

Subject Code	MM516
Subject Title	Management of Pay and Benefits
Credit Value	3
Level	5
Normal Duration	1-semester
Pre-requisite	Managing Organizations and People (MM511) and Human Resource Management (MM514)
Role and Purposes	The objective of this course is to provide students with a thorough and in-depth understanding of the key concepts, issues and current practices related to the management of pay and benefits in organizations today.
Subject Learning Outcomes	Upon completion of the subject, students will be able to: <ul style="list-style-type: none"> a. understand the theories, concepts and debates that influence the development of pay and benefit practices; b. master the knowledge and skills required to design and implement effective reward system; c. appreciate the roles that pay and benefits management play in driving organizations' business strategy and human resource strategy.
Subject Synopsis/ Indicative Syllabus	<ul style="list-style-type: none"> • Employee Motivation & Pay Satisfaction • Job Evaluation • Pay Survey & Market Pricing • Pay Level & Pay Structure • Pay for Performance – Individual and Group Incentives • Executive Compensation • Employee Benefits • International Pay & Benefits • Expatriate Compensation • Administration & Evaluation of Reward Programs
Teaching/Learning Methodology	<p>In addition to lectures, case studies, group exercises and discussions will be used to illustrate respective theories, concepts and practices. Active participation from students is expected to create an interactive learning environment.</p> <p>Besides, students will be required to read selected articles from academic journals and practitioner publications, which will offer them further perspectives and insights into pay and benefits management.</p>

Assessment Methods in Alignment with Intended Learning Outcomes	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)		
			a.	b.	c.
	Continuous Assessment*	50%			
	1. Class participation and activities	10%	✓	✓	
	2. Individual paper	20%	✓	✓	✓
	3. Group presentation	20%	✓	✓	✓
	Examination	50%	✓	✓	✓
	Total	100 %			
<p><i>*Weighting of assessment methods/tasks in continuous assessment may be different, subject to each subject lecturer.</i></p> <p>To pass this subject, students are required to obtain Grade D or above in both the Continuous Assessment and Examination components.</p> <p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes: the various methods are designed to ensure that all students taking this subject –</p> <p>Students are expected to demonstrate their understanding of the theories and concepts through active participation in various class activities including case discussion and group exercises. The individual paper and group project will allow students an opportunity to examine current issues in managing pay and benefits and apply their learning to solve real life problems. The examination aims at assessing students’ ability to integrate the theories, concepts and practices discussed throughout the course.</p>					
Student Study Effort Expected	Class contact:				
	▪ Lectures		39 Hrs.		
	Other student study effort:				
	▪ Preparation for lectures		39 Hrs.		
	▪ Preparation for assignment / group project and presentation / examination		39 Hrs.		
	Total student study effort		117 Hrs.		
Reading List and References	<p><u>Textbook:</u></p> <p>Milkovich, G., Newman, J., & Gerhart, B. (2014), Compensation 11e, McGraw-Hill Irwin, Boston.</p> <p><u>Other Textbook Resources:</u></p> <p>Armstrong, M. (2007). A Handbook of Employee Reward Management and Practice. London: Kogan Page.</p> <p>Berger, L.A., & Berger, D.R. (eds.) (2009). The Compensation Handbook: A</p>				

State-of-the-Art Guide to Compensation Strategy and Design (5th ed.). New York: McGraw-Hill.

Gerhart, B., & Rynes, S. L. (2001). Compensation: Theory, evidence, and strategic implications. Thousand Oaks: Sage.

Henderson, R.T. (2006). Compensation Management in a Knowledge-based World (10th Ed.). Prentice Hall.

Lawler, E. E. (2000). Rewarding Excellence: Pay Strategies for the New Economy. Jossey-Bass.

Martocchio, J. J. (2011). Strategic Compensation: A Human Resource Management Approach. Sixth Edition. Upper Saddle River: Pearson Prentice Hall.

Martocchio, J. J. (2008). Employee Benefits (3rd ed.). New York: McGraw-Hill.

Rynes S. L., & B. Gerhart (eds.) (2000). Compensation in Organizations: Current Research and Practice. San Francisco, CA: Jossey-Bass.

Indicative Journal Articles:

Chng, D.H.M., Rodgers, M.S., Shih, E. & Song, X.B. (2012). When does incentive compensation motivate managerial behaviors? An experimental investigation of the fit between incentive compensation, executive core self-evaluation, and firm performance. *Strategic Management Journal*, 33, 1343-1362.

Gerhart, B., Rynes, S. L., & Fulmer, I. S. (2009). Pay and performance: Individuals, groups, and executives. *The Academy of Management Annals*, 3: 251-315.

Deckop, J. R., Mangel, R., & Cirka, C. C. (1999). Getting more than you pay for: organizational citizenship behavior and pay for performance plans. *Academy of Management Journal*, 42: 420-428.

Dierdorff, E. C., & Surface, E. A. (2008). If you pay for skills, will they learn? Skill change and maintenance under a skill-based pay system. *Journal of Management*, 34: 721-743.

Ganster, D. C., Kiersch, C. E., Marsh, R. E., & Bowen, A. (2011). Performance-based rewards and work stress. *Journal of Organizational Behavior Management*, 31: 221-235.

Harris, M., Anseel, F., & Lievens, F. (2008). Keeping up with the Joneses: a field study of the relationships among upward, lateral, and downward comparisons and pay level satisfaction. *Journal of Applied Psychology*, 93, 665-673.

Kim H., & Gong Y. (2009). The role of tacit knowledge and OCB in the relationship between group-based pay and firm performance. *Human Resource Management Journal*, 19: 120-139.

Kowtha, N.R., & Leng, Q.S. (1999). Incentives in the Asian context: theory and preliminary evidence. *Asia Pacific Journal of Management*, 16, 95-109.

Rhoades, L., & Eisenberger, R. (2002). Perceived organizational support: A review of the literature. *Journal of Applied Psychology*, 87: 698-714.

Trevor, C.O., Reilly, G., & Gerhart, B. (2012). Reconsidering pay dispersion's effect on the performance of interdependent work: Reconciling sorting and pay inequality. *Academy of Management Journal*, 54(3), 585-610.

Wayne, S. J., Shore, L. M., Bommer, W. H., & Tetrick, L. E. (2002). The role of fair treatment and rewards in perceptions of organizational support and leader-member exchange. *Journal of Applied Psychology*, 87, 590-598.

Williams, M. L., Brower, H. H., Ford, L. R., Williams, L. J., & Carraher, S. M. (2008). A comprehensive model and measure of compensation satisfaction. *Journal of Occupational and Organizational Psychology*, 81, 639-668.

	<p>Williams, M. L., McDaniel, M. A., & Nguyen, N. T. (2006). A meta-analysis of the antecedents and consequences of pay level satisfaction. <i>Journal of Applied Psychology</i>, 91: 392-413.</p> <p>Wowak, A.J., Hambrick, D.C., & Henderson, A.D. (2011). Do CEOs encounter within-tenure settling up? A mutiperiod perspective on executive pay and dismissal. <i>Academy of Management Journal</i>, 54(4), 719-739.</p> <p>Yeh, W.-Y., Cheng, Y., & Chen, C.-J. (2009). Social patterns of pay systems and their associations with psychosocial job characteristics and burnout among paid employees in Taiwan. <i>Social Science & Medicine</i>, 68:1407-1415.</p>
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