



# RUTGERS

## Managing Rewards Systems

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**Fall 2021**

[Syllabus as of August 08, 2021]

**Mondays, 7:20 to 10:00 pm**

Room 006, Janice Levin Building

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<b>Class Site :</b>	<a href="https://canvas.rutgers.edu/">https://canvas.rutgers.edu/</a>

In this advanced-level course we will work together to develop a strategic view on building and managing Total Rewards Systems within an environment of increasing business competition and increasing regulatory and stakeholder scrutiny. The course will cover legal and regulatory trends, and accounting, taxation, and securities issues, the main components of salary and incentive compensation programs (e.g., salary, short-term incentives, long-term incentives), and will focus as well on performance measurement, insurance benefits, and total rewards. The main objective of this course is to help you develop a set of analytical tools that will enable you to address compensation, incentive plan design, and total rewards issues effectively in your professional life. The course is oriented primarily toward the evaluation and design of compensation programs for publicly owned companies, but we will cover privately owned organization compensation issues as well.

### **Course Format – In-person**

We will meet together in person, as scheduled. We will use Canvas as our learning management system platform.

### **SMLR Course Learning Objectives (Summary)**

This course helps you to 1.) Develop the communications skills required for HR management; 2.) Develop quantitative and qualitative analytical skills related to HRM; 3.) Understand the relevant theories and how to apply them given the background context of particular work situations; and 4.) Develop the ability to apply analytical skills to be effective in your work. Further detail on these SMLR Learning Objectives can be found at the end of this syllabus.

### **Text**

Barry Gerhart and Gerry Newman, **Compensation**, Edition: 13<sup>th</sup> [13<sup>th</sup> edition is the newest. You could also use the 10<sup>th</sup> through 12<sup>th</sup> edition. Publisher: McGraw-Hill / Irwin ISBN-976 -1-2600437-2-3. [Let's discuss book options during our first class session.]

## **Other References**

Irving Becker and William Gerek, eds, *Understanding Executive Compensation and Governance*, World At Work Press, 3<sup>rd</sup> edition, 2016 [This book is available through the WorldatWork.org bookstore.

<https://worldatwork.org/product/physical/understanding-executive-compensation-governance>

Becker and Gerek's book on executive compensation is not required, but it is a useful guide to executive compensation for managers. I will cover some items from this book during our course. We will discuss book options on class day 1.

## **Other resources:**

I will point you to many other compensation, benefits, and total rewards resources.

It is ideal to have a laptop or tablet pc for class..

## **Assignments**

Analysis Project #1 – Internal Alignment Project	<b>20%</b>
Analysis Project #2 – Pay for Performance Analysis	<b>20%</b>
Analysis Project #3 – Design or Redesign an Incentive Plan	<b>20%</b>
Final (Group) Project – Specific Company or Theme Focus	<b>35%</b>
Participation	<b>5%</b>
Total	<b>100%</b>

## **Grading Scale**

A	90 – 100
B+	88 – 89
B	80 – 87
C+	78 – 79
C	70 – 77
F	60 – 69

## **Attendance and Participation**

Your contributions to each class are valuable. Please plan on contributing actively to each session.

### **Analysis Project #1 – Internal Alignment Project**

This case study provides you with a set of job positions information and some market data. Your objectives are to 1.) provide a recommended job hierarchy and salary range structure for the positions; and 2.) provide an alternative recommendation to #1, which focuses on organizing the work and redesigning the roles in a different way. [Due October 4]

### **Analysis Project #2 – Pay for Performance**

This case study provides you with an employee data set and market data. Your objective is to create optimal salary increase and annual incentive compensation recommendations using the employees' pay

history, market data, compensation budget guidelines, and performance review data for guidance. [Due October 25]

### **Analysis Project #3 – Redesign or design an incentive plan**

Design or re-design an incentive plan for an actual organization. Public companies are required to publish information about their executive incentive plans. Select a company that interests you. Review the company's incentive plans. Select one or more of the plans, analyze it, and provide a recommended re-design. (An alternative approach would be to redesign on of your own company's incentive plans.). [Due November 15]

### **Final Group Project – In-depth company analysis and recommendations**

Each Group should select a company or group of companies and an analytical theme that interests you. For example, a Group might select Apple Inc. and then focus on the evolution of its executive compensation practices over the past 3 years. Or a Group might select 3 retail companies and explore the feasibility of raising the pay structure. Or a Group might select some future challenge for Total Rewards and project some of the future challenges and recommendations. The emphasis of these projects should be to provide thoughtful business analysis and recommendations, as if you were working with the company's senior management or Board of Directors. The final report will consist of 2 components: 1.) an in-class presentation; and 2.) a ~10-page paper providing your analysis and recommendations. [Due December 13]

