

**Compensation and Rewards**  
**HRM: 37:533:313**  
**Fall 2014**

---

**Instructor:** Professor Sanghee Park  
**Class day/time:** Tuesday/Friday (Section 1) 10:20-11:40 TIL 254  
Tuesday/Friday (Section 2) 12:00-1:20 LSH B117

**Office:** Janice H. Levin Building, Room 212  
**Email:** spark@smlr.rutgers.edu

**Office Hours:** Tuesday & Friday: 2:00pm - 3:00pm and  
by appointment.

**Teaching Assistants:** Name: Siyu Cheng  
Email: siyu.cheng@rutgers.edu  
Office hours: Mon. 1pm – 2:30pm  
Wed. 4pm – 5:30pm

Name: Judith Tan  
Email: judith.tn@rutgers.edu  
Office hours: Mon. 11am – 12:30pm  
Wed. 2pm – 3:30pm

**Text:** 1. Milkovich, G.T., Newman, J.M., & Gerhart, B. (2014).  
Compensation, 11th edition. Irwin: Boston MA.  
2. Milkovich, G.T., & Gerhart, B. (2013)  
Cases in Compensation, 11.1e edition.  
Compensation: Ithaca, NY.

---

**COURSE DESCRIPTION AND OBJECTIVES**

This course is intended to provide students a theoretical understanding of the methods and implications of compensation and hands-on experience designing a compensation plan. This course is designed to provide the skills needed to obtain employment as an entry-level compensation specialist in an organization. It should also prove useful to those going on for work in human resources in general, those starting and running their own business, or those who want a better understanding of how human resource practices are actually managed. The specific goals of the course are to provide students with the following:

- 1) A theoretical understanding of what determines what pay systems look like;
- 2) A practical understanding of the types of pay systems in practice;
- 3) A theoretical understanding of the consequences of pay decisions;
- 4) The ability to design a compensation system from beginning to end.

## GRADING

<b>Material</b>	<b>Points</b>
<hr/>	
Class Participation:	
Attendance	50
In-class exercises	50
Exam 1	200
Exam 2	200
Exam 3	200
Group Project – Phase I	145
Group Project – Phase II	145
Group Evaluations (5points for each group project)	10
<hr/>	
<b>TOTAL</b>	<b>1000</b>

900-1000 Points	A
850-899 Points	B+
800-849 Points	B
750-799 Points	C+
700-749 Points	C
600-699 Points	D
0 - 599 Points	F

### **Course Format:**

Class sessions will be conducted in a lecture and discussion-based format. Multiple instructional methods will be used throughout the semester, including lectures, videos, discussions, group exercises, and cases. The class will require your participation. I will call upon students randomly in class, as a part of class participation grades. It is important that you have done all the readings and come to class prepared to discuss the issues.

### **Course Website:**

All students should register at the course website, the course's Sakai website, as soon as possible. The course website will serve several purposes including:

The most current version of important course documents (e.g., the course syllabus) will always be available from the website.

Important announcements about the lectures and assignments will be posted on the website regularly.

The main overheads used in lectures will be posted on the course website every week. You should note, however, that everything I say in lecture will not be on the slides and you are responsible for all of the content delivered in the lecture. In other words, *these overheads are not a substitute for attending class.*

### **Course Readings:**

**Required Textbook:** The course textbook and casebook are available for purchase at the campus bookstore, on Amazon.com or as an online e-text for a greatly reduced cost (<http://www.coursesmart.com/9780078029493>):

Compensation by Milkovich, Newman, and Gerhart (11<sup>th</sup> edition)

Cases in Compensation by Milkovich and Gerhart (11.1e edition)

For the casebook, there is another version available through used book markets called 11e. It has the same red cover and ISBN that the 11.1e has. However, I highly recommend the newest version (**11.1e**) to acquire. Class can be run more smoothly if we all use the same version with most recent updates.

Additional required readings: The additional required readings will be available on Sakai for downloading or reading online. The reading list may be updated and posted on the course website later the semester.

### **Course Evaluation/Course Grades:**

Course grades will be based on the following: class participation, group projects, and exams.

## **Participation (10%)**

You are expected to be present and engaged during each class meeting. To make the most out of each class and the course experience as a whole, it is essential that you read the assigned chapters from the text prior to each class, listen attentively to others, and share your thoughts and insights. Most importantly, active participation will enhance your learning experience. You can expect to be called on during class to discuss issues and answer questions pertinent to the topics at hand. You will be evaluated on the extent to which you contribute to class discussions, and on your completion of the in-class assignments. During class discussions, the quality as well as the quantity of your participation is important. Fewer thoughtful, integrative comments are more valuable than taking often without saying very much. Valuable comments are those that address the issues under discussion directly, integrate concepts or different perspectives, demonstrate critical thinking, provide relevant examples, or pose insightful questions.

