

ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD
(Department of Business Administration)

Course: Compensation Management (9507)
Level: PGD (Human Resource Management)

Semester: Spring, 2014

CHECKLIST

This packet comprises the following material:

- 1) Text book
- 2) Assignment no. 1 & 2
- 3) Course outlines
- 4) Assignment forms (2 sets)
- 5) Schedule for submitting the assignments

In this packet, if you find anything missing out of the above-mentioned material, please contact at the address given below: -

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(Department of Business Administration)

WARNING

1. PLAGIARISM OR HIRING OF GHOST WRITER(S) FOR SOLVING THE ASSIGNMENT/S WILL DEBAR THE STUDENT FROM AWARD OF DEGREE/CERTIFICATE, IF FOUND AT ANY STAGE.
2. SUBMITTING ASSIGNMENT/S BORROWED OR STOLEN FROM OTHER/S AS ONE'S OWN, WILL BE PENALIZED AS DEFINED IN "AIU PLAGIARISM POLICY".

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GUIDELINES FOR ASSIGNMENT No. 1:

You should look upon the assignments as a test of knowledge, management skills, and communication skills. When you write an assignment answer, you are indicating your knowledge to the teacher:

- Your level of understanding of the subject;
- How clearly you think?
- How well you can reflect on your knowledge & experience?
- How well you can use your knowledge in solving problems, explaining situations, and describing organizations and management?
- How professional you are, and how much care and attention you give to what you do?

To answer a question effectively, address the question directly, bring important related issues into the discussion, refer to sources, and indicate how principles from the course materials apply. You should also be able to identify important problems and implications arising from the answer.

For citing references, writing bibliographies, and formatting the assignment, APA format should be followed.

ASSIGNMENT No. 1

(Units: 1–5)

Total Marks: 100

Pass Marks: 50

Note: Attempt all questions.

- Q. 1 Successful organizations have effective wage and salary programs, support this statement with examples. **(20)**
- Q. 2 Discuss the process of job analysis and how does it facilitate in wage and salary evaluation? **(20)**
- Q. 3 Auditing wage and salary program can ensure its effectiveness, support this

statement with examples. (20)

Q. 4 Discuss the role of intrinsic rewards in developing incentive plan for organizations. (20)

Q. 5 What are the basic things that need to be kept in mind while managing wage and salary administration units? (20)

ASSIGNMENT No. 2

Total Marks: 100

Pass Marks: 50

This assignment is a research-oriented activity. You are required to obtain information from a business/commercial organization and prepare a report of about 1000 words on the topic allotted to you to be submitted to your teacher for evaluation.

You are required to select one of the following topics according to the last digit of your roll number. For example, if your roll number is P-3427180 then you will select topic # 0 (the last digit):-

Topics:

0. Wage and Salary Audit
1. Performance Management
2. Total Compensation Approach
3. Wage and Salary Administration Automation
4. Payroll Systems
5. Wage and Salary Administration Units
6. Negative Incentives
7. Incentive Payments
8. Pay Structure
9. Wage and Salary Evaluation

The report should follow the following format:

1. Title page
2. Acknowledgements
3. An abstract (one page summary of the paper)
4. Table of contents
5. Introduction to the issue (brief history & significance of issue assigned)
6. Practical study of the organization (with respect to the issue)
7. Data collection methods
8. SWOT analysis (strengths, weaknesses, opportunities & threats) relevant to the issue assigned
9. Conclusion (one page brief covering important aspects of your report)
10. Recommendations (specific recommendations relevant to issue assigned)
11. References (as per APA format)
12. Annexes (if any)

GUIDELINES FOR ASSIGNMENT # 2:

- 1.5 line spacing
- Use headers and subheads throughout all sections
- Organization of ideas
- Writing skills (spelling, grammar, punctuation)
- Professionalism (readability and general appearance)
- Do more than repeat the text
- Express a point of view and defend it.

WORKSHOP:

The workshop presentations provide you an opportunity to express your communication skills, knowledge & understanding of concepts learned during practical study assigned in assignment # 2.

You should use transparencies and any other material for effective presentation. The transparencies are not the presentation, but only a tool; the presentation is the combination of the transparencies and your speech. Workshop presentation transparencies should only be in typed format.

The transparencies should follow the following format:

- 1) Title page
- 2) An abstract (one page summary of the paper)
- 3) Introduction to the issue (brief history & significance of issue assigned)
- 4) Practical study of the organization (with respect to the issue)
- 5) Data collection methods
- 6) SWOT analysis (strengths, weaknesses, opportunities & threats) relevant to the issue assigned
- 7) Conclusion (one page brief covering important aspects of your report)
- 8) Recommendations (specific recommendations relevant to issue assigned)

GUIDELINES FOR WORKSHOP PRESENTATION:

- Make eye contact and react to the audience. Don't read from the transparencies or from report, and don't look too much at the transparencies (occasional glances are acceptable to help in recalling the topic to cover).
- A 15-minute presentation can be practiced several times in advance, so do that until you are confident enough. Some people also use a mirror when rehearsing as a substitute for an audience.

WEIGHTAGE OF THEORY & PRACTICAL ASPECTS IN ASSIGNMENT # 2 & WORKSHOP PRESENTATIONS:

Assignment # 2 & workshop presentations are evaluated on the basis of theory & its applicability. The weightage of each aspect would be:

Theory:	60%
Applicability (practical study of the organization):	40%

PREPARE ASSIGNMENTS AS PER THESE GUIDELINES AND IT MAY BE RE-EVALUATED BY THE QUALITY ASSURANCE CELL, DEPARTMENT OF BUSINESS ADMINISTRATION, AIOU, ISLAMABAD AT ANY TIME.

