HRM:533:313:03 **Compensation and Rewards**

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Fall 2015
Tuesday-Friday
10:20 – 11:40 AM

Office Hours, 104B, Janice Levin Building
Tuesday, 12:00 PM - 2:00 PM
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Other times by appointment

Teaching Aide: -
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SMLR Learning Objectives: This course is designed to help students attain the following SMLR learning objectives:

I) 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 high quality executive summaries
- Present ideas and arguments in a logical and effective way

II) 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)

III) Research Skills – Demonstrate an ability to collect, analyze and synthesize information to make logical and informed decisions impacting the workplace. Use evidence to evaluate hypotheses, theories and approaches to workplace issues.

- Employ current technologies to access information, to conduct research, and to communicate findings

IV) 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

V) Understanding Context - **Evaluate the context of workplace issues, public policies, and management decisions**

- Analyze a contemporary global issue in their field from a multi-disciplinary perspective
- Analyze issues related to business strategies, organizational structures, and work systems
- Analyze issues related to the selection, motivation, and development of talent in a global context (HRM)

VI) Application – Demonstrate an understanding of how to apply knowledge necessary for effective work performance

- 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)

Course-Specific Learning Goals: Upon completion of this course students should understand:

1. The role of compensation and benefits in the employment relationship.
2. The effect of law and regulation on compensation and benefit practices.
3. Economic and other theories underlying the evaluation of work and jobs.
4. The underlying premises of wage differentials.
5. The ways organizations set wages.
6. Psychological and other theories explaining motivation.
7. How performance is defined and managed in the organization.
8. The development of incentive programs.
9. The development of pay programs for special groups of employees.
10. The role of employee benefits in the rewards program.

Texts: There is no text for this class. Articles have been posted under Resources on Sakai and you are responsible for these, both in terms of questions during class and the examinations.

Course Description: Compensation is the most visible outcome of the employment relationship for most employees. With few exceptions Americans want to maximize their wages in exchange for the labor they provide to employers. While a few idealists may be oblivious to the compensation they receive, even most nonprofit and charitable organizations face demands from their employees for more compensation every year.

Many people assume that each job has some easily observed objective value, but nothing could be further from reality. Compensation is an art, not a science. There are many different forces that result in the wage of any given job, and this course will look at the ways in which organizations decide what to pay each employee.

We will also examine many public policy issues such as wage inequality, executive pay and health care. There are reasons for most of the practices and pay levels condemned by Congress and other policymakers, and this course should provide the background so you may decide for yourself whether these criticisms are reasonable and whether the proposed “fixes” are likely to change the situation.

The course relies on a base of psychology, management, and economics.

Readings: A set of articles from professional journals has been posted on Sakai. These articles do a deeper dive into selected topics than is possible in the lecture. When reading these articles you should keep in mind the major thrust of the article rather than all the details. PollEverywhere questions will be asked in class concerning these major points. The same or similar questions from the articles will definitely be on the midterms. Statistics, dates, and research methods will not be included in the questions. The best way to read these articles is to keep in mind the perspective: what are the implications for practice?

In the first article (Greene (2015) Aligning human capital strategy with organizational strategy) for example, you might focus on the following:

1. What are the major organizational strategy types outlined by Greene?
2. What is the key link between Mission and organizational strategy?
3. What are some of the key processes in the transition from today's workforce to tomorrow's workforce?
4. What is the key linkage between performance management strategy and rewards strategy?

A **Reading Guide** is posted on Sakai which has a set of questions you should be able to answer for each reading. If you can answer these questions correctly you should be able to have no difficulty with the readings questions on the examinations.

Attendance: Attendance at every class is required. Attendance will be monitored through Poll Everywhere. Absences for illness, religious holidays and other events recognized by SAS will be excused. Some form of written excuse is best. While I appreciate the notification, the "Rutgers Self-Reporting Absence" email that can be sent does not constitute an acceptable excuse. If you know you are going to miss a class because of a religious holiday I would appreciate an email prior to the holiday. I am much more sympathetic to a rationale for an absence emailed to me before the absence than an excuse made after the fact, so if you know you will be missing a class please email me in advance. Even excused absences are not valid reasons for work not to be done.