## **Attendance and Absences**

Your attendance will be counted by answering in-class poll questions. Excused absences include illness (verified by a note from a doctor), religious holidays, or when the instructor emails the class announcing that class is cancelled. Some form of written excuse is best. If your absence is due to the observation of a major religious holiday, please provide notice of the specific date to the instructor, via email in advance. **For excused absences, I will accept only an excuse emailed to me before the absence occurs. Excuses made after an absence will not be accepted.** If I can't find you in class, and you don't have an in-advance excuse when I call on you in class randomly, your participation grade will be negatively affected.

## **Polling:**

Throughout the semester, I will take attendance and give quizzes via the Poll Everywhere website. You can respond to the poll questions in two different ways, (1) via text message sent from a mobile phone, and (2) via web browser on your mobile phone, tablet, or laptop.

Your responses to the quizzes will be graded, and your responses to the attendance poll questions do influence your overall participation grade. In order for your responses to be recorded and for you to receive credit, you will need to register with the Poll Everywhere website prior to our second class. Therefore, you must register at [www.poll Everywhere.com/register?p=2cwgm-eyes9&pg=4OJU](http://www.poll Everywhere.com/register?p=2cwgm-eyes9&pg=4OJU) by Friday, September 5th, 2014. Please click on the link, follow the instructions and you should be registered in less than 5 minutes.

**Students adding the class after Friday, September 5th have 24 hours after their add date to register on PollEverywhere. Anyone not registered by the appropriate deadline will not receive credit for any quiz questions missed.**

Please remember that to participate in the quizzes and receive credit you will need to bring your mobile phone, tablet or laptop with you to class. If you do not have access to any of these electronic devices, please email me at spark@smlr.rutgers.edu for an alternative option. If your device is not working during a class you can write the answer on a sheet of paper and turn it in. Such answers must be turned in before the answer to the quiz question is discussed.

**Group Projects: Cases in Compensation (30%)**

You will be required to perform two group projects during the semester. “*Cases in Compensation*” requires you to design and implement a compensation system for FastCat, a company that is a composite of several existing companies. In doing so, you will learn how to apply compensation theory and principles, how to justify and communicate your recommendations to executives, and how to evaluate your system. 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 two parts (Phase I and Phase II) in this course in groups of 4-5 people. All members of the group will receive the same grade for the team project with rare exceptions made in cases of free riding (see note on teamwork below).

Group grades for each phase will be based on the following criteria and approximate weights:

<u>Approximate weights (*2)</u>	<u>Criteria</u>
60	<u>Technical Adequacy and Support of Objectives.</u> The extent to which you correctly apply the concepts learned in the class and design a pay strategy that supports objectives and strategy. More specifically, this means the extent to which the recommended pay strategy will (a) attract/retain needed talent (i.e., is labor market competitive/produces positive sorting effects and <u>does not underpay</u> ). (b) control costs (i.e., is product market competitive and <u>does not overpay</u> ), and (c) motivate current employees to achieve the firm’s strategy and objectives.
30	<u>Rationale.</u> The extent to which you provide well-developed arguments for the recommendations that you make in the report.
10	<u>Style.</u> Clarity of presentation, correct grammar and spelling, and professional appearance.

Peer evaluation.

You will be required to confidentially assess your teammates in terms of contribution to the overall product.

**Note on group work.** It is important to cooperate with your group while completing this assignment. Because of the characteristics of the case (Phase I and II are related), you need to keep the same group throughout the semester. However, come to see me if you have an issue with your group members. I will consider other options. Keep in mind, though, that you should try hard to resolve any difficulties, conflicts and negative events within the group FIRST before you come to see me. This will give you great opportunities for real-life experience in learning how to negotiate with group members by figuring out how to resolve every situation.

Free riding is unacceptable. You will be asked to individually submit a **group evaluation form** when the assignment is completed. In the form, you will independently evaluate your fellow group member's work on the project. I will review these forms when determining your individual course grades on the group project. You should be aware; however, that all group members will generally receive the same grade, even though some might have worked harder than others. It is up to you as a group to try to manage your work so that everyone contributes effectively and to sort out any issues that may arise. Nevertheless, there might be exceptions where one group member receives a lower grade than the others because s/he did not pull his/her weight. I would rather know that such problems are occurring while they are happening. So, you should be sure to bring your concerns about your group to my attention well before your group project due dates. Each group project is worth 145 points, and peer evaluation is worth 5 points.

