### MAKERERE UNIVERSITY

### MAKERERE UNIVERSITY BUSINESS SCHOOL

**FACULTY OF MANAGEMENT AND PUBLIC POLICY**

**DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

**COURSE OUTLINE FOR SEMESTER ONE, AY 2024/2025**

**PROGRAMME :** BACHELOR OF HUMAN RESOURCE MANAGEMENT

**YEAR :** TWO

**COURSE NAME :** EMPLOYEE COMPENSATION MANAGEMENT

**COURSE CODE :** BHR2102

**FACILITATORS:**

|  |  |  |
| --- | --- | --- |
| **FACILITATOR’S NAMES** | **EMAIL / PHONE CONTACTS** | **CONSULTATION HOURS** |
| Dr. Mariam Tauba | [mtauba@mubs.ac.ug](mailto:mtauba@mubs.ac.ug)  +256772082631 | On Appointment |
| Mr. Edward Ocen | [eocen@mubs.ac.ug](mailto:eocen@mubs.ac.ug)  +256776170518 | On Appointment |
| Mr. Dennish Kilama | [dkilama@mubs.ac.ug](mailto:dkilama@mubs.ac.ug)  +256772169900 | On Appointment |
| Ms. Claudia Ahumuza | [cahumuza@mubs.ac.ug](mailto:cahumuza@mubs.ac.ug)  +256780555924 | On Appointment |

**Course Description**

The course examines the theory and practice of designing, implementing and maintaining reward and compensation programs and equipping learners with the knowledge and skills of these programs to attract, optimally maintain and manage attrition of the organizations most important asset i.e. human resources. The course all highlights the strategic role of well designed and implemented reward and compensation in driving the business agenda of organizations.

**Course Objectives**

At the end of the course students should be able to:

* Understand the basic concepts, principles and practices of designing employee reward and compensation programs in organizations
* Implement and administer reward and compensation programs in organizations

**Learning Outcomes**

At the end of the course the students should be able:

* Articulate the role of compensation as a key element in the life cycle of an organization’s most important asset i.e. Human Resource namely attraction, maintenance and retention of employees.
* Develop and implement a reward and compensation programs that facilitates achievement of organizational objectives as well as recognizes the comparative value of employee’s contribution and relative worth

**DELIVERY METHODS:**

This course will be taught through a combination of online and on campus (physical) classroom lectures, discussions, case studies. Quiz, group and individual exercises will be used extensively throughout the course. Students are responsible for reading the recommended sources to supplement the above methods of facilitation.

**ASSIGNMENT POLICY:**

A score of zero will be recorded for a missed assignment or quiz unless the student presents to the facilitators a genuine reason for absence with proof on the first day of return to class.

