HRM:533:635:01/02 **Managing Reward Systems**

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HRM
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Fall 2012
Tuesday
4:30 – 7:10, Room 103
7:20 – 10:00, Room 103
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Texts: Milkovich, G.T.,Newman, J.M. and Gerhart, B. *Compensation (10th Edition)*. New York: McGraw-Hill Irwin

Treiman, D. (1979). *Job Evaluation*. Washington, D.C.: National Academy of Science. (on Sakai)

Fay, C. H. (2008) *PALINDROME*.(on Sakai)

Note: I often have students ask if it is OK to use an earlier edition of Milkovich. I don't mind, but you will be held responsible for the material in the 10th edition. That said, there is not a lot of difference between the editions. However, a better approach is to get the international 10th edition (paperback) from the British amazon.com. This is much cheaper and is identical to the hard-cover 10th edition sold in this country.

Course Description: Compensation, including direct wages, indirect payments, and employee benefits, is studied from the points of view of theory and practice. Upon completion of the course, students should be able to conduct wage surveys, evaluate jobs, create salary structures, and administer compensation programs, and to do all these things on the basis of sound economic and motivational theory. Topics covered include:

1. The bases for job value
2. Compensation strategy and total compensation
3. The equity framework of current practice
4. Wage and benefits surveys
5. Work analysis and job evaluation
6. Pay structures
7. Individual wage determination
8. Alternative rewards
9. Rewarding teams
10. Sales and executive compensation programs
11. Compensating expatriate and international employees
12. Benefits programs
13. Administering total compensation programs, auditing, budgeting, communicating.
14. Total compensation issues and trends

Because the end goal of the course is to enable students to create salary structures, a compensation simulation will be done by students as part of a team of 4 – 5.. This project will allow each student hands-on experience in job evaluation, job pricing, and individual salary determination. Incompletes will be allowed only under unusual circumstances.

Course Requirements:

Midterm Examination	30%
Final Examination	30%
Compensation Simulation Report	40%

SCHEDULE

DATE	TOPIC	ASSIGNMENT
4 September	Introduction Total Compensation Strategy	M&N: Ch.1, 2.
11 September	Legal Constraints	M&N: Ch. 17.
18 September	Internal Equity Job Evaluation	M&N: Ch. 3, 4, 5, Treiman - All
25 September	Job Evaluation, Lab	
2 October	External Equity	M&N: Ch. 7, 8
9 October	Job Pricing, Review	
16 October	Lab	
23 October	**MIDTERM EXAMINATION**	
30 October	Individual Equity	M&N: Ch. 9, 11.
6 November	Individual Wage Determination	
13 November	Individual Wage Determination Continued	M&N: Ch 18
27 November	Alternative Rewards Rewarding Teams/Psychic Pay	M&N: Ch. 6, 10
4 December	Sales/Executive/Expatriate/International Compensation	M&N: Ch. 14, 16.
11 December	Benefits and Total Compensation	M&N: Ch. 12, 13.
18 December	**FINAL EXAMINATION** **Project Due**	