The case questions and format requirements for each group project will be posted on the course website. Your reports must be submitted electronically on the Sakai site on the date indicated in the course schedule (below).

Group projects not turned in on the due date without a valid excuse (Legitimate excuses include illness (verified by a note from a doctor), inclement weather (only when the Rutgers Information Service (848-932-INFO) indicates that Rutgers is closed), scheduled religious holidays, or when the instructor emails the class announcing class is suspended or other dire circumstances (such as a death in the family) will receive **no points**. **Group projects are due in the drop box by 11:59pm of the due date.** Late submission will receive a reduced grade. ALL GROUP PROJECTS MUST BE SUBMITTED TO THE DROPBOX. PAPER REPORTS WILL NOT BE ACCEPTED AND WILL NOT BE GRADED. Please plan your time accordingly.

You will be expected to participate during class discussions on the case information.

**Exams (60%)**

There will be three in-class exams, each worth a potential 200 points.

These exams are intended to track your progress, help you keep on top of the material and allow you to show a thorough understanding of the issues addressed in the course. The exams are not cumulative.

Each exam will consist of multiple choice questions, true/false questions, and/or short answer questions. The questions may refer to any content covered in the lectures, readings, and class discussions, including the quizzes, videos, exercises, cases, etc. The preliminary exam will cover all of the course material from weeks 1- 6 inclusive, and will be held during lecture time on Tuesday, October 14th. The second exam will cover all of the course material from weeks 7 – 11 inclusive and will be held during lecture time on Thursday, November 14th. The third exam will cover all of the course material from weeks 12 – 15 inclusive. **For final exam schedule, visit <http://finalexams.rutgers.edu> to check the official information including any changes that may unexpectedly occur.**

Cell phones, laptop computers and electronic devices are NOT ALLOWED in exam rooms. Please leave them at home or secured in a closed (opaque or solid) bag.

If time permits, we will go over the results of the exams in class. Any blatant mistakes on my part (i.e., a coding error, two correct answers, etc.) will be corrected to the benefit of all (no grades will be reduced). However, if a student has a disagreement about a specific question, I will consider a written appeal for that question. Anyone who wants such a change must submit an appeal within one week from when we go over the exam or the results and questions are made available. All appeals must be submitted individually; Sorry, no class-action appeals.

If you **miss an exam** without making prior arrangements or without documentation of a serious emergency situation, you will receive a zero on the exam. If you will miss an exam, you should let the instructor know in advance in order to schedule a make-up.

### **Make-up exams**

These will only be available to students with university approved absences or by prior permission of the professor. The make-up exams will be all essay questions. A makeup exam will be held at a time convenient to the instructor when all students needing to take the makeup can be present. An examination cancelled by the instructor will be held at the next regularly scheduled class period.

### **Class expectations**

Attending and participating in lectures as well as your class discussions are required and you are expected to be well prepared for class, with all of the assigned readings before the class. **Please help everyone to get the most out of the course by being courteous to others.**

If you arrive late or must leave early, sit in the back to minimize disruption to the class. Cell phones and laptop computers must be turned off in the classroom (i.e., NO WEB SURFING or TEXTING) EXCEPT when responding to PollEverywhere questions and

quizzes) and conversations during the lectures should be minimized, as they are distracting for others around you.

**Participation points can be lost if a student keeps repeating unacceptable classroom conduct, as judged by the instructor.**

Even though it is such a large class, I can easily see each of your individual attitudes and behavior. I will remember most of your names during the semester. Thus, *I highly expect each of you to follow the classroom etiquette.*

**Classroom etiquette:**

- Be prepared for every class
- Arrive on time, and do not leave early
- Be respectful when someone else is speaking
- **Not permitted in class:**
  - o Cell phone use
  - o Texting
  - o Using laptops for any purpose, or use of any other electronic device
  - o Studying or doing homework for other courses
  - o Leaving class early on a consistent basis
  - o Wandering in and out of class

**Any violation of the above etiquette items will result in a reduction of your participation grade. The evaluation of your participation/in-class discussion will be 10% of your grade.**

**Academic Integrity**

The rights of students will be protected to insure that test scores are related to competence in the subject matter. Therefore, all examinations will be carefully proctored. If cheating is detected, it will be prosecuted to the limit allowed by University policies. An academic integrity contract is attached to this syllabus. **Students must submit a signed copy of the contract before the second class they attend.** ASSIGNMENTS AND EXAMS TURNED IN BEFORE THE ACADEMIC INTEGRITY CONTRACT IS HANDED IN WILL RECEIVE A GRADE OF “0.”

