

## Compensation and Total Rewards

Fall 2022

37:533:313

**Instructor: Dr. Christopher To, [christopher.to@rutgers.edu](mailto:christopher.to@rutgers.edu)**

Meets: Mondays and Thursdays, 12:10-1:30pm

Location: Livingston Campus, Levin Building 004

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Office Hours: Mondays, 1:30 PM to 2:30 PM (ET) or by appointment through ZOOM

This course provides students with knowledge about compensation and reward systems. We examine the context of compensation practice, legal issues related to compensation and benefits, the various criteria used to compensate and reward employees, the various approaches to setting wages throughout the company, employee benefits, and contemporary challenges that compensation professionals will continue to face over the next decade. You will learn core compensation system's concepts and tools through lectures, assigned text readings, in-class exercises, and participation in a team project.

### COURSE MATERIAL

**Class Material:** PowerPoint slides for the lectures, announcements, and assignment instructions will be posted on the course's Canvas website: <https://canvas.rutgers.edu/> (use your Net ID and password).

**Textbook:**

Title: Strategic Compensation (Pearson Publications)

Author(s): Joseph J. Martocchio

Edition: 10th [10th edition is the newest. You could also use the 8th or 9th edition]

### GRADING AND COURSE REQUIREMENTS

Activity	Points
<b>Group Project (Time to complete in Class)</b>	15%
<b>Group Project Peer Evaluation</b>	5%
<b>In Class Attendance and Exercises</b>	20%
<b>Exam 1 (Non-cumulative)</b>	20%
<b>Exam 2 (Non-cumulative)</b>	20%
<b>Exam 3 (Non-cumulative)</b>	20%
<b>Optional Cumulative Final (To replace worst exam grade)</b>	

	Grading Scale
<b>90-100%</b>	A
<b>85-89.9%</b>	B+
<b>80-84.9%</b>	B
<b>75-79.9%</b>	C+
<b>70-74.9%</b>	C
<b>60-69.9%</b>	D

## DETAILS ON COURSE REQUIREMENTS

### ATTENDANCE AND PARTICIPATION IN EXERCISES

Participation is comprised of in-class poll attendance, poll questions that are incorporated into the lecture, and in-class exercises designed to reinforce learning points or provide real-world examples. Students are expected to attend every class. It is valuable to attend class because:

1. Exam questions are drawn from lectures, readings, exercises, and class discussion, so missing lectures will hurt your exam performance.
2. In class, students are asked to answer questions posed in lecture by responding to polls (see section on Polling, below, for instructions). These polls will frequently highlight important take-aways, and serve as attendance.
3. Lecture periods will include completion of a related exercise/activity. These exercises are graded on a check-plus, check-minus basis, and help students to utilize course concepts to give them direct, concrete experiences that are applicable to their personal and professional needs. Further, participating in these exercises will expose you to real world examples related to course concepts, and will often give you the opportunity to interact with fellow students.
4. Personally, I value the diversity that students bring to the classroom. Students come from a variety of backgrounds with a wide range of knowledge, motivation, and interests. I really appreciate and enjoy hearing your viewpoints!

### EXAMINATIONS

Three exams will cover the material from the lectures and readings. Each exam will cover approximately one-third of the course material. The exams are **non-cumulative**. There is also an optional cumulative final exam, which will be held on **TBD**. You may use this final exam grade to replace your lowest of the three prior exam grades, or you may opt out of taking this final and retain the scores on the first three exams.

**Make-up policy:** The dates of the three exams are noted on the course agenda. An exam grade of zero (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 with a note from a doctor), inclement weather (when Rutgers Information Service, 732-932-INFO, indicates that Rutgers is closed), when the instructor emails the class announcing that class is suspended, or other critical circumstances such as a death in the family. A make-up exam will be held at a time when all students who need to make up the exam can be present. An officially cancelled exam will be held at the next scheduled class period. **Whereas regularly scheduled (and officially re-scheduled) exams are in multiple-choice format, all make-up exams are in essay/short-answer format.** Rutgers policy on religious holidays: <https://scheduling.rutgers.edu/scheduling/religious-holiday-policy>

### GROUP PROJECT

You will work in 4 to 6-person teams on a project during weeks 7-10. Your primary task is to design a pay system for a set of positions in a human resources department. The materials and instructions for this project are provided on Canvas. I will give you an opportunity to choose teammates in Class 12 (10/13); otherwise you will be randomly assigned to teams. This assignment is due by Exam 2 (11/15), and you will have in-class time to complete the project.

Peer evaluations will be completed at the end of this project and are worth 5% of the team project grade. That is, the project itself grade is 15% and peer evaluations is 5%.

## LEARNING GOALS MET BY THIS COURSE

### **COURSE-SPECIFIC LEARNING GOALS**

Upon completion of this course, students should be able to demonstrate:

1. Understand and evaluate the advantages and disadvantages to the different approaches to setting employee pay, including seniority, merit, incentive, and skill-based.
2. Understand the different approaches to designing a compensation system that is internally consistent and externally competitive.
3. Understand and evaluate the different approaches to evaluating employee performance as part of merit pay systems.
4. Understand and apply the necessary elements in designing an effective incentive system.
5. Understand, apply, and analyze compensation issues with respect to legal requirements.
6. Understand which benefits are legally required and which are discretionary.
7. Create a pay system for a set of HR positions.
8. Develop your decision-making, teamwork, and analytical skills through a team project, class exercises, and homework assignments.

### **SMLR LEARNING GOALS**

#### **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)
- Apply qualitative methods appropriately, alone and in combination with quantitative methods

#### **VI) 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)

## POLLING

During lectures throughout the semester, I will often present you with polls and ask you to answer them using a website called TopHat. This site allows you to respond to polls in a number of different ways, including the web browser on your laptop, or iPad/tablet

**Your responses to these polls will not be graded for accuracy**, but they will serve three primary purposes. **First**, they allow me to take attendance (which is a proportion of your participation grade). **Second**, I will use them to see if everyone is on the same page, is grasping the information, or if I need to spend more time on certain topics.

