

MID-WESTERN UNIVERSITY, FACULTY OF MANAGEMENT  
BACHELOR IN BUSINESS ADMINISTRATION (BBA), SYLLABUS 2072 (2016)

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<b>Course Title</b>		<b>Compensation Management</b>
<b>Course Code Number</b>		<b>MGT 392</b>
<b>Credit Hours</b>		<b>03</b>
<b>Year: IV</b>		<b>Semester: VIII (HRM Specialization)</b>
<b>Course Objectives:</b>		
<b>Main objectives</b>		The objective of this course is to impart an understanding on design, implementation and improvement of various types of compensation like salary, wage and various forms of incentives in professional working climate and generating exposures of students to tools and techniques of aligning compensation decisions with employee motivation, satisfaction, performance and retention.
<b>Enabling objectives</b>		<p>After the completion of this course, the students will find themselves familiar with:</p> <ul style="list-style-type: none"> <li>• Various forms of compensation and popular practices of compensation administration in globally organizations with regard to diverse nature of jobs</li> <li>• Approaches to matching various dimensions of employee rewards with employees competence, performance and motivation</li> <li>• A range of factors to address for designing and implementing compensation methods and processes as mainstream management practices</li> <li>• Techniques to solve compensations related problems in relation to state of art HR practices</li> </ul>
<b>Learning Unit (LU)</b>	<b>Learning Hours (LH)</b>	<b>Contents</b>
<b>LU 1</b>	<b>LH 8</b>	<b>Introduction to Compensation</b> Meaning and nature of compensation, Significance and impact of employee compensation, Elements and components of compensation (forms of pay), Steps in formulating compensation strategy, Issues in compensation management
<b>LU2</b>	<b>LH 12</b>	<b>Designing Compensation</b> Process of compensation management, Relation between strategic plan and compensation, Rationale behind pay differences, Pay structure criteria: job focused and person focused, Factors in design and choice of pay structure, Design of base pay: Job based structure- Job evaluation, Process and techniques of job evaluation, Challenges involved in Job Evaluation; Person-based Structure: Skill plans, Skill analysis, Competency mapping and Competency analysis, Executive compensation program
<b>LU 3</b>	<b>LH 8</b>	<b>Incentives and benefits</b> Concept and types of incentives, Pros and cons of using incentive

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		system, Organization wide incentive plan,(Profit sharing, Stock options, Employee stock ownership plan,) Individual and team based incentive, Meaning and types of benefits,
<b>LU 4</b>	<b>LH 10</b>	<b>Theoretical Foundation on Wage</b> Theories of wages: Subsistence theory, Wage Fund Theory, Marginal Productivity theory, Residual claimant theory, Bargaining theory, Construction of index numbers and their uses for wage and dearness allowance, Wage and salary surveys, the wage curve, preparing salary matrix, significant compensation issues,
<b>LU 5</b>	<b>LH 10</b>	<b>Institutional Roles in Compensation Determination</b> Provisions of Labour Act for minimum wage fixation, Salary determination in public sectors, Compensation determination in private sectors with special reference to banking and manufacturing sectors, Role of unions, Legal and taxation issues on employee compensation, Issues regarding wage and salary in the context of Nepal
<b>References</b>		1. Strategic Compensation, Joseph J. Martocchio, 3rd Edition, Pearson Education 2. Compensation Management in Knowledge based world, Richard I. Anderson, 10th edition, Pearson Education 3. Berger, L.A. and Berger, D. The Compensation Handbook: A State-of-the-Art Guide to Compensation Strategy and Design, 5th Edition, McGraw-Hill, 2008.

Net Contact Hour is 48 excluding the exams and tests.

Evaluation Module: 50 percent will be assessed through the internal evaluation and 50 percent will be assessed through end semester examination