**EVALUATION SYSTEM:**

Individual & Group Assignment (Course work Tests & quiz) 30%

Final Exam 70%

**Total 100**%

**COURSE CONTENT**

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| --- | --- | --- | --- |
|  | **Description** | Details | Duration |
| 1 | Introduction | * Meaning of employee compensation * Components of employee compensation * Objectives of reward and compensation * Determinants of reward and compensation * Strategic and operational integration of reward and compensation programs * Compensation management process   <https://youtu.be/GLX1Q2R0CFw>  <https://youtu.be/wZoRId6ADuo> | Week1-2  Mariam |
| 2 | Job Evaluation | * Understanding Job evaluation * Rationale of job evaluation * The process of job evaluation with practical illustration * Methods of job evaluation and their application * Maintenance of the job evaluation plan * Factors considered for effective job evaluation * Challenges of implementing, designing and reviewing job evaluations.   <https://youtu.be/Kn29O7aLJ6Q> | Week 3 -4  Edward |
| 3 | Designing pay and Grade structures | * Understanding pay and grade structures * The role of pay and grade structures * Features of pay and grade structures * Guiding principles for pay and grade structures * Considerations in designing pay structures * Types of pay and grade structures and their application   <https://youtu.be/l2h5H1R0Dg4> | Week 5-6 Edward |
| 4 | Methods of wage Payments | * Meaning of wage payments * Peace rate system * Time rate system * Factors that determine the choice of wage payment method | Week 7  Claudia |
| 5 | Employee Benefits | * Meaning of benefits * Objectives of benefits. * Factors that influence the decisions to set up benefit schemes * Types of benefits.(Mandatory and Voluntary) * Challenges of implementing employee benefits | Week 8  Claudia |
| 6 | Employee incentives | * Meaning of employee incentives * Basic forms of incentives (Financial and non-financial) * Classification of incentive plans (Individual/Team/Organization)   <https://youtu.be/igXTi2RUhWA> | Week 9  Claudia |
| 7 | Performance based pay and skills-based pay | * Meaning of Performance Based Pay * Justification for performance-based pay * Guidelines for Performance Based Pay * Forms of performance-based pay * Challenges of performance-based pay * Meaning of Skills based pay * Purpose of skills-based pay * Steps in developing a skills-based pay system * Advantages and disadvantages of skills-based pay * Factors for the success of performance-based and skills-based pay * Challenges of a skills-based pay system   <https://youtu.be/-XqfsfLiy90> | Week 10-11  Dennish |
| 8 | International Compensation | * Introduction to international compensation * Objectives of international compensation * Legal considerations in international compensation * Components of international compensation * Approaches to international compensation * Challenges of international compensation | Week 12  Dennish |
| 9 | Wrap up | * Guest Lecture * Case study analysis * Course revisions * Reflections and question approach | Week 13  Mariam |

**READING MATERIALS**

1. [Alessandro M. Peluso](https://www.emeraldinsight.com/author/Peluso%2C+Alessandro+M), [Laura Innocenti](https://www.emeraldinsight.com/author/Innocenti%2C+Laura), [Massimo Pilati](https://www.emeraldinsight.com/author/Pilati%2C+Massimo), (2017) "Pay is not everything: Differential effects of monetary and non-monetary rewards on employees’ attitudes and behaviours", Evidence-based HRM: a Global Forum for Empirical Scholarship, Vol. 5 Issue: 3, pp.311-327
2. [Ruth Thomas](https://www.emeraldinsight.com/author/Thomas%2C+Ruth), (2017) "The return of “pay” and how to optimise it", Strategic HR Review, Vol. 16 Issue: 4, pp.182-188
3. Baeten, X. (2010). Global Compensation and Benefits Management: The Need for Communication and Coordination // Compensation & Benefits Review. Vol. 42.
4. Glassman, M., Glassman, A., Champagne, P. J., Zugelder, M. T. (2010). Evaluating Pay-for-Performance Systems: Critical Issues for Implementation // Compensation & Benefits Review. Vol. 42. – http://www.sagepublications.com [2010 09 12].
5. Moniz, J. (2010). The Basics for Building and Maintaining Incentive Plans at Smaller Firms // Compensation & Benefits Review. Vol. 42. – http://www.sagepublications.com [2010 08 27].
6. Armstrong, M. 2008. Strategic Human Resource Management: A Guide to Action. 4th edition. London: Kogan
7. Gerald E. Ledford, JR and Gary Bergel (2008) If You Pay for Skills, Will They Learn? Skill Change and Maintenance Under a Skill-Based Pay System, Journal of Management*vol. 34 no. 4 721-743*
8. Milkovich, G. T. & Newman, J. M. (2008). Compensation. (Ninth edition), McGraw- Hill Irwin.
9. Kaplan, S. L. (2007). Business Strategy, People Strategy and Total Rewards. *Benefits & Compensation Digest*, Vol. 44, No. 9, pp. 12-19. *Compensation & Benefits Review*, Vol. 34, No. 2, pp. 34-40.
10. Designing wage structures and pay grades. Retrieved on 20/09/2005 from [http://www.paystructures/DCL salary structures.htm](http://www.paystructures/DCL%20salary%20structures.htm).
11. Human resource pays structures. Retrieved on 20/10/2005 from [http://www.st-andrews.ac.uk/staff/unions/academics/fieldwork report.htm](http://www.st-andrews.ac.uk/staff/unions/academics/fieldwork%20report.htm)