Managing Reward Systems Spring 2013 AS OF Jan 15, 2013

Professor Ingrid Fulmer

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Class day/time/location:

HRM 38:533:635:01 --Tuesday 7:20, Levin 004 HRM 38:533:635:02 --Thursday 12:50, Levin 106

Texts and Readings:

- 1. The primary text for this course is *Compensation* (10th Edition) by Milkovich, Newman & Gerhart. Readings from the text are identified by MNG, followed by the chapter number.
- 2. Additional assigned readings are available on the course website (see Resources folder on Sakai site).
- 3. The case exercise is found in Milkovich & Gerhart, Cases in Compensation (11th edition). (available from the student bookstore)

Course Description and Objectives:

This course focuses on how managers can utilize compensation to attract, retain, and motivate qualified employees. It is intended to give students both an understanding of the theories underlying pay system design and substantial hands-on experience. Much of the course revolves around application of principles to a case where students design all aspects of a compensation plan.

Course Assignments:

Case Phase I (group)	20%
Case Phase II (group)	20%
Case Phase III (group)	20%
Phase presentation	Pass/Fail
Peer assessment of group performance	10%
Exam	20%
In-class short reports	10%

Total 100%

Details about Course Assignments and Grading:

Compensation case (60% of grade):

This 3-phase compensation case will require you to design and implement a compensation system for FastCat, a fictional company. In doing so, you will learn how to apply compensation theory and principles, how to decide among various compensation alternatives and how to justify and

communicate your recommendations to the CEO of the company. Primary written guidance for this case is in Cases in Compensation, but I will supplement these instructions at times.

The project will be done in groups, which I will assign. The compensation case will consist of 3 phases, with phases II and III building upon the previous phase(s). Each group will be required to present one or more of their three phases; this is for discussion purposes and will be both informal and ungraded (pass/fail). Some in-class time will be provided for your groups to meet, but you should expect to spend time outside of class on this project.

Peer evaluation (10% of grade):

At the end of the course, you will be required to confidentially assess your teammates in terms of group participation and contribution to the overall product. Hence, free-riders will suffer the consequences. A peer assessment form is included with this syllabus. Peer evaluations are due the next class meeting after Phase III is turned in.

In-class short reports (10% of grade):

In order to keep us engaged in real world compensation news, students will provide "short reports" during the semester. Each will be an oral summary of a current (not more than 1 year old) compensation-related news story from a news source (do not use company websites). The report must relate to what we are currently studying or have covered within the last two weeks. If you have a question about whether something is appropriate, ask me.

On the days you present, you should provide me with a one-page (maximum) written summary of the short report. For both the oral and written dimensions, you should quickly summarize the facts (no more than 2 minutes for the oral), and then relate them to what we have discussed in the course. In total, the presentation should be on the order of 5-7 minutes long, although it may generate class discussion that lasts longer. You may prepare Powerpoint slides if you like.

I will pass around a signup sheet at the beginning of the semester for students to pick dates for these reports (first come, first serve). You are responsible for the date(s) you pick. If, for some reason, you cannot give the report yourself, it is your responsibility to trade dates with someone else. In the unlikely event that you are unable to trade dates with anyone, let me know as soon as possible.

Exam (20% of grade):

Your knowledge of the first two major sections of the course is primarily assessed via the case phases. Thus, the exam will cover only the material (lecture, readings, discussion) starting with the pay-for-performance topic and the special topics offered at the course's end. The exam will be multiple choice, short answer and short essay. You will need to <u>bring a calculator</u> to the exam.

Please note the grading scale for all graded assignments and final grade:

Each assignment will be graded on a 100-point scale. At the end of the term, a weighted average will be calculated based on the percentage weighting described above.

90-100	Α
88-89.99	B+
80-87.99	В
78-79.99	C+
70-77.99	C
68-69.99	D+

00 100

etc...

If you feel that a grade is incorrect, notify me in writing (email qualifies) within one week of receiving the grade. Provide rationale for your position. If you feel the issue is not resolved after considering my response, please contact me to schedule a meeting.

Academic Integrity and Conduct:

As an academic community dedicated to the creation, dissemination, and application of knowledge, Rutgers University is committed to fostering an intellectual and ethical environment based on the principles of academic integrity. Academic integrity is essential to the success of the University's educational and research missions, and violations of academic integrity constitute serious offenses against the entire academic community.

As a Rutgers student, you are expected to hold yourself to the highest possible standards of academic integrity. Any behavior that deviates from this expectation is required be reported to the appropriate campus authorities. Violations of academic integrity may result in sanctions by the University ranging from receiving no credit on an assignment to probation, suspension, or expulsion from the university with a notation on the transcript. Violations of academic integrity include, but are not limited to: cheating on exams, inappropriate collaboration on assignments, plaigiarism, improper citation of sources, using another student's work, and other forms of academic misrepresentation. For more information, see http://academicintegrity.rutgers.edu/files/documents/AI_Policy_9_01_2011.pdf. If you have any doubts or questions about whether something constitutes a violation of academic integrity, ask the instructor.

