Management in a Knowledge Based World (10th ed.). Delhi, India: Prentice Hall.

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