



COMPENSATION AND BENEFITS MANAGEMENT **23MBPE655**

COURSE HANDBOOK

MBA

COURSE HEAD:

Assistant Professor Verina D'Souza

1. GENERAL INFORMATION

Welcome to Compensation and Benefits Management!

This course is designed for HR students to address both foundational and advanced aspects of compensation and benefits management. Studying this course offers a multitude of practical and strategic benefits that directly enhance their career readiness and effectiveness as future HR professionals. Understanding the principles of compensation and benefits students with essential skills for designing and managing pay systems, which are vital functions in any organization. The course makes one adept in aligning compensation systems with organizational objectives, contributing to achieving long-term business goals. It will help analyze market trends, evaluate job roles, and equip students to design equitable and competitive pay structures.

On completion of this course, students will gain expertise in labour laws, compliance, and ethical considerations, preparing them to manage compensation within regulatory constraints. Along with enhancing analytic, strategic thinking and decision-making skills, it will make them proficient in adapting to trends. Understanding how rewards influence employee behaviour and engagement, will help design systems that foster loyalty and high performance. The students will be well-versed with global compensation practices and trends making them prepared to thrive in multinational and culturally diverse environments. It will develop the skills necessary to create effective reward strategies that foster a motivated and high-performing workforce while contributing to the overall success and sustainability of an organization.

1.1 Course Objectives

This course is designed to :

- **Impart knowledge of Performance Management:** Impart the knowledge on the application of Performance Management in the Organization
- **Design Effective Reward Systems:** Impart the knowledge of the importance of rewards and help design effective reward systems.
- **Develop Problem-solving skills:** Provide solutions to workplace problems through the application of Compensation.
- **Familiarize different models and approaches** of Compensation Management.

1.2 Course Outcomes:

At the end of this course, students will be able to:

CO1: Summarize the concepts and components of compensation.

CO2: Describe management strategies to design and implement effective wage system.

CO3: Summarize salary planning and control processes to manage organizational salary costs

CO4: Apply the different pay systems to enhance employee performance.

CO5: Apply a performance-based compensation system to business.

1.3 Recommended Text Book and Reference textbooks.

KEY TEXT BOOKS

- R. C. Sharma, Sulabh Sharma, “Compensation Management” 9th Edition, Sage Publication India Pvt.Ltd, 2019.
- Biswas, Bashker, “Compensation and Benefit”, 11th Edition, D Pearson, 2013
- Compensation and Reward Management: Singh, B D , Excel Books -2017

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REFERENCE BOOKS:

- Michael J. Kavanagh, Mohan Thite, Richard D. Johnson, “Human Resource Information Systems: Basics, Applications, and Future Directions”, 3rd Edition, Sage Publication India Pvt.Ltd, 2015.
- John Shields, “Managing Employees Performance and Rewards”, 2nd Edition, Cambridge Press, Edition 2015.

WEBLINKS:

- Understanding Compensation:
<https://hr-gazette.com/total-rewards-and-compensation-understanding-the-essentials/>
- Wage Determination Practices:
<https://www.youtube.com/watch?v=g4AGhGehhsc>
- Impact of Compensation on job satisfaction – Research Paper
https://www.researchgate.net/publication/325959515_Impact_of_Compensation_and_Benefits_on_Job_Satisfaction

1.4. Self-Study Course

A self study course on Compensation and Benefits offered by Course Era can be accessed using the link <https://www.shiksha.com/online-courses/compensation-and-benefits-course-courl6182>

This optional course helps gain proficiency in different types of compensation, job analysis and job evaluation methods to determine the relative value of positions within an organization. Students are expected to take up this course before the end of module 5 to gain more clarity on the concepts dealt in compensation.