Student Responsibilities:

Assignments and Exams

Late assignments will be automatically penalized by 10% per day late, if arrangements are not made in advance for a late turn-in. Assignments are due at or before the beginning of class on the date due unless another time is specified in the assignment.

Students are expected to take the exam at the times specified in this syllabus. If the exam is missed without prior arrangements having been made, a grade of zero will be received.

Exceptions to assignment deadlines or exam times may be granted only at the discretion of the instructor and will only be granted in the basis of critical extenuating circumstances discussed in advance.

TENTATIVE SCHEDULE [dates are approximate and subject to change, except for the final exam]

Week 1	the Tues. 7:20 pm section, section 02 is the Th 12	2:50 nm section
Jan 22 (01) Jan 24 (02)	Introduction and overview of the course Overview of economic perspectives on compensation	(1) MNG Chapter 1 (2) Chapter 2 Differences in Pay Level by Gerhart & Rynes (link to e-reserve on Sakai)
Week 2		
Jan 29 (01) Jan 31 (02)	Overview of motivational perspectives on compensation	(1) Chapter 5 Pay Basis by Gerhart & Rynes (You may stop at page 151) (link to e-reserve on Sakai)
Week 3		
Feb 5 (01) Feb 7 (02)	Legal, union, and other regulatory influences on compensation Alignment of compensation with business strategy	(1) MNG chapter 17 (legal - read), chapter 15 (unions - skim) (2) Whither the Glass Ceiling? Conducting a Statistical Pay Audit by McDermott (link online at Sakai) (3) MNG Chapter 2 (strategy - read)
Week 4		
Feb 12 (01) Feb 14 (02)	Internal consistency/Phase I intro	MNG 1 (review), 3-6
Week 5		
Feb 19 (01) Feb 21 (02)	Internal consistency	MNG 1, 3-6
Week 6		
Feb 26 (01) Feb 28 (02)	**Phase I Due External competitiveness	(1) MNG 7-8, (2) Wage Surveys: Dispelling Some Myths about the "Market Wage by Rynes & Milkovich (Link to article in Sakai)

Week 7		
March 5	External competitiveness	(1) MNG 7-8,
(01)	1	
March 7	**Phase I discussion	FYI: Measures of Central
(02)	**Phase II preview	Tendency, Location, and
(-)	r	Dispersion in Salary Survey
		Research by Halley (useful as
		reference for Phase II)
Week 8		Terefore for Finase II)
March 12	External competitiveness	MNG 7-8
(01)	External competitiveness	WING 7 0
March 14		
(02)		
(02)		
Week 9 SPRI	NG BREAK	
Week 10		
March 26	Performance-based pay	On the Folly of Rewarding "A"
(01)	2 crisimance susca pay	while Hoping for "B" by Kerr
March 28	**Phase II Due	(link to article online at Sakai)
(02)		(min to writer office we summe)
(02)		
Week 11		
April 2 (01)	Performance-based pay	(1) MNG 9-10
April 4 (02)		
	**Phase II discussion	
	**Phase III intro	
Week 12		
April 9 (01)	Performance-based pay	
April 11	Torrormance based pay	
(02)	Equity based pay (stock options, and	MNG 10-11
(02)	restricted stock)	
Week 13		
April 16(01	Executive Pay	(1) MNG Chapter 14
April 18	Zhoodi to Luj	(2) Ten Reforms for
(02)	***Phase III due	Compensation Committees by
(02)	Thuse III due	Bruce Ellig (link online at Sakai)
Week 14		21000 Enig (mix omme ut bukur)
April 23	Employee Benefits	(1)MNG, Chapters 12 and 13
(01)	Employee Belletites	(1)111110, Chapters 12 and 13
April 25	International compensation issues	(2) MNG, Chapter 16
(02)	international compensation issues	(3)It's a New Era for Expatriates
(02)	***FastCat peer assessments due (use form	by Vilet (online at Sakai)
	attached to syllabus)	by viict (offine at Sakai)
Week 15	anacheu to synabus)	
	Course wron up & future Icours	
April 30 (01)	Course wrap – up & future Issues	
May 2 (02)	Final Exam	
141ay 2 (02)	I mai Exam	

GROUP MEMBER APPRAISAL SCALESNote: This is appraisal of performance related to THIS class only

Instructions: Please complete for each of your teammates

Attendance:	The stud	lent was	S					
	1	2	3	4	5	6	7	
absent quite of team had to wo around him/he	ork		absent occasionally but did not incon- venience the team					routinely present; our team could count on his/her attendance
Preparation:	In prepa	aring fo	r team w	ork, the s	tudent			
	1	2	3	4	5	6	7	
very unprepare meetings	ed for							very prepared for meetings
Participation:	When	the tear	n met, th	e student	was			
	1	2	3	4	5	6	7	
uncooperative				neutra	ıl			cooperative
Contribution:	In gen	eral, the	e student					
	1	2	3	4	5	6	7	
detracted from performance	etracted from team erformance either positive or negative, on team performance					led to team formance		
Summary: O	n a scale	e of 0 (1	ow) to 10	00 (high),	rate the	student's p	erformand	ce on your team: -
Other comme	nts?:							