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|-----------------------------|---|---|
| Course Code                 | : | Performance and Compensation Management |
| Course Title                | : | HRM201                                  |
| Number of Credits/Semester  | : | 3                                       |
| Mode of Tuition             | : | Sectional                               |
| Hours Assigned              | : | 45                                      |
| Category in Major Programme | : | Stream Required Course of HRM           |
| Prerequisite                | : | BUS202 Organisational Behaviour         |

### **Brief Course Description**

This course familiarises students with the concepts of compensation management within the wider context of human resource management. It provides students with an understanding of the relevance of behavioural theories in compensation management, and an appreciation of the importance of performance management and its application in compensation. The concept of equal opportunity in compensation and performance management will be emphasised throughout the course.

### **Learning Outcomes**

On completion of this course, students will be able to:

1. relate compensation management within the wider context of human resources management
2. explain the relevance and applications of behavioural theories and concepts to compensation management
3. conduct pay surveys and present pay data systematically with the use of information technology
4. describe the process and principles of job evaluation
5. identify the internal and external environmental factors that have an impact on the pay structure of an organization
6. design a pay structure taking account of the company environment
7. analyse and suggest appropriate type of performance appraisal methods to be used under different situations
8. understand and apply equal opportunity in compensation and performance management issues

### **Measurement of Learning Outcomes**

1. Final examination assesses comprehension of, and ability to explain and describe concepts, theories, process and principles discussed in the course.
2. Group assignment assesses ability to conduct pay survey and present the data systematically.
3. Individual assignment assesses ability to identify environmental factors that affect pay structure and design an appropriate pay structure accordingly.
4. Class activities and case analysis assess analytical and decision making skills related to performance management.

5. Students are expected to understand and apply equal opportunity throughout the course. This is assessed through course work and final examination. No marks will be given to writings with views which imply discrimination or unethical behaviour, such as suggestions of actions which violate the Employment Ordinance or the MPF Ordinance, etc, in all written assignments or in the examination.

### **Indicative Content**

Theories and Concepts - The compensation system within an organisation. The concept and elements of a total compensation package. Behavioural science theories and models relating to compensation management.

Compensation Strategies - Organisation and external factors affecting compensation strategies. Compensation strategies as an integral part of human resource management. The development of compensation policies and strategies.

Identification of Job Value and Pay Structures - Job-based structures and person-based structures. Job evaluation process. Problems involved in job evaluation. Designing pay structures. Comparison and evaluation of different types of pay structures. The application of information technology in pay structure design.

Performance Management - Performance management. Performance appraisal and measurement. Pay-for-performance Plans.

### **Teaching Method/Class Activities**

Students should actively participate in the learning process by involvement in all class activities and assignments. There are three major learning modes used in this course:

- A. **Action learning** Students are encouraged to learn actively and cooperatively in teams. Students in groups of four to five should undertake an action learning project to conduct a pay survey and draw a market pay line with the use of computer software. For details, please refer to Guidelines for Group Assignment. Students are also required to complete an individual assignment of pay structure design to ensure that they learned the techniques and rationale behind the concept. For details, please refer to Guidelines for Individual Assignment.
- B. **Lectures** Class sessions will involve lectures, case studies, discussions and debates, group activities, and presentations of related topics and current issues related to course contents. For details, please refer to Class Schedule. In addition, practitioners will be invited to share with the students their daily operations in the field of compensation. Hands-on experience in related information systems and computer software will be provided to help students explore techniques of conducting pay survey and establishing pay structures.
- C. **Readings** This is the responsibility of all students. Students should read the relevant chapters of the textbook, materials, and information on indicated websites before class. They should be prepared to raise questions and arguments in class on related topics in the class scheme. All students must respect intellectual property and observe laws on protection of copyrights.

## **Assessment**

Continuous assessment is used to motivate students to learn actively, analyse critically and apply topics discussed in class. In the final examination, students are required to answer four to five essays to demonstrate their understanding of the course contents.

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| Class Participation and quizzes                            | 10%         |
| Group Assignment (Please refer to related Guidelines)      | 25%         |
| Individual Assignment (Please refer to related Guidelines) | 15%         |
| Final Exam   | 50%         |
| <b>Total</b>   | <b>100%</b> |

## **Required Text**

Milkovich, G. T., & Newman, J. M., *Compensation*, 8<sup>th</sup> ed., Boston: Irwin/McGraw-Hill, 2005

## **Supplementary Reading List**

*Competitive Rewarding: The Essential Business Guide To Compensation and Benefits in Hong Kong and the PRC*, Hong Kong: Asia Law & Practice Publication, c1998

Labour Department, *A Concise Guide to the Employment Ordinance*, Hong Kong: Labour Department, 2001

Websites related to MPF, Employment Ordinance, information of salary, etc.