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.polleverywhere.com/register?p=2cwgm-eys9&pg=4OJUh by Friday, January 24th, 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, January 24th 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 cfay@smlr.rutgers.edu for an alternative option.

If you answer a PollEverywhere question (whether quiz or participation) when you are not physically present in class (even if you are on your way to class) you will be guilty of an integrity violation, i.e., cheating. If caught, the penalties are severe, including a whole grade reduction in the course.

Examinations: There will be three non-cumulative examinations as noted on the course schedule. Each exam will cover approximately one-third of the course material. Each examination will be worth 15%% of the course grade. The exam questions are similar to the Poll-Everywhere questions and in fact may of the exam questions will be questions from PollEverywhere.

Make-up policy: An examination grade of "0" will be assigned to any student who is absent without a legitimate excuse on the date of a regularly scheduled test. 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, when the instructor emails the class announcing class is suspended, or other dire circumstances such as a death in the family.

Students with learning disabilities should present a statement to that effect with appropriate documentation as early in the semester as possible, but certainly prior to the first midterm examination.

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.

Exercises. Six exercises are to be done out of class and turned in via Assignment on Sakai on the date indicated on the syllabus. The exercises will be posted on Assignment on Sakai. Each exercise is worth 5 points. Exercises 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. Exercises are due in the drop box by the beginning of the class the day they are due. Late exercises will receive a reduced grade. **All exercises must be submitted through Assignment; paper exercise or e-mailed exercises will not be accepted or graded.**

Participation: Everyone starts the class with 15 points of score for participation. Points can be lost for not being present when called on in class, missing quizzes and for egregious classroom conduct (as described below).

Grading: Grades will consist of the following components:

Examination 1	15%
Examination 2	15%
Examination 3	15%
Quizzes	10%
Exercise 1	5%
Exercise 2	5%
Exercise 3	5%
Exercise 4	5%
Exercise 5	5%
Exercise 6	5%
Participation	15%

The professor reserves the right to curve exam grades (upwards).

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 submitted before the integrity contract is handed in will not be graded.**

Lecture Notes: The PowerPoint slides for the lectures will be posted on the course's Sakai website.

Classroom Conduct: Otherwise polite students are apt to behave in an uncivil manner when taking courses that are offered in large classes. The reasons for their transformation include that the probability is low that their behavior will be noticed by the instructor and that the opportunity exists to physically remove oneself from the proceedings by sitting a substantial distance from the presenter. Years of increasingly unpleasant classroom experience have suggested the practicality of preparing and enforcing a set of rules that will help to avoid student incivility. The following are NOT permitted in class:

(a) cell phones, pagers, and text messaging devices. These should be turned off and put away OUT OF SIGHT (except when responding to PollEverywhere questions.
(b) laptop computers (except when used for taking notes or responding to PollEverywhere questions)
(c) napping
(d) chit-chatting with your seat neighbors
(e) reading the newspaper (includes working puzzles contained therein)
(f) studying or doing homework for other courses
(g) arriving at class late on a consistent basis
(h) leaving class early on a consistent basis
(i) wandering in and out of class

When you are doing any of these things it is hard to argue you are participating in the class, and points will be deducted from your Participation score.

Class Schedule
Fall 2015

Date	Topic	Reading Assignment
Tuesday Sept 1	Introduction; Rewards Strategy	Greene (2015) Aligning Human Capital Strategy with Organizational Strategy Brown (2014) The Future of Reward Management: From Total Reward Strategies to Smart Rewards Thomsen (2012 – From the Trenches: Predicting the Future Reality of Compensation and Benefits
Friday Sept 4	Organizational Analysis	Herkenhoff (2014) Culture: The Missing Link Between Remuneration and Motivation McMullen, Royal & Stark (2009) Rewards Program Excellence: What Makes the World's Most Admires Companies Great
Friday Sept 11	Legal Constraints on Rewards - 1	Giancola (2010) Antitrust Laws and the Exchange of Employee Compensation Information Stanberry, Aven (2014) Employer Restrictions on Salary Discussions among Employees: The Changing Landscape
Tuesday Sept 15	Legal Constraints on Rewards - 2	**Exercise 1 due**
Friday Sept 18	Internal Equity – 1	
Tuesday Sept 22	Internal Equity – 2	Lazear, Shaw (2007) Personnel Economics
Friday Sept 25	Job Analysis/ Job Evaluation -1	**Exercise 2 due**
Tuesday Sept 29	Job Evaluation – 2	Heneman (2003) Job and Work Evaluation Liccione (2014) Linking the Market and Internal Values of Jobs: Rethinking the Market Line
Friday Oct 2	Wage Differentials, Wage Surveys	Rynes, Milkovich (1986) Wage Surveys Greene (2014) Compensation Surveys: The Rosetta Stones of Market Pricing
Tuesday Oct 6	Salary Structures/ Review	Stoskopf, Sever, Nguyen, & Mueller (2013) The Evolution of Salary Structures over the Past 10 Years: Are Market-Based Salary Structures the New Normal? **Exercise 3 due**
Friday Oct 9	**MIDTERM EXAMINATION I**	

