

MGT 334: Compensation Administration
Fall 2007

Professor Melissa Woodard

Office: 220d SOM
Hours: Wed 3:00-4:00, or by appointment
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DESCRIPTION

The course focuses on the management of employee compensation. The major objectives are:

1. To learn the current state of compensation decision making
2. To learn how recent theory and research inform compensation decisions
3. To develop knowledge and skills in making compensation decisions

TEXTS

Milkovich, G.T. & Newman, J.M. Compensation, 2008, 9th edition
Milkovich, G.T. & Milkovich, C. Cases in Compensation, 2004, 9th edition
(Both available at Amherst Books, 8 Main Street)

GRADING

Grades will be determined as follows:

Group Project	50%
Oral Presentation	10%
Take-home Exam	25%
Class Participation	15%

Group Project: The group project will be completed over the course of the semester, in three phases. Using the casebook and accompanying software, you and your teammates will design a comprehensive compensation system for a fictional company. This project requires *a lot* of time and thought. To facilitate the successful completion of your project, I have allotted approximately one class per week to project work. Use this time wisely – complete the preparatory work (see Course Outline, below) *before* class. Try to complete tasks by the dates indicated. You should also plan on spending several hours outside of class on this project. It is *not* something you can complete the day – or even the week – before it is due.

At the end of the semester, you will be asked to evaluate the contributions of each member of your group. These appraisals will be used to determine whether you and your peers receive full credit for the project.

Oral Presentation: Each group will be required to make an oral presentation of their results and recommendations for *one* phase of the project. If you have a preference regarding the phase you wish to present, let me know as soon as possible.

Take-home Exam: To focus your attention on non-project-related course material, and to give you an opportunity to exhibit your individual efforts and abilities, I will be giving one take-home exam. The exam will consist of short essays on issues (e.g., pay discrimination) not addressed in the project.

Participation: It is important that you come to class prepared to discuss the readings.

POLICIES

While I do not anticipate any problems, I find that misunderstandings can be avoided by laying out the ground rules ahead of time.

1. Assignments must be handed in on time. Papers will automatically be lowered by one full grade for every day that they are late.
2. All written assignments must be **typed and double-spaced**. If you anticipate any difficulties adhering to this policy, speak to me about it as soon as possible.
3. Classroom attendance is important and expected. Material not covered in the readings will be presented in class. Attendance will be taken at each class.
4. Approximately one class per week will be set aside for work on the group project. I will be available at those times to answer questions and guide you through difficult tasks. It is very important that you come to class on these days and to use the time for project work. Do not look at this time as an opportunity to run errands, get together with friends, or work on other courses. If attendance is poor, or if I find that you are not working on the project, the time will be used for lectures and/or class discussion.
5. Every effort is made to insure that assignments are graded consistently and impartially. However, to ensure consistency and fairness in grading, the following procedure will be followed in those instances where students believe a significant mistake was made in grading their work.
 - Within one week after the graded work has been returned, submit a **written** note to me describing the nature of the grading issue. This note should briefly and objectively describe how the exam or assignment response, as **written**, satisfied the requirements better than is indicated by the grade. Grades not appealed within one week of the work's return will be not be changed.
 - Within one week of receiving the written appeal, I will review and respond in writing.
 - If, after considering my response, the student wishes further discussion with me, a meeting will be scheduled. A final decision will be made following this meeting, and the student will be informed of the outcome.
 - When an appeal is submitted, I may re-grade the entire assignment to ensure that no other errors were made. This may result in either no change, an increase, or a decrease in the original grade assigned.
6. Anyone caught plagiarizing another person's work on a paper will automatically fail the course and be reported to the University. The UMass Amherst Academic Regulations (p. 7) and Code of Student Conduct (p. 28) define plagiarism as: "Knowingly representing the words or ideas of another as one's own work in any academic exercise. This includes submitting without citation, in whole or in part, pre-written term papers of another or the research of another, including but not limited to commercial vendors who sell or distribute such materials."
7. I cannot emphasize this last item enough. If you are experiencing any problems with coursework, please come and talk to me - before the end of the semester. I will do all that I can to help you, but the longer you wait, the less I can do for you.

COURSE OUTLINE

DATES	TOPIC	ASSIGNMENTS
9/10	The Pay Model and Strategic Perspectives	M&N, Ch. 1 and 2
9/12 (P)*	Compensation Objectives	Casebook, pp. 1-10
9/17	Defining Internal Alignment Job Evaluation	M&N, Ch. 3-5 (skim Ch. 4)
9/19 (P)	Team Constitution Strategy & Structure(s)	Casebook, Phase I “Writing the Team Constitution”
9/24	Person-based Structures	M&N, Ch. 6
9/26 (P)	Job Evaluation Plan	Prepare list of compensable factors
10/1 (P)	Job Evaluation Plan	
10/3	Administrative Issues	
10/3	DRAFT OF PHASE I TASKS ONE & TWO (A-C) DUE (Two copies)	
10/9 (P)	Job Evaluation Results	Evaluate all jobs (independently, <i>before</i> class)
10/10	Phase I evaluation	
10/15	PHASE I DUE Oral presentations	
10/17	Defining Competitiveness	M&N, Ch. 7
10/22 (P)	Markets and Pay Policy	Casebook, Phase II
10/24	Designing Pay Levels, Mix, and Pay Structures	M&N, Ch. 8
10/29 (P)	Measuring the Market	Prepare list of companies and jobs to include in the survey
10/31	Designing Pay Structures Pay Discrimination	M&N, Ch. 17
10/31	DRAFT OF PHASE II TASKS ONE & TWO DUE (Two copies)	
11/5 (P)	Grades and Ranges	Prepare recommendations for grades and ranges
11/7 (P)	Grades and Ranges	
11/14	Pay-for-Performance: Theory and Evidence	M&N, Ch. 9
11/14	PHASE II DUE Oral presentations	
11/19 (P)	Contributions Policy Employee Adjustments	Casebook, Phase III Prepare list of red and green circle employees
11/21 (P)	Phase III work	
11/26	Pay-for-performance Plans	M&N, Ch. 10, skim Ch. 11
11/28	DRAFT OF PHASE III TASKS ONE & TWO DUE (Two copies)	
11/28 (P)	Merit & Variable Pay Plans	Prepare implementation guidelines
12/3	Budgets & Administration EXAM DUE	M&N, Ch. 18
12/5 (P)	Costs & Administration	
12/10	Employee Benefits	M&N, Ch. 12 & 13
12/12	Phase III presentations	
12/17	PHASE III DUE	

*P: Class time will be used for work on the compensation project. Assignments must be done *before* class.