

COURSE TITLE	COMPENSATION MANAGEMENT
COURSE CODE	04BC0427
COURSE CREDITS	4

Objective:

- 1 NA

Course Outcomes: After completion of this course, student will be able to:

- 1 Understand the theoretical foundations of compensation and reward systems.
- 2 Design internal and external equity-based compensation structures.
- 3 Analyze performance-based and variable pay models.
- 4 Evaluate contemporary issues such as gig economy, pay transparency, and ESG-linked incentives.
- 5 Apply knowledge of legal and strategic aspects to manage compensation ethically and effectively

Pre-requisite of course:NA

Teaching and Examination Scheme

Theory Hours	Tutorial Hours	Practical Hours	ESE	IA	CSE	Viva	Term Work
4	0	0	50	30	20	0	0

Contents : Unit	Topics	Contact Hours
1	Introduction to Compensation Management Concept and Objectives of Compensation: Definitions, scope, and importance in HRM and business strategy. Types and Components of Compensation: Direct (basic pay, dearness allowance, incentives), Indirect (benefits, insurance, perquisites). Components of Compensation (Fixed, Variable, Fringe Benefits). , Theories of Compensation: Equity Theory, Reinforcement Theory, Expectancy Theory and Agency Theory. Factors Influencing Compensation : Internal factors: job value, company strategy, organizational culture. External factors: labor market, cost of living, competition. , Strategic Role of Compensation in Talent Attraction and Retention. Case Discussion: Compensation Strategy in an Indian or Global Tech Company	10

Contents : Unit	Topics	Contact Hours
2	Job Evaluation and Pay Structures Job Analysis and Evaluation: Techniques of job evaluation (Ranking, Classification, Point Factor, Factor Comparison, Hay Method). , Internal Equity and External Competitiveness: Understanding fairness in pay structure. Designing Salary Structures and Pay Grades. Wage and Salary Surveys. Broad Banding and Competency-Based Pay. Pay Compression and Remedies, Pay Transparency: Definition, advantages and drawbacks, its link with motivation and equity. Practical Component: Design a basic pay structure using job evaluation points.	12
3	Performance-linked and Variable Compensation Performance Appraisal and Its Link to Compensation. Incentive Plans: Incentive Plans: Individual (Piece-rate, commission), Group (Team-based bonuses), Organizational (Profit-sharing, gain sharing). , Executive Compensation: Components (bonus, stock options, long-term incentive plans), Trends, Governance and public scrutiny. ESOPs and Equity , ESOPs and Equity Compensation: Startups vs. established companies. Balanced Scorecard Approach to Compensation. Equity-Based Compensation in Startups and Tech Firms. Case: Designing a Sales Incentive Plan	12
4	Emerging Trends in Compensation Gig Economy Compensation Models: Freelancers, project-based and platform-based work. Remote Work and Compensation Localization. Global Pay Equity and Localization in MNCs. Diversity, Equity & Inclusion (DEI)-Based Pay Practices. Use of Artificial Intelligence (AI) in Compensation Planning and Payroll Automation. , ESG-linked Pay: Linking pay to sustainability goals. AI and Data Analytics in Compensation Design. Regulatory reforms on gig worker benefits (India and global view). International Compensation and Expatriate Pay, Mini Project: Research & present an emerging trend in compensation (group activity)	14
5	Legal and Ethical Aspects of Compensation Wage and Salary Legislation in India: Minimum Wages Act, 1948, Payment of Wages Act, 1936, Payment of Bonus Act, 1965, Equal Remuneration Act, 1976. Legal Issues in Executive Compensation, Ethical Considerations in Executive Pay. Pay Discrimination and Gender Pay Gap. Tax Implications on Employee Compensation (Basic Overview) Ethical Considerations in Reward Systems. Legal and Policy Developments on Platform Worker Rights., Case Discussion: Legal case on unequal pay practices in India.	12
Total Hours		60

Textbook :

- 1 Compensation Management, Milkovich & Newman, McGraw-Hill Education, 2024
- 2 Compensation Management, Tapomoy Deb, Excel Books, 2024
- 3 Compensation and Reward Management, B.D. Singh, Excel Books, 2024

Textbook :

- 4 Wage and Salary Administration, Sinha & Sinha, Himalaya Publishing, 2024

References:

- 1 International Human Resource Management a Cross-Cultural approach , International Human Resource Management a Cross-Cultural approach , Terence Jackson , SAGE, 2002
- 2 International Human Resource Management , International Human Resource Management , MonirTayeb, Oxford , 2005

Suggested Theory Distribution:

The suggested theory distribution as per Bloom's taxonomy is as follows. This distribution serves as guidelines for teachers and students to achieve effective teaching-learning process

Distribution of Theory for course delivery and evaluation					
Remember / Knowledge	Understand	Apply	Analyze	Evaluate	Higher order Thinking / Creative
0.00	30.00	25.00	25.00	10.00	10.00

Instructional Method:

- 1 NA

Supplementary Resources:

- 1 <https://www.igntu.ac.in/eContent/IGNTU-eContent-638670815118-MBA-TourismandTravelManagement-2-RohitRaviundraBorlikar-MBAT201-OBHRM-3.pdf>