

Victoria Management School

**HRIR 306**  
**REMUNERATION & PERFORMANCE MANAGEMENT**

Trimester 1 2006

**COURSE OUTLINE**

**Contact Details**

**Course Coordinator**

Dr Zsuzsanna Lonti

Room: RH 1009, Rutherford House

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**Administration Assistant**

Room RH 1022, Rutherford House

Phone: 463-5358

**Class Times and Room Numbers**

Monday 2.40pm – 4.30 pm GBLT 4

Friday 11.30am – 12.20pm RHLT 2

**Examination Period**

6 June to 25 June 2006

**Course Objectives**

This course focuses on employee remuneration and performance management in contemporary organizations.

The main purposes of this course are:

- to examine the current state of decision-making in remuneration and performance management
- to evaluate how recent theoretical and research developments inform remuneration decisions
- to offer an opportunity to develop competencies in making remuneration and performance management decisions.

This course requires active participation from the students.

## **Course Content**

### **Week 1: Introduction and Strategic Perspectives - February 27 and March 4**

*Required readings:* M&N: Chapters 1 & 2

*Suggested readings:*

Gomez-Mejia, L.R. and D.B. Balkin. (1992.) Chapter 2. "Strategic Choices in Compensation" in *Compensation, Organization Strategy, and Firm Performance*. Ohio: College Division South Western Publishing Co. 34-58.

Pfeffer, Jeffrey. (1995.) "Producing Sustainable Competitive Advantage Through Effective Management of People." *Academy of Management Executive*, 9(1): 55-71.

Collis, David, J. and Cynthia A. Montgomery. (1998.) "Creating Corporate Advantage." *Harvard Business Review*, May-June: 72-83.

Richter, Andrew, S. (1998.) "Paying People in Black at Big Blue" *Compensation and Benefits Review*, 30(3): 51-59.

Rich, Jude, T. (1996.) "Future Compensation Shock." *Compensation and Benefits Review*, 28(6): 27-33.

Turnasella, T. (1994.) "Aligning Pay with Business Strategies and Cultural Values." *Compensation and Benefits Review*, 26(5): 65-72.

Bloom, Matt. (1999.) "The New Deal: Understanding Total Compensation in the Employment Relationship." *American Compensation Association (ACA) Journal*, Fourth Quarter: 58-66.

### **Week 2 & 3: Internal Consistency: Managing Structure and Design - March 6, 10, 13 & 17**

#### **FIRST ASSIGNMENT DISTRIBUTED ON MARCH 13 !!!**

*Required readings:* M&N Chapters 3, 4, 5

*Suggested readings:*

Jaques, Elliott. (1990.) "In Praise of Hierarchy." *Harvard Business Review*, Jan.-Febr.: 127-133.

Lawler, Edward, E. (1986.) "What's Wrong with Point Factor Job Evaluation." *Compensation and Benefits Review*, March-April.

Brown, Michelle.(1999.) "Does Pay Structure Matter" *ACA Journal*, Second Quarter: 64-70.

Bloom, Matt.(1999.) "The Performance Effects of Pay Dispersion on Individuals and Organizations." *Academy of Management Journal*, 42(1): 25-40.

### **Week 4: Person-Based Structures - March 20 and 24 Guest Lecture by Hay Consultants**

*Required reading:* M&N Chapter 6

*Suggested readings:*

Lawler, E.E. (1996.) "Competencies: A Poor Foundation for the New Pay." *Compensation and Benefits Review*, Nov.-Dec.: 21-27.

Hofrichter, David, A. and Lyle M. Spencer. (1996.) "Competencies: the Right Foundation." *Compensation and Benefits Review*, Nov.-Dec.:21-27.

O'Neill and Landre.(1993.) "Linking Employees Skills to Pay: A Framework for Skill Based Plans." *ACA Journal*, Winter, 2(3):14-27.

Ledford, Gerard E. Jr. (1995.) "Paying for Skills, Knowledge, and Competencies and Knowledge Workers." *Compensation and Benefits Review*, 27 (4): 55-62.

Parent, Kevin and Caroline Weber, (1994.) "Case Study: Does Paying for Knowledge Pay Off?" *Compensation and Benefits Review*, 26 (5): 44-50.

**Week 5 & 6 and 7: External Competitiveness: Managing Total Pay Levels, Mix and Labour Costs - March 27, 31, April 3, 7, 24 &28**  
**Guest lecture on Compensation Surveys by Cubiks**

**FIRST ASSIGNMENT IS DUE ON APRIL 7!!**

**SECOND ASSIGNMENT DISTRIBUTED ON APRIL 24 !!!**

*Required readings:* M&N Chapters 7 & 8

*Suggested readings:*

Pfeffer, Jeffrey. (1998.) "Six Dangerous Myths About Pay." *Harvard Business Review*, May-June: 109-119.

Rich, Jude, T., (1992.) "A Framework for the Design of Total Compensation Surveys." *ACA Journal*: 55-65.

Abosch, Kenan, S. and Janice S. Hand, (1994.) "Characteristics and Practices of Organizations with Broadbanding." *ACA Journal*: 6-17.

Abosch, Kenan, S. 1998."Confronting Six Myths of Broadbanding" *ACA Journal*, Autumn: 28-36.

Werner, Steve, Chris Touhey, Robert Konopaske. (1999.) "Ten Questions to Ask Yourself About Compensation Surveys" *Compensation and Benefits Review*, May-June: 54-59.

