

Discipline Specific Elective Course- 8.1(DSE-8.1): Compensation Management

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
Compensation Management: DSE-8.1	4	3	1	0	Pass in Class XII	NIL

Compensation Management

BC: DSE- 8.1

Objective: 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. Analyse how effective appraisal systems can be linked to managerial objectives and compensation.
2. Comprehend the components of executive compensation and understand how jobs are priced to establish compensation levels.
3. Explain incentive systems and non-economic rewards.
4. Recognise global compensation practices.
5. Recognise recent trends in compensation management.

Course Contents:

Unit 1: Introduction to Compensation Management (9 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 (9 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 and 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 (18 hours)

Contemporary issues of Compensation Management, 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. 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. Analyse the appraisal systems in various organisations.
2. Analyse various methods of job evaluation
3. Discuss the social security laws in India
4. Discuss global compensation practices
5. Discuss recent trends in compensation management.

Suggested Readings:

- Bhattacharyya, D.K.: Performance Management systems and strategies, Pearson Education.
- Gary Dessler, Human Resource Management, 12th ed., Prentice Hall.
- Goel, D. Performance Appraisal and Compensation Management: A Modern Approach, 2nd ed. PHI Learning
- Malkovich & Newman, Compensation, 12 ed. McGraw Hill.
- Richard Henderson: Compensation Management in a Knowledge Based World, 10th ed. Prentice Hall.

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