

## Elective Course 2: Compensation & Benefits

Course Type:	PS: Program Specialisation	Course Credits:	2
Course Code:	H3PE510	Course Duration:	30 Hours

### Course Objective:

- To equip students with knowledge and skills in compensation management, including strategy design, benefit administration, regulatory compliance, and evaluation of current trends and ethical issues.

### Course Outcomes:

- CO1: Understand the key concepts, components, and legal aspects of Compensation and benefits & the strategic role of Compensation.
- CO2: Apply job evaluation methods and pay structures in real-world scenarios.
- CO3: Analyse Compensation data to assess internal and external pay equity and various Compensation models
- CO4: Evaluate the effectiveness of Compensation strategies achieving organizational goals.
- CO5: Create an innovative and competitive Compensation and benefits plan for an organization.

Unit/ Module	Content	CO Mapping	Hours Assigned
1	<b>Introduction to Compensation and Benefits</b> <ul style="list-style-type: none"><li>- Human Resources Philosophy and Perspectives on Compensation</li><li>- Difference between Compensation and Benefits.</li><li>- Approaches of organization for Compensation and Benefits</li><li>- Global Compensation Approaches</li><li>- Aligning Compensation Strategies with Business and HR Goals</li><li>- Regulatory adherence</li></ul>	CO1	3

2	<b>Job Evaluation &amp; Pay Structures</b> <ul style="list-style-type: none"> <li>- Job Evaluation - Process &amp; Methods (Ranking, Classification, Point Method, Factor Comparison, Hay Guide)</li> <li>- Designing Pay Structures - Grade Pay, Pay Band and Broadband</li> <li>- Internal &amp; External Equity</li> </ul>	CO1, CO2	3
3	<b>Reward Strategy &amp; Elements of Reward Strategy</b> <ul style="list-style-type: none"> <li>- Articulating and understanding business context for reward strategies</li> <li>- Total Rewards Models, Equity- Expectancy Model</li> <li>- Reward Management</li> <li>- Benefits &amp; Perquisites</li> <li>- Flexible Benefits, Employee Stock Options (ESOPs and Phantom Stock Option Plan (PSOPs)</li> <li>- Legal Compliance</li> </ul>	CO1, CO2, CO4	3
4	<b>Understanding Compensation Structure and Salary Framework</b> <ul style="list-style-type: none"> <li>- Costing the CTC of each element</li> <li>- Compensation Structure-Wages and Salary - Fixed; Cash Benefits; Retirals; Social Security; Variable Pay/Incentives/Stock Options; Forms of Pay – Base Pay, Merit Pay, Cost of Living</li> <li>- Elements in different salary slips</li> <li>- Consolidated and Separated Pay structure.</li> <li>- Designing a salary offer template - Evaluating and Understanding salary ranges</li> <li>- Extending a Salary Offer</li> </ul>	CO1, CO3, CO5	6
5	<b>Understanding Inflation</b> <ul style="list-style-type: none"> <li>- Neutralization of Inflation</li> <li>- Dearness Allowance</li> <li>- Consumer Price Indices</li> </ul>	CO1, CO5	3

6	<b>Employee Benefits and Social Security Schemes</b> <ul style="list-style-type: none"> <li>- Calculation of PF, ESIC, Gratuity, Superannuation</li> <li>- Approaches to Ex-gratia &amp; Bonus</li> </ul>	CO1, CO2	3
7	<b>Income Tax and Its Impact on Salary Structure</b> <ul style="list-style-type: none"> <li>- Understanding &amp; Calculating Income Tax</li> <li>- Gross and Net Pay</li> <li>- Key Deductions</li> </ul>	CO1, CO3, CO5	2
8	<b>Equity Compensation</b> <ul style="list-style-type: none"> <li>- Meaning, Objectives</li> <li>- Types of Stock Plans</li> <li>- Valuing Stock Grants</li> <li>- SEBI Guidelines</li> <li>- Taxability of Stock Options</li> </ul> <b>Performance-Based Pay Strategies</b> <ul style="list-style-type: none"> <li>- Pay-for-Performance Models</li> <li>- Merit Pay, Bonuses and Incentives</li> <li>- Profit Sharing &amp; Gain sharing</li> <li>- Executive Compensation</li> <li>- Competitive Pay Policy</li> </ul>	CO4, CO5	4
9	<b>Emerging Trends in Compensation and Benefits</b> <ul style="list-style-type: none"> <li>- Impact of Technology on Compensation Management</li> <li>- Gig Economy and its impact</li> <li>- Competitive Pay Policy Alternatives – Lead, Lag, Match</li> <li>- Pay Transparency</li> <li>- Ethics in Compensation Decisions</li> </ul>	CO4, CO5	3

#### Textbooks:

1. Compensation Management, Dipak Kumar Bhattacharya, Oxford Publications
2. Compensation Management in a Knowledge Based World, Richard I Henderson, Pearson Publications
3. Human Resource Management-Text and Cases, K. Aswathappa, McGraw Hill Education, 8th Edition

**Reference Books:**

1. Managing Human Resources – Bohlander, Snell, Sherman
2. Berger, L. A., Berger, D. R., & Berger, L. A. The Compensation handbook. 6e, 2016. New York: McGraw-Hill