**Week 8, 9 & 10 Employee Contributions: Performance-based Pay and Performance Appraisals - May 1, 5, 8,12, 15, 19**  
**Guest lecture on performance pay at a NZ organization**

**SECOND ASSIGNMENT DUE ON MAY 12 !!!**

*Required readings:* M&N Chapters 9, 10, 11

*Suggested readings:*

Nina and Jason D. Shaw. (1998.) "Financial Incentives are Effective" *Compensation and Benefits Review*, 30 (2): 26-28.

Kohn, Alfie, (1998.) "Challenging Behaviorist Dogma: Myths about Money and Motivation", *Compensation and Benefits Review*, 30(2): 29-37.

Zingheim, Patricia, K. and Jay R. Schuster. (1997.)"Best Practices for Small Team Pay." *ACA Journal*, 6(1): 41-49.

Abosch, Kenan, S. (1998.) "Variable Pay: Do We Have the Basics in Place?" *Compensation and Benefits Review*, 30(4): 12-22.

Staiman, Jeff and Kerry Tompson. (1998.) "Designing and Implementing a Broad-based Stock Option Plan." *Compensation and Benefits Review*, 30(4): 23-40.

Mitra, Atul, Nina Gupta and Douglas G. Jenkins, Jr. (1995.) "The Case of Invisible Merit Raise: How People See Their Pay Raises." *Compensation and Benefits Review* 27(3): 71-76.

Hansen, Daniel, G. (1997.) "Worker Performance and Group Incentives: A Case Study." *Industrial and Labour Relations Review*, 51(1):37-49.

McAdams, Jerry, L. (1995.) "Design, Implementation and Results: Employee Involvement..." *Compensation and Benefits Review*, 27(2): 45-55.

Hale, Jamie and George Bailey. (1998.) "Seven Dimensions of Successful Reward Plans." *Compensation and Benefits Review*, 30 (4): 71-77.

### **Week 11. Compensation of Special Groups - May 22 and 26**

*Required reading:* M&N Chapter 18

*Suggested readings:*

Tosi, Henry L. Jr and Gomez-Mejia, Luis R.. (1994.) "CEO Compensation Monitoring and Firm Performance." *Academy of Management Journal*, 37(4): 1002-1016.

Waldo, D. (1999.) "Rediscovering Commission Motivation." *ACA Journal*, Second Quarter: 50-55.

Brossy, Roger and John E. Balkom. (1998.) "Executive Compensation: Finding Balance in the Quest for Value." *Compensation and Benefits Review*, 30(1): 29-34.

### **Week 12 . Role of Government in Remuneration - May 29 & June 2**

*Required reading:* M&N Chapter 14

*Readings*

Milkovich, George T. and Newman. Jerry M, *Compensation*, 2005, 8<sup>th</sup> edition.

### **Assessment Requirements**

The purpose of assessment is to evaluate the degree to which each student has understood the issues presented in the course.

Individual Assignments:	40%
Group participation:	10%
Final examination:	50%

There will be two assignments students have to complete. Each assignment is a practical application of the materials covered in class. Assignments will be handed out at least two weeks before their due dates. Each assignment is worth 20%.

Group exercises will be a regular part of the class work. Students will be assigned to groups at the start of the course. Students are expected to participate actively in group exercises. At the end of the course a group participation mark will be assigned to each group and that mark will be moderated by the lecturer based on systematic individual feedback from group members on member participation in the work of the group. The group participation mark is worth 10 per cent.

The assignments can be handed in to the course coordinator at the lecture or placed in the locked pigeon hole/box in the Mezzanine floor in Rutherford House - by **5:00 p.m. on the due date**. The box will be marked HRIR 306. In exceptional circumstances the assignments could also be e-mailed to the lecturer by 5:00 p.m. on the due date. Receipt of the assignment by e-mail will be acknowledged by the lecturer.

Students will prepare two copies of each hand-in and keep the second copy for their own reference. Students must also keep an electronic copy of their work.

### **Penalties**

(i) In fairness to other students, work submitted after any deadline will incur a penalty for lateness. **The penalty is 2 of the marks available for an assignment submitted after the due time on the due date for each part day or day late.**

When calculating the late penalty **Saturdays, Sundays and public holidays will be included** when counting the number of days that an assignment is late.

**Assignments received more than 7 days after the deadline will not be accepted and the student will automatically fail terms.**

(ii) Course Outlines provide a signal to students of forthcoming workload, dates of submission etc, and thus student study plans should take account of course requirements across all courses. Consequently, workload issues related to other courses and employment will not be accepted as reason for dispensation from mandatory requirements or waiver of penalties.

Extensions to submission deadlines for any assigned work will only be granted in exceptional circumstances.

(iii) Students who are unable to comply with any of the mandatory requirements should make a written application for an extension to the due date for submission of assigned work or for waiver of a penalty, **in advance**, providing documentary evidence of the reasons of their circumstances.

All such applications must be made **before** the deadline and be accompanied by documentary evidence, eg a medical certificate, or counsellor's report that indicates the degree of impairment, and for how long the student has been impaired. Please be sure to ask at the time of consultation for the degree of impairment to be stated in any certificate you provide to support your case.

(iv) In the event of unusual or unforeseeable circumstances (e.g. serious illness, family bereavement), that precludes an application in advance, students should