

ST. JOSEPH'S DEGREE & PG COLLEGE

(Autonomous), Affiliated to Osmania University

DEPARTMENT OF BUSINESS MANAGEMENT

SEMESTER-VI

BBA, BBA (IT), BBA (BA), BBA (FM) & BBA (ENTREPRENEURSHIP)

COMPENSATION MANAGEMENT

DSE

w.e.f. 2020-2021 A.Y

SCHEME OF INSTRUCTION

Hours per Week : 5 Hrs.

Credits : 5

Instruction Mode : Lecture

Course Code : BM.07.301.24CT

SCHEME OF EXAMINATION

Maximum Marks : 100

Internal Assessment : 40

External Examination : 60

External Exam Duration : 3 Hrs

Course Objective: The objective is to equip students with comprehensive knowledge in compensation management, its principles, designing compensation system in the organizations and contemporary strategic compensation.

Course Outcomes: On successful completion of this course, the students will be able:

CO1. To discuss the principles and importance of compensation management

CO2. To relate the bases of compensation

CO3. To appraise the present trends in calculation of incentives and other pay systems

CO4. To develop and design compensation system

CO5. To identify the contemporary compensation practices

Unit I: Introduction to Compensation Management

Introduction –Definition of Compensation Management - objectives of compensation – Principles of Compensation Management – Importance of Compensation Management - Types of wages. Exploring and Defining the compensation context – Intrinsic compensation - Extrinsic compensation -- Compensation Trends in India. - The 3-P compensation concept

Unit II: Compensation Planning & Bases of Compensation

Compensation and its components - Compensation Planning: Level, Structure and Systems Decision – Compensation level planning- factors influencing compensation level planning : internal factors and external factors. Traditional Bases for Pay-Seniority and Longevity Pay-Merit Pay- Performance Appraisal- Methods- Biases -Strengthening the Pay for Performance Link- Possible Limitations of Merit Pay Programme



Unit III: Incentive Pay & Other Pay Systems

Exploring Incentive Pay- Contrasting Incentive Pay with Traditional Pay. Individual Incentives- Types of Individual Incentives- Advantages and Disadvantages. Group Incentives- Types of Group Incentives- Advantages and Disadvantages. Companywide Incentives- Types- Designing Incentive Pay Programmes. Person Focused Pay- Competency Based Pay, Pay for Knowledge and Skill Based Pay, team based pay- Concepts.

Unit IV: Designing Compensation System

Building internally consistent Compensation System - Creating Internal Equity through Job Analysis and Job Valuation - Building Market Competitive Compensation System – compensation surveys - Integrating Internal Job Structures with External Market - Building Pay Structures that Recognise Individual Contribution : Constructing pay structure. Pay structure variations – Broad banding- two tier pay structure.

Unit V: Contemporary Strategic Compensation

International compensation – components of international compensation – Executive compensation – components of executive compensation - Compensating the Flexible Workforce Contingent Employees – core and fringe compensation.

Text Books:

1. Tapomoy Deb, Compensation Management text & cases, Excel Publication , 2014
2. Joseph J. Martocchio, Strategic Compensation- A Human Resource Management Approach- Pearson Education, 2012, 3rd Ed

Reference Books:

1. Dipak Kumar Bhattacharya, Compensation Management , Oxford University Press , 2014
2. Richard.I. Henderson: Compensation Management In A Knowledge Based World - Prentice-Hall, 2012, 9th Ed
3. Milkovich & Newman, Compensation, Tata McGraw –Hill, New Delhi, 2015