Tuesday Oct 13	Motivation – 1	Ledford, Gerhart, & Fang (2013) Negative Effects of Extrinsic Rewards on Intrinsic Motivation: More Smoke than Fire Day (2013) Transforming the Role of Money in the New Economy: Removing Pay as the Star of the Show
Friday Oct 16	Motivation – 2	
Tuesday Oct 20	Performance Management - 1	Lawler, Benson & McDermott (2012) Performance Management and Reward Systems Mosley (2013) The Power of the Crowdsourced Performance Review
Friday Oct 23	Performance Management - 2	**Exercise 4 due**
Tuesday Oct 27	Merit Pay	Levine, O'Neill (2011) Abandoning Pay-for-Performance Myths in Favor of Evidence Scott, Somersan & Repsold (2015) Is There Merit in Merit Pay: A Survey of Rewards Professionals
Friday Oct 30	Changes to Base Pay	Risher (2007) Second-Generation Banded Salary Systems Ledford (2008) Factors Affecting the Long-Term Success of Skill-Based Pay
Tuesday Nov 3	Short Term Incentives	Gibbs (2012) Designing Incentive Plans: New Insights from Academic Research Scott & McMullen (2013) Rewards Next Practices: 2013 and Beyond
Friday Nov 6	**MIDTERM EXAMINATION II**	
Tuesday Nov 10	Long Term Incentives	Reda & Schmidt (2014) What LTI Measures Drive Corporate Performance?
Friday Nov 13	Attraction and Retention Awards Recognition Awards	Giancola (2014) Should HR Professionals Devote More Time to Intrinsic Rewards? WorldatWork (2011) Bonus Programs and Practices
Tuesday Nov 17	Executive Compensation	**Exercise 5 due** O'Byrne (2013) The Three Dimensions of Pay for Performance Ellig (2014) Role of the Board Compensation Committee
Friday Nov 20	Sales Compensation	Madhani (2012) Managing Sales Force Compensation: A Life Cycle Perspective Vacarro & Hill (2014) Assessing New Sales Roles
Tuesday Nov 24	Compensation of Government Employees/ Union Members	DiSalvo (2010) The Trouble with Public Sector Unions Kilgour (2014) Public Sector Pension and Retiree Health Benefit Funding

Wednesday Nov 25	Expatriate Compensation Global Compensation	Hsu (2007) Expatriate Compensation Vilet (2012 It's New Era for Expatriates
Tuesday Dec 1	Benefits – 1	**Exercise 6 due** Pagani-Tousignant & Tsumagari (2014) Designing an Effective Corporate Health and Wellness Strategy
Friday Dec 4	Benefits – 2	McSweeney-Feld, Nirtaut (2010) Consumer-Driven Health Plans Giancola (2011) Can the Work-Life Movement Regain its Balance?
Tuesday Dec 8	Administration	Greene (2010) Evaluating the Ongoing Effectiveness of Rewards Strategies and Programs Zingheim, Schuster (2006) Career Directions for Total Rewards Professionals
Tuesday Dec 22	**MIDTERM EXAMINATION III** (Final Examination) Tillett Room 254 8:00 AM – 11:00 AM	

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 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.
- Answering PollEverywhere participation or quiz questions when not physically present in the classroom

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: _____