

Title: Compensation Management
Credit Hours: 3

Code: HRM 386
Year /Semester: IV/VIII

48 Hours

Course Objectives:

The objective of this course is to provide knowledge about basic concepts of compensation and benefits administration and its alignment with other functions of Human Resource Management. This course aims to equip students with skills set required to design, implement, and restructure compensation management system, policies and strategies.

Unit 1 Introduction

10 Hours

Concept and Nature of Compensation; Importance of Employee Compensation; Components of Compensation; Theories Related to Compensation; Strategic Perspectives of Compensation; Determinants of Compensation; Compensation as Motivational Tool; Issues in Compensation Administration

Unit 2 Wages Determination

14 Hours

Concept of Wages; Principles of Wages and Salary Administration; Theories of Wages: Subsistence Theory, Wage Fund Theory, Marginal Productivity Theory, Bargaining Theory; Job Evaluation: Concept, Scope, Methods and Techniques; Performance Based Pay System, Market Based Pay System; Incentive Based Pay System; Types of Incentives Plans; Executive Compensation Package; Compensation of Professionals and Knowledge Workers

Unit 3 Incentives, Benefits and Service

12 Hours

Concept and Types of Incentives; Pros and Cons of using Incentive System; Organization wide Incentive Plan: Profit sharing, Stock options; Individual and Team Based Incentive; Concept and Types of Employee Benefits and Services; Importance of Benefits and Services Program; Administration of Benefits and Services; Benefits and Employee Leasing

Unit 4 Institutional Roles in Compensation Determination

12 Hours

Provisions of Labour Act for Minimum Wage Fixation; Salary Determination in Public Sectors, Compensation Determination in Private Sectors; Role of Unions; Legal and Taxation Issues on Employee Compensation; Issues Regarding Wage and Salary in the Context of Nepal

Reference Books:

1. Martocchio, Joseph J. *Strategic Compensation*. Singapore: Pearson Education Inc.
2. Anderson, Richard I. *Compensation Management in Knowledge Based World*. Singapore: Pearson Education Inc.
3. Berger, L.A. and Berger, D.2008.*The Compensation Handbook: A State-of-the-Art Guide to Compensation Strategy and Design*. New Delhi: Mc Graw-Hill Publishing Company Ltd