**Cheating**

The new departmental policy on cheating ensures that cheating will not be tolerated and there are serious consequences for first time cheaters and catastrophic consequences for repeat offenders. **Any student found to have cheated will receive a zero on the assignment or test on which the cheating occurred.** In addition, the student’s final grade will be reduced by an entire letter grade as shown in the table below.



Original Grade	Grade After Deduction for Cheating
A	B
B+	C+
B	C
C+	D
C	D
D	F

When students cheat a note will be placed in their files in the HRM Department and such information will be taken into account by the Admissions Committee for the MHRM Program. Further, on the first offense, students will be required to meet with the HRM Undergraduate Program Director to discuss the offense and the subsequent penalty.

A second incidence of cheating (whether in the same class or in another HR class) will result in a grade of “F” and a referral to the appropriate School and University authorities.

In the case of cheating on group work, all members of the group will be held responsible and suffer the consequences noted above. Students have the responsibility to make sure that any work with their name on it meets the integrity standards of the HRM Department and the University.

No extenuating circumstances will be considered in a case of cheating.

### **Guidelines for Avoiding Plagiarism**

#### **Summarizing**

- Must reference the original source
- The text is much shorter than the original text. (For example, one may write a single page to summarize a four-page article.)
- Must use your own words, usually with a very limited use of quotations.

#### **Paraphrasing**

- Must reference the original source
- The text produced may be shorter or longer than the original text
- Must use your own words

#### **Quoting**

- Must reference the original source

- The text produced is the exact length of the original text quoted (unless ellipses are used)
- Use the original author's exact words
- Put quotation marks around the original author's exact words
- Include the page number of the original source from which you borrowed the author's original language.

Source: Purdue University Online Writing Lab  
(<http://owl.english.purdue.edu/owl/resource/930/01/>)

## TENTATIVE LECTURE AND READING ASSIGNMENTS

Week 1:	9/2	Introduction to Course
	9/5	Pay Model Reading: • Milkovich et al., Chapter 1
Week 2:	9/9	Strategic Perspectives • Milkovich et al., Chapter 2
	9/12	Legal Issues in Compensation: Part 1 Reading: • Milkovich et al., Chapter 17
Week 3:	<b>9/ 16</b>	Legal Issues in Compensation: Part 2  <b><u>Groups for group projects Due</u></b>
	9/19	Internal Alignment Reading: • Milkovich et al., Chapter 3
Week 4:	9/23	Job Analysis & Job Description_Part 1 Reading: • Milkovich et al., Chapter 4
	9/26	Job Analysis & Job Description_Part 2
Week 5:	9/30	Job Evaluation_Part1 • Milkovich et al., Chapter 5
	10/3	Job Evaluation_Part2
Week 6:	<b>10/ 7</b>	Person-Based Structures: Part 1 Reading: • Milkovich et al., Chapter 6
		<b><u>PHASE I Due</u></b>
	10/10	Person-Based Structures: Part 2
Week 7	<b>10/ 14</b>	<b>Exam I</b>
	10/17	External Competitiveness

		Reading: • Milkovich et al., Chapter 7
Week 8	10/21	<b><i>Guest Speaker: TBD</i></b>
	10/24	Using Pay Surveys Reading: • Milkovich et al., Chapter 8
Week 9	10/28	Designing Grades, Ranges, and Bands
	10/31	Motivation Through Pay: Part 1 Reading: • Milkovich et al., Chapter 9
Week 10	11/4	Motivation Through Pay: Part 2
	11/ 7	Pay-For-Performance: Part 1 Reading: • Milkovich et al., Chapter 10
		<b><u>PHASE II Due</u></b>
Week 11	11/11	Pay-For-Performance: Part 2
	11/14	<b>Exam II</b>
Week 12	11/18	Pay-For-Performance: Part 3
	11/21	Performance Appraisals: Part 1 Reading: • Milkovich et al., Chapter 11
Week 13	11/25	Performance Appraisals: Part 2
	11/ 28	<b>Thanksgiving Break – No class</b>
Week 14	12/2	Benefit: Part 1 Reading: • Milkovich et al., Chapter 12 & 13
	12/5	Benefit: Part 2
Week 15	12/9	Course Summary
<b>Week 16</b>		<b>Exam III</b>

**Section 01** 12/15/14 12:00 – 3:00pm TIL 254  
**Section 02** 12/18/14 12:00 – 3:00pm LSH B117

**Notes:**

This is a tentative course schedule and subject to change. We may discuss additional topics of interest to the class, or spend more time on the primary topics. I will keep you informed in class and through the course Sakai site.

