

DSE III: MDH 604: PERFORMANCE & COMPENSATION MANAGEMENT

Course Objectives:

To familiarize students about concepts of performance and compensation management and how to use them to face the challenges of attracting, retaining and motivating employees to high performance.

Learning Outcomes:

- Understand the dynamics of performance appraisal and performance management to develop criteria and standards for performance assessment.
- Analyze how effective appraisal systems can be linked to managerial objectives and compensation.
- Comprehend the components of executive compensation and understand how jobs are priced to establish compensation levels.
- Understand incentive systems and non-economic rewards.
- Understand International aspects of Performance Appraisal and Compensation.

Course Contents:

Unit I

(3 Weeks)

Introduction: Concept, Philosophy, History from performance appraisal to performance development; Objectives of performance management system; Aligning Performance Management with Organizational Strategy, Values, and Goals; Performance planning, Process and Documentation of Performance appraisal.

References:

Michael Armstrong, Armstrong's Handbook of Performance Management: An Evidence-Based Guide to Delivering High Performance, 6th ed., Kogan Page . [Chapter 1, 2, 3 and 4]

Unit II

(3 Weeks)

Analyzing and assessing performance, Use of 360 degree feedback as performance management; Appraisal Interview; Performance Feedback; Use of technology and e-PMS; Performance management and reward systems; Performance Coaching, Mentoring and Counseling; Performance systems trends; International Aspects of PMS; Ethical perspectives in performance appraisal.

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References:

Michael Armstrong, Armstrong's Handbook of Performance Management: An Evidence-Based Guide to Delivering High Performance, 6th ed., Kogan Page . [Chapter 7, 8 and 9]

Gary Dessler, Human Resource Management, 12th ed., Prentice Hall. [Chapter 8]

Bhattacharyya, D.K.: Performance Management systems and strategies, Pearson Education. [Chapter 12, 13, 14 and 16]

Unit III

(4 Weeks)

Introduction to Job Evaluation, Methods of Job Evaluation; Company Wage Policy: Wage Components, Wage Determination, Pay Grades, Wage Surveys, Modern trends in compensation - from wage and salary to cost to company concept, Comparable worth, broad banding, competency based pay. Incentive plans for production employees and for other professionals, developing effective incentive plans, pay for performance; Supplementary pay benefits, insurance benefits, retirement benefits, employee services benefits, Benefits & Incentive practices in Indian industry.

References:

Gary Dessler, Human Resource Management, 12th ed., Prentice Hall. [Chapter 10 and 11]

Malkovich & Newman, Compensation, 12 ed. McGraw Hill. [Chapter 1,2,3,,4,5,,6,7,8,9 and 10]

Unit IV

(2 Weeks)

Wages in India: Minimum wage, fair wage and living wage; Methods of state regulation of wages; Wage differentials & national wage policy, Regulating payment of wages, wage boards, Pay commissions, dearness allowances, linking wages with productivity.

Special compensation situations: International compensation-managing variations, Expatriate Pay.

References:

Malkovich & Newman, Compensation, 12 ed. McGraw Hill. [Chapter 14,15 and 16]

Bhattacharyya, D.K.: Performance Management systems and strategies, Pearson Education. [Chapter 14]

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Textbooks:

1. Michael Armstrong, Armstrong's Handbook of Performance Management: An Evidence-Based Guide to Delivering High Performance, 6th ed., Kogan Page
2. Gary Dessler, Human Resource Management, 12th ed., Prentice Hall.
3. Malkovich & Newman, Compensation, 12 ed. McGraw Hill.

Additional Readings:

1. Armstrong, M., Performance management: Key strategies and practical guidelines, Kogan Page, London.
2. Bhattacharyya, D.K.: Performance management systems and strategies, Pearson Education.
3. Bagchi, S. N., Performance Management, 2nd ed., Cengage Learning India
4. Richard Henderson: Compensation Management in a Knowledge Based World, 10th ed. Prentice Hall.

Teaching Learning Process:

Lecture, PowerPoint presentations, discussion. Relevant cases may also be discussed to support text.

Assessment Methods:

- Internal Assessment: 25 marks
- Written Theory Exam: 75 marks

Keywords:

Performance appraisal, compensation, performance management system, job evaluation, wage policy.