Grades will be based on the quality of the:

- I. Analysis
- II. Written Report
- III. Presentation

## Schedule

Date	Session	Topic	Reading / Project
9/8/2021 (Wednesday)	1	Total Rewards Strategy: Professional Perspectives, Stakeholder Perspectives.	Ch 1 "The Pay Model"
9/13	2	Total Rewards Strategy: In the context of HR and organization strategy. The Pay Model	Ch 2 "Strategy"
9/20	3	Legal and Regulatory Foundations for Compensation and Benefits	Ch 17 "Government and Legal Issues"
9/27	4	Internal Equity, Internal Organization Structures and Internal Pay Structures	Ch 3 "Internal Alignment" Ch 4 "Job Analysis" Ch 5 "Job-based structures and job evaluation" Ch 6 "Person-based structures"
10/4	5	External Competitiveness: Multiple perspectives Project 1 due	Ch 7: "Defining Competitiveness"
10/11	6	Job-based pay structures and Person- based pay structures	Ch 8: "Designing Pay Levels, Mix, and Pay"
10/18	7	Performance Measurement	Ch 9 "Pay for Performance" Ch 11 "Performance Appraisals"
10/25	8	Incentive Compensation: Sales Compensation, Executive Compensation. Annual and Long-Term Incentives Project 2 due	Ch 10 "Pay for Performance Plans"
11/1	9	Equity Compensation	Ch 14 "Compensation of Special Groups"
11/8	10	Employee Ownership	Ch 12 "The Benefit Determination Process" Ch 13 "Benefits Options"
11/15	11	Benefits and other Total Rewards: The full range of options Project 3 due	Chs 12 and 13
11/22	12	Benefits and other Total Rewards: Financing challenges, Product offering challenges	Chs 12 and 13
12/6	13	Total Rewards and the future of HR	
12/13	14	Wrap Up Final Project Presentations	
12/20	15	Final Project Presentations	

## **SMLR Course Learning Objectives (Detail)**

One goal for SMLR programs is to help you develop skills central to lifelong learning and participation in society and the workplace. Two particular areas are communications skills and analytical skills:

### **Written & Oral Communication – Communicate effectively at a level and in modes appropriate to an entry level professional.**

- Communicate complex ideas effectively, in standard written English
- Analyze and synthesize information and ideas from multiple sources to generate new insights
- Produce quality research papers with proper convention of attribution/citation
- Produce high quality executive summaries
- Make an argument using contemporary and/or historical evidence
- Present ideas and arguments in a logical and effective way

### **Quantitative Skills – Apply appropriate quantitative and qualitative methods for research workplace issues.**

- Formulate, evaluate, and communicate conclusions and inferences from quantitative information
- Apply quantitative methods to analyze data for HR decision making including cost-benefit analyses, ROI, etc. (HRM)
- Apply qualitative methods appropriately, alone and in combination with quantitative methods

Another goal for SMLR programs is to ensure that you learn the appropriate theoretical perspectives.

### **Theoretical Perspectives - Demonstrate an understanding of relevant theories and apply them given the background context of a particular work situation.**

- Demonstrate an understanding of the practical perspectives, theories and concepts in their field of study
- Evaluate and apply theories from social science disciplines to workplace issues

Another goal for SMLR programs is to help you learn the key theoretical and foundation areas of study in your domains and also give you opportunities to apply that knowledge to practice situations. I.e., this program should prepare you to complete your professional work effectively:

### **Application – Demonstrate an understanding of how to apply knowledge necessary for effective work performance**

- Apply concepts and substantive institutional knowledge, to understanding contemporary developments related to work
- Understand the legal, regulatory and ethical issues related to their field
- Develop human resource management functional capabilities used to select, motivate, and develop workers (HRM)
- Understand the internal and external alignment and measurement of human resource practices (HRM)

**Academic Integrity**

The University's academic integrity policy is important to this class. Please pursue knowledge with integrity and abide by the Academic Integrity Policy. Please refer to the Academic Integrity Policy for more detail: <http://academicintegrity.rutgers.edu/>

**Students with a need for accommodations**

If you need to request accommodations for disabilities, please contact the Office of Disability Services to determine. The ODS Coordinator will provide documentation to you. Upon review and approval, you will provide this documentation to the instructor. Please refer to the Office of Disability Services for Students for more detail regarding this policy:

<https://ods.rutgers.edu/>

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I look forward to working with you this semester!