2. The Course

2.1. Course Description

COMPENSATION AND BENEFITS MANAGEMENT			
Semester	III	CIE Marks	50
Course Code	23MBPE655	SEE Marks	50
Teaching Hrs/Week (L:T:P)	4:0:0	Exam Hrs	03
Total Hrs	52	Credits	04

Compensation and Benefits Management course is designed to expose students to various approaches of compensation to address global HR concerns and to develop necessary skills and attitudes. The course is delivered over 13 weeks comprising 4 lectures a week during semester 3. This course comprehensively covers theoretical premises, the definition of compensation-related terminologies, concept/nature and amalgamation of factors and policies to be considered in designing competitive as well as acceptable compensation packages. Spanning a total of 52 hours, this 4-credit course is assessed through Continuous Internal Evaluation (CIE) for 50 marks and a Semester-End Examination (SEE) for 50 marks. This structure ultimately helps students to gain in-depth knowledge of compensation and benefits management and thrive in the competitive professional world.

2.2. Initiating Contact with Staff and Other Students

The best ways for students to reach out are during in-class hours, office hours, or via email. Please also check the official website for information before contacting us. Additionally, we encourage you to engage with your peers for collaborative learning.

2.3. Resources

MITE offers a comprehensive range of resources, including digital libraries, e-learning platforms, and research databases, ensuring students have access to a wealth of academic materials for their studies. Through the college website, students can explore resources such as the VTU Consortium, open-access repositories, and government portals like NPTEL and NDLI. These platforms provide e-books, research papers, video lectures, and interactive tutorials, fostering flexible learning environments that empower students to excel in their academic pursuits.

E-learning and digital library can be accessed via the college website <https://mite.ac.in/> (Campus Life section > Library > VTU Consortium/e-learning platforms/additional sources).

2.4. Staff

Course Convenor: Ms Verina D'Souza
Cabin: 3rd floor, PG Block
Email: verina@mite.ac.in;

2.5. Topics and Reading materials for each module

Module 1

No. of Hours: 10

- Topic: Introduction to compensation

- Meaning of compensation, total compensation/reward and its components and types, importance of the total compensation approach, wages/salaries, compensation strategy, compensation policy, base of compensation management, compensation and legal issues in compensation management, factors affecting employee compensation/wage rates/wage structure/levels of pay

- **Activities:**
 - Quiz on HR Jargons related to compensation
- **Essential Reading**
 - R. C. Sharma, Sulabh Sharma, “Compensation Management” 9th Edition, Sage Publication India Pvt. Ltd., 2019. (Chapter 1 and 2).
- **Additional Reading:**
 - Compensation and Reward Management: Singh, B., Excel Books -2017, (Chapter 1 and 2)
 - Understanding Compensation:
<https://hr-gazette.com/total-rewards-and-compensation-understanding - the essentials/>

Module 2

No. of Hours: 12

- **Topic: Wage determination practice**
 - Methods of wage payment, essentials of a satisfactory wage system, national wage policy in India, wage policy at the organizational level, wage problems in India, components/functions of compensation management/Wages & Salary administration, divergent systems for wage determination in practice in Indian organizations.
- **Activities:**
 - Role plays related to “Wage and Salary”
- **Essential Reading**
 - Singh, B D , Compensation and Reward Management: Excel Books -2017, (Chapter 3, 5)
- **Additional Reading:**
 - Understanding wage and compensation Management: Sarma, A.M, Himalaya Publishing House, (Chapter 4 ,9 and 10)
 - Dezan Shira & Associates. (2024, September 27). *A guide to minimum wage in India*. India Briefing. <https://www.india-briefing.com/news/guide-minimum-wage-india-19406.html>
 - Ministry of Labour & Employment, Government of India. (n.d.). *Code on Wages, 2019*. Retrieved from: https://labour.gov.in/sites/default/files/the_code_on_wages_as_introduced.pdf

Module 3

No. of Hours: 10

- **Topic: Compensation Management**
 - Different types of direct and indirect compensation, reward policy, pay reviews, planning and implementing pay reviews, procedures for grading jobs and pay, rates fixation, controlling payroll costs, evaluation of reward processes, fringe benefits, internal audit of compensation and benefits.

