



Western Technical College

# 10116172 Compensation Management

## Course Outcome Summary

### Course Information

<b>Description</b>	Students learn to apply the principles of compensation management to maintain an organization's competitive advantage while complying with state and federal law. Topics include job analysis, descriptions, and evaluation; pay and benefits surveys; budgeting as related to compensation; and comparable worth issues.
<b>Career Cluster</b>	Business Management and Administration
<b>Instructional Level</b>	Associate Degree Courses
<b>Total Credits</b>	3
<b>Total Hours</b>	54

### Textbooks

*MyLab Management with Pearson eText – with Access for Strategic Compensation: A Human Resource Management Approach*. 10th Edition. Copyright 2020. Martocchio, Joseph J. Publisher: Pearson. **ISBN-13:** 978-0-13-563961-0. Required.

### Success Abilities

1. Cultivate Passion: Enhance Personal Connections
2. Cultivate Passion: Expand a Growth-Mindset
3. Cultivate Passion: Increase Self-Awareness
4. Live Responsibly: Develop Resilience
5. Live Responsibly: Embrace Sustainability
6. Live Responsibly: Foster Accountability
7. Refine Professionalism: Act Ethically
8. Refine Professionalism: Improve Critical Thinking
9. Refine Professionalism: Participate Collaboratively
10. Refine Professionalism: Practice Effective Communication

## Program Outcomes

1. Examine organizational total rewards programs.

## Course Competencies

### 1. Explore Strategic Compensation as a component of a Human Resource system.

#### Assessment Strategies

- 1.1. Written Objective Test (score 70% or higher)
- 1.2. Simulation
- 1.3. Case Study

#### Criteria

*You will know you are successful when:*

- 1.1. you identify intrinsic compensation
- 1.2. you compare employee types to corporate hierarchy
- 1.3. you summarize basic compensation concepts

#### Learning Objectives

- 1.a. Acknowledge basic compensation concepts and the context of compensation practice
- 1.b. Review the historical perspective of compensation
- 1.c. Compare the difference between strategic and tactical compensation
- 1.d. Be aware of compensation professionals' goals within a human resource department
- 1.e. Acknowledge how compensation professionals relate to various stakeholders

### 2. Examine of the various Federal and State laws dealing with employment.

#### Assessment Strategies

- 2.1. Written Objective Test (score 70% or higher)
- 2.2. Case Study

#### Criteria

*You will know you are successful when:*

- 2.1. you summarize the major federal laws that address employment issues
- 2.2. you describe the state laws that address employment issues
- 2.3. you identify relevant government agencies

#### Learning Objectives

- 2.a. Acquaint self with the appropriate federal laws that deal with employment
- 2.b. Acquaint self with the appropriate state laws that deal with employment

### 3. Identify an internally consistent compensation system.

#### Assessment Strategies

- 3.1. Reflection
- 3.2. Written Objective Test (score 70% or higher)

#### Criteria

*You will know you are successful when:*

- 3.1. you explain the connection between compensation system and strategy
- 3.2. you justify inclusion of specific benefits
- 3.3. you justify exclusion of specific benefits
- 3.4. you compare at least five benefits

#### Learning Objectives

- 3.a. Acknowledge the importance of building internally consistent compensation systems
- 3.b. Explain the process of job analysis
- 3.c. Create a job description
- 3.d. Explain the process of job evaluation
- 3.e. List a variety of job evaluation techniques

- 3.f. Explain the alternatives to job evaluation
- 3.g. Acknowledge the connection between internally consistent compensation systems and competitive strategy

#### **4. Explore a market-competitive compensation system.**

##### **Assessment Strategies**

- 4.1. Demonstration
- 4.2. Written Objective Test (score 70% or higher)

##### **Criteria**

*You will know you are successful when:*

- 4.1. you summarize Bureau of Labor Statistics National Compensation Survey
- 4.2. you explain Bureau of Labor Statistics Employment Cost Index
- 4.3. you describe Bureau of Labor Statistics employer cost for employee compensation

##### **Learning Objectives**

- 4.a. Be aware various compensation surveys and where to obtain them
- 4.b. Analyze the statistics included in compensation surveys
- 4.c. Integrate the internal job structure with external market pay rates
- 4.d. Incorporate compensation policies and strategic mandates

#### **5. Define a pay structure that recognizes individual contributions.**

##### **Assessment Strategies**

- 5.1. Simulation
- 5.2. Reflection
- 5.3. Written Objective Test (score 70% or higher)

##### **Criteria**

*You will know you are successful when:*

- 5.1. you explain merit pay options
- 5.2. you diagnose performance problems
- 5.3. you relate performance problems to pay