In order for me to keep track of who responds to the polls (and for you to get credit for attending class), you will need to **register at least 24 hours prior to attending our first class session. This means you should be registered by September, 6th.**

There is a Top Hat link in our Canvas class site. However, you can register with this link and follow the instructions as well:

M/Th – 12:10 PM class: <https://app.tophat.com/e/522152>

The 6-digit join code for our course is **522152**

It should take less than 5 minutes.

Keep in mind that in order to participate, you will need to bring a cell phone, laptop, iPad or other tablet with you to class. You are not penalized if you do not have access to any of these devices, but please email me at [chto@smlr.rutgers.edu](mailto:chto@smlr.rutgers.edu) so we can figure something else out.

## UNIVERSITY GUIDELINES AND RESOURCES

### ACADEMIC HONESTY

The University's policy on cheating and use of copyrighted materials is enforced in this class. Students are expected to pursue knowledge with integrity. Please refer to the Academic Integrity Policy for more detail regarding these policies: <http://academicintegrity.rutgers.edu/academic-integrity-at-rutgers>

All students registered for this course are asked to sign an Academic Integrity Contract (refer to the last two pages of this syllabus). You must return a signed copy to me or the course TAs and keep a copy for yourself. This contract includes detailed explanations of behavior that constitutes plagiarism and cheating. Examples of a breach of this contract with regard to this specific course include, but are not limited to: sharing your answers or copying another student's answers on examinations; sending a fellow student who did not attend class the answers to a poll to falsely indicate their presence; copying material that is not your own without providing proper documentation (in the example of the HRM media extra credit). In the event that this contract is breached, the punishment can range from receiving a failing grade on the assignment, to being placed on disciplinary probation or permanent expulsion from Rutgers.

### STUDENTS WITH DISABILITIES

Students requesting accommodations for disabilities should contact the Office of Disability Services to determine his/her Coordinator. The Coordinator will then provide documentation to the student. Upon review and approval, the student must then provide this documentation to the instructor. Please refer to the Office of Disability Services for Students for more detail regarding this policy:

<http://disabilityservices.rutgers.edu/>. Students may make requests for accommodations:

<http://disabilityservices.rutgers.edu/request.html>

### STUDENT RESOURCES (MENTAL HEALTH, ACADEMIC COACHING, FINANCIAL ASSISTANCE)

Students may experience unique challenges as they progress through their academic careers. Rutgers has a number of resources to assist you. If you need support in one of the following areas, we encourage you to utilize the following resources. In addition, if you think I may be of help at any point, you are strongly encouraged and welcomed to send me a message or chat with me before/after class or during office hours.

<https://smlr.rutgers.edu/about-smlr/fall-2022-information-smlr-students>

### SCHOLARSHIPS

The School of Management and Labor Relations offers a number of scholarships and fellowships to support its students. Relevant deadlines and criteria can be found here:

<https://smlr.rutgers.edu/academic-programs/scholarships>

## TENTATIVE COURSE SCHEDULE

The content of the course will be covered in the following sequence. Please note that **dates are tentative and subject to change** (some topics may take more time and others less time, depending on students' interests). **Exam dates are firm.**

#	Date	Reading	Topic
1	9/8		Introduction
2	9/12	Chapter 1	Strategic Concerns in Compensation
3	9/15	Chapter 2 (pp. 28-36)	Contextual Determinants of Pay
4	9/19	Chapter 2 (pp. 37-49)	Legal issues in Compensation: Worker Protections
5	9/22	Chapter 2 (pp. 37-49)	Legal issues in Compensation: Equity
6	9/26	Chapter 3 (pp. 58-65)	Traditional Bases of Pay: Seniority and Merit
7	9/29	Chapter 3 (pp. 65-79)	Performance Appraisals
8	10/3	Chapter 4	Incentive Pay (Individual and Group Plans)
9	10/6	Chapter 4	Incentive Pay (Organization Plans)
10	10/10	Chapter 5	Person Focused Pay
11	10/13	<b>Exam (1-5)</b>	
12	10/17	Chapter 6 (pp. 130-142)	Job Analysis
13	10/20	Chapter 6 (pp. 142-151)	Job Evaluation
14	10/24		Group Project: Job Analysis and Evaluation
15	10/27	Chapter 7 (pp. 156-170)	Salary Surveys
16	10/31	Chapter 7 (pp. 170-175)	Integrating External Surveys and Internal Job Evaluation (Regression)
17	11/3		Group Project: Integrating External Surveys and Internal Job Evaluations
18	11/7	Chapter 8 (pp. 180-188; 202-205)	Monitoring Pay and Broadbanding
19	11/10		Group Project: Monitoring Pay and Broadbanding
20	11/14	<b>Exam (5-8)</b>	
21	11/17	Chapter 9	Discretionary Benefits: Categories of Benefits
22	11/21	Chapter 9	Discretionary Benefits: Retirement
	11/24	<b>THANKSGIVING</b>	
23	11/28	Chapter 10	Legal Benefits: Protection and Social Security
24	12/1	Chapter 10	Legal Benefits: Healthcare
25	12/5	Chapter 11	Executive Compensation: Components and design
26	12/8	Chapter 11	Executive Compensation: Theory and ethics
27	12/12	<b>Exam (9, 10, 11)</b>	
	TBD	<b>Optional Cumulative Exam</b>	

## ***Academic Integrity Contract***

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.
- Responding to Top Hat questions when not physically present in the classroom.
- 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: \_\_\_\_\_