- **Activities:**
 - Case study on Compensating Executives: “CEO Pay in the news”. This case study helps students identify ways to address compensation challenges.
- **Essential Reading:**
 - Singh, B D, Compensation and Reward Management: Excel Books -2017, (Chapter 10)
- **Additional Reading:**
 - Compensation, Milikovich & Newman, Compensation, Irwin/McGrawHill, 9th Edition, 2017, (Chapter 7)
 - Impact of Compensation on Job Satisfaction – Research Paper
https://www.researchgate.net/publication/325959515_impact_of_compensation_and_benefits_on_job_satisfaction

Module 4

No. of Hours: 10

- **Topic: Administration & Controlling Salary Costs**
 - Salary survey data, salary costs, salary planning, salary budget, salary control, salary reviews, guidelines for salary review process, responding to negative salary review, five key steps: manager’s guide to annual salary review, fixing of salary, method of paying salary, flexibility, process of wage and salary fixation.
- **Activity**
 - Group Discussion on “Administration and Salary Control”
- **Reading:**
 - R. C. Sharma, Sulabh Sharma, “Compensation Management” 9th Edition, Sage Publication India Pvt. Ltd, 2019. (Chapter 6)
- **Additional Reading:**
 - Henderson, Richard, Compensation Management in a Knowledge-Based World, 10th Edition, Pearson, 2019 (Chapter 10 & 11)
 - Salary survey Data Analysis- <https://www.youtube.com/watch?v=nNKd31Ocd4>

Module 5

No. of Hours: 10

- **Topic: Contingent Pay, Pay for Performance, Competence**
 - Competency-based pay, skill-based pay, team-based rewards, gain sharing, profit-sharing profit- related pay and beyond other cash payments and allowances overtime payments, attendance bonuses, shift pay, clothing allowances, honoraria, payments for qualifications, pay for person, pay for excellence, managerial compensation and rewards, sales force incentive programs, competency-based pay- framework, model and challenges.

- **Activities:**
 - Innovations in compensation for Retention-Model Presentation
- **Essential Reading:**
 - R. C. Sharma, Sulabh Sharma, “Compensation Management” 9th edition, Sage Publication India Pvt. Ltd, 2019. Chapter 5
- **Additional Reading:**
 - Compensation, Milikovich & Newman, Compensation, Irwin/McGrawHill, 9th Edition, 2017, Chapter 19
 - Does Pay for Performance really motivate?
<https://www.youtube.com/watch?v=0D1JAPTda9c>

3. ASSESSMENT

The assessment for the Compensation and Benefits Management is divided into two components: Continuous Internal Evaluation (CIE) and Semester End Examination (SEE), each accounting for 50% of the total marks.

Continuous Internal Evaluation (CIE) consists of two internal tests, scheduled for the 8th and 14th weeks, which together account for 30% of the total marks. Additionally, the other 20% of the marks are allocated for other assessments within the CIE framework, including assignments and activities. Students are expected to meet deadlines and submit their assignments on time. Active participation is a key criterion for the activities segment.

Semester End Examination (SEE) accounts for the remaining 50% of the total marks and consists of a 3-hour written exam. Key information on examination and related details can be accessed via the college website (Academics and Courses section > Calendar of Events > PG Odd Sem).

Rubrics for other Assessment (Total: 20 Marks / 40% of CIE)

Rubrics for Other Assessment		
	Total Marks allotted	Criteria
Activity 1- Case study	10	<ul style="list-style-type: none"> ○ Logical Reasoning ○ Communication and Organisation of the case ○ Application of concepts ○ Innovative solutions
Activity 2- Innovations in Compensation for Retention-Model presentation	10	<ul style="list-style-type: none"> ○ Presentation of Content ○ Innovation and Creativity ○ Teamwork ○ Q & A