##### **Learning Objectives**

- 5.a. Explain the fundamental principles of pay structure design
- 5.b. Explain a merit pay system structure
- 5.c. Explain sales incentive pay structures
- 5.d. Explain a pay-for-knowledge structure
- 5.e. Acknowledge pay structure variations including broadbanding and two-tier wage plans

#### **6. Summarize legally required benefits.**

##### **Assessment Strategies**

- 6.1. Written Objective Test (score 70% or higher)

##### **Learning Objectives**

- 6.a. List which employee benefits are legally required
- 6.b. Explain the Social Security Act of 1935 and its mandated protection programs
- 6.c. Acquaint self with compulsory state disability laws
- 6.d. Explain the impact of the Family and Medical Leave Act of 1993 on employment practices

#### **7. Evaluate discretionary benefits.**

##### **Assessment Strategies**

- 7.1. Written Objective Test (score 70% or higher)

##### **Learning Objectives**

- 7.a. Explain the role of discretionary benefits in strategic compensation
- 7.b. List the various kinds of protection programs
- 7.c. List the different types of pay for time not worked
- 7.d. List the variety of employee services available from employers
- 7.e. Explain the considerations that go along with designing and planning discretionary benefits programs

7.f. Explain how discretionary benefits fit with differentiation and lowest-cost competitive strategies

**8. Analyze the various methods of compensating a flexible workforce.**

**Assessment Strategies**

- 8.1. Case Study
- 8.2. Written Objective Test (score 70% or higher)

**Criteria**

*You will know you are successful when:*

- 8.1. you identify flexible scheduling options
- 8.2. you explain the need to hire a flexible workforce
- 8.3. you compare alternative work arrangements

**Learning Objectives**

- 8.a. Acknowledge the various groups of contingent workers and employers' reliance on them
- 8.b. Explain core and fringe compensation issues for contingent workers, flexible work schedules, compressed work weeks, and telecommuting
- 8.c. List the key features of flexible work schedules, compressed work weeks, and telecommuting
- 8.d. Acquaint self with unions' reactions to contingent workers and flexible work schedules
- 8.e. Explain the strategic issues and choices in using contingent workers

**9. Analyze the traditional bases for pay: seniority and merit.**

**Assessment Strategies**

- 9.1. Reflection
- 9.2. Written Objective Test (score 70% or higher)

**Criteria**

*You will know you are successful when:*

- 9.1. you explore merit pay options
- 9.2. you diagnose performance problems
- 9.3. you relate performance problems to pay

**Learning Objectives**

- 9.a. Explain how seniority pay practices fit with lowest cost and differentiation competitive strategies
- 9.b. Acknowledge the role of performance appraisals in the merit pay process
- 9.c. List ways to strengthen the pay-for-performance link
- 9.d. List limitations of merit pay programs
- 9.e. Explain how merit plan programs fit with lowest cost and differentiation competitive strategies

**10. Summarize the various methods of compensating employees using incentive pay.**

**Assessment Strategies**

- 10.1. Case Study
- 10.2. Written Product
- 10.3. Written Objective Test (score 70% or higher)

**Criteria**

*You will know you are successful when:*

- 10.1. you identify types of rewards systems
- 10.2. you compare incentives
- 10.3. you describe motivational theories
- 10.4. you examine impact on behavior

**Learning Objectives**

- 10.a. Acquaint self with the variety of plans that reward individual and group behavior
- 10.b. Explain profit sharing and employee stock option plans
- 10.c. List considerations for designing incentive pay plans
- 10.d. Explain how individual, group and gain sharing incentive plans contribute to differentiation and lowest cost competitive strategies

**11. Determine how a person-focused pay systems is structured.**

### **Assessment Strategies**

- 11.1. Written Objective Test (score 70% or higher)
- 11.2. Case Study

### **Criteria**

*You will know you are successful when:*

- 11.1. you summarize person-focused pay theories
- 11.2. you compare person-focused pay types
- 11.3. you identify potential problems with pay types
- 11.4. you examine motivation theories
- 11.5. you relate motivation theories as solutions

### **Learning Objectives**

- 11.a. Acknowledge the differing opinions about the meaning of competency-based pay
- 11.b. Explain traditional person-focused pay plans-pay-for-knowledge pay and skill-based pay programs
- 11.c. List reasons that companies adopt pay-for-knowledge pay and skill-based pay programs
- 11.d. Compare pay-for-knowledge and skill-based pay plans
- 11.e. Contrast person-focused pay systems and incentive or merit pay concepts
- 11.f. List the advantages and disadvantages of using pay-for-knowledge pay plans and skill-based pay plans
- 11.g. Explain how pay-for-knowledge pay plans and skill-based pay plans fit with differentiation and lowest cost competitive strategies