COMPENSATION MANAGEMENT COURSE OUTLINE (9507)

Unit 1 Establishing Wage and Salary Program

- 1.1 Building a Wage and Salary Program
- 1.2 Auditing and Reviewing Current Wage and Salary Program
- 1.3 Building an Information Base
- 1.4 Job Description Compilation
- 1.5 Determining Organization's Pay Policy
- 1.6 Developing Wage and Salary Administration Program
- 1.7 Providing an Inventory of Job Description to use in Job Evaluation Process
- 1.8 Determining the Appropriate Method of Job Evaluation
- 1.9 Building Pay Structure
- 1.10 Creating a Wage and Salary Budget
- 1.11 Providing a Manual for Program
- 1.12 Promoting Organization Wide Communication
- 1.13 Develop Relationships Outside Organization
- 1.14 Auditing and Reviewing Program on a Regular Basis

Unit 2 Job Analysis and Job Description

- 2.1 Analyze Jobs to Determine Pay Rates
 - 2.1.1 Collecting, Documenting and Analyzing Data for Job Analysis
 - 2.1.2 Job Analysis for Functions Other than Wages and Salary Administration
 - 2.1.3 Planning the Job Analysis Program
 - 2.1.4 Collecting Data for Job Analysis Program
 - 2.1.5 Analyzing the Data
- 2.2 Creating Job Description to Facilitate Wage and Salary Evaluation
 - 2.2.1 Determining When to Prepare Job Description
 - 2.2.2 Determining Who Should Prepare Job Description
 - 2.2.3 Job Description Forms
 - 2.2.4 Steps in Job Description Process

Unit 3 Budgeting and Auditing

- 3.1 Designing a Staff Budget Program
 - 3.1.1 Defining Basic Terms
 - 3.1.2 Implementing a Wage and Salary Budget
 - 3.1.3 Conducting Training Sessions
 - 3.1.4 Following Up with Assistance and Advice to Staff
 - 3.1.5 Completing Budget

- 3.1.6 Other Budget Issues
- 3.2 Auditing and Reviewing Wage and Salary Program for Overall Effectiveness
 - 3.2.1 Performing Wage and Salary Audit
 - 3.2.2 Reviewing Organization's Current Wage and Salary Program

Unit 4 Use of Performance Appraisal and Incentives in Wage & Salary Program

- 4.1 Using Performance Appraisal Process to Determine Wage and Salary Changes
 - 4.1.1 Developing the Performance Appraisal System
 - 4.1.2 Using Performance Appraisal for Various Purposes
 - 4.1.3 Planning a Performance Appraisal System
 - 4.1.4 Avoiding Potential Problems with Performance Appraisal
 - 4.1.5 Designing Forms for the Performance Appraisal System
 - 4.1.6 Rating Errors in the System
 - 4.1.7 Designing a Rater Training Program
 - 4.1.8 Avoiding Legal Problems in the Performance Appraisal
- 4.2 Making Incentives Part of the Wage and Salary Program
 - 4.2.1 Identifying the Key Components of a Successful Incentive Program
 - 4.2.2 Implementing Specific Types of Incentive Programs
 - 4.2.3 Awarding Discretionary Incentives Based on Suggestion Systems
 - 4.2.4 Choosing Different Types of Incentive Payments
 - 4.2.5 A Word About Intrinsic Rewards
 - 4.2.6 Negative Incentives
 - 4.2.7 Incentive Plan
 - 4.2.8 Benefits and Perquisites as Incentive

Unit 5 Staffing & Managing Wage & Salary Administration Unit

- 5.1 Determining Role and Size of Compensation within Human Resources Function
- 5.2 Wage and Salary Administration Units
- 5.3 Managing Wage and Salary Administration Units

Unit 6 Developing Wage and Salary Surveys to Determine Pay Policies

- 6.1 Developing Wage and Salary Survey
- 6.2 Using Consultants to conduct Salary Survey
- 6.3 Survey Methods
- 6.4 Participation of Wage and Salary Professionals in Surveys

Unit 7 Wage & Salary Administration Functions

- 7.1 Effective Payroll Systems
- 7.2 Working with Payroll to Process Salary Actions
- 7.3 Working with Payroll on Critical Aspects of Routine Pay Period

- 7.4 Auditing Payroll to Ensure Proper Implementation of Wage and Salary Actions
- 7.5 Legal Issues

Unit 8 Automating Wage & Salary Administration Function to increase Efficiency

- 8.1 Role of Computer in Wage and Salary Administration
- 8.2 Eight Steps to Implementing Change
- 8.3 Analyzing the Impact of Change on Other Units in Organization
- 8.4 Project from idea to Implementation
- 8.5 Designing System Internally
- 8.6 Designing System Externally
- 8.7 Selecting Appropriate System
- 8.8 Automation Details

Unit 9 Future of Wage and Salary Administration Function

- 9.1 Total Compensation Approach
- 9.2 Direct Pay for Performance
- 9.3 Performance Management
- 9.4 Consideration for Smaller Organization
- 9.5 Consultant/Internal Customer Service Approach

Recommended Books:

- Deluca, M. (2010). *Handbook of Compensation Management*. UK: Prentice Hall.
- Milkovich, G; Newman, J; Milkovich, C. (2010). *Compensation*. UK: McGraw-Hill.
- Henderson, R. (2005). *Compensation Management in a Knowledge-Based World*. UK: McGraw Hill.

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