This syllabus, as well as many of the support materials developed for this course (e.g., case questions, assignment handouts, etc.) will be available through Sakai. Again, check the site regularly for updates.

For final exams, you must keep to the final exam time assigned to your section.

***Academic Integrity Contract***  
**(To be signed and turned in at the first class)**

All members of the Rutgers University community are expected to behave in an ethical and moral fashion, respecting the human dignity of all members of the community and resisting behavior that may cause danger or harm to others through violence, theft, or bigotry. All members of the Rutgers University community are expected to adhere to the civil and criminal laws of the local community, state, and nation, and to regulations promulgated by the University. All members of the Rutgers University community are expected to observe established standards of scholarship and academic freedom by respecting the intellectual property of others and by honoring the right of all students to pursue their education in an environment free from harassment and intimidation. Please see <http://policies.rutgers.edu/PDF/Section10/10.2.11-current.pdf> for details regarding the Student Code of Conduct. Please see [http://academicintegrity.rutgers.edu/files/documents/AI\\_Policy\\_9\\_01\\_2011.pdf](http://academicintegrity.rutgers.edu/files/documents/AI_Policy_9_01_2011.pdf) for details regarding the Academic Integrity Policy.

Similarly, all students and faculty members of the academic community at the School of Management and Labor Relations should uphold high standards for personal conduct, ethical behavior, and professional integrity. In the area of academic integrity, students are expected to refrain from cheating, fabricating information, plagiarizing, inappropriately denying others access to material, and facilitating others in academic dishonesty. Please see <http://policies.rutgers.edu/PDF/Section10/10.2.11-current.pdf> (pp. 24-28) for detailed descriptions of each type of action.

Any of the following acts, when committed by a student, is an act of academic dishonesty and decreases the genuine achievements of other students and scholars. Academic dishonesty includes, but is not limited to, any of the following:

**Plagiarism/False Representation of Work**

- Quoting directly or paraphrasing portions of someone else's work without acknowledging the source.
- Submitting the same work, or major portions thereof, including presentations, to satisfy the requirements of more than one course without permission from the instructor.
- Using data or interpretative material for a report or presentation without acknowledging the sources or the collaborators.
- Failing to acknowledge assistance from others, such as help with research, statistical analysis, or field data collection, in a paper, examination, or project report.
- Submitting purchased materials such as a term paper as your own work.
- Copying or presenting material verbatim from any source without using quotation marks.
- Copying from any source and altering a few words to avoid exact quotation, without the appropriate documentation or by using improper documentation of the source.

- Rewording the major concept found in a source but then omitting documentation or improperly citing the source.
- Submitting as one's own any work created by someone else (e.g., paper, project, speech, video, exercise, etc.) without crediting them. Large duplication of someone else's work should be avoided unless you obtain express permission from both the instructor and originator of the work.
- Fabricating or misrepresenting data or information
- Forging signatures

**Cheating**

- Copying work on examinations.
- Acting to facilitate copying during an exam.
- Sharing answers through technology or in written or verbal form when such interactions are prohibited
- Using prohibited materials, such as books, notes, phones, or calculators during an examination.
- Working with another student on an assignment when such collaboration is prohibited.
- Stealing or having in one's possession without permission any materials, or property belonging to or having been generated by faculty, staff, or another student for the course.
- Willfully offering to do another student's work so they may represent it as their own
- Assisting another student in cheating or plagiarizing
- Doing another student's work, excluding collaborative learning assignments or joint assignments approved by the instructor.

Engaging in any of the above behaviors can result in an F on the examination or project, an F in the course, denial of access to internships, suspension for one or more semesters, or permanent expulsion from the School of Management and Labor Relations at Rutgers University.

I, \_\_\_\_\_ understand the Policies on Academic Integrity and the Student Code of Conduct at Rutgers University and the School of Management and Labor Relations. Furthermore, I understand the consequences of unethical behavior.

We all share a responsibility in creating an ethical environment. I resolve to uphold and support high standards for ethics and integrity at Rutgers University. If I see, hear, or observe violations of ethics and integrity I will report them to my instructor, Department Chair, or Dean.

Student Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Student Name (Please Print):

\_\_\_\_\_  
Rutgers University ID:  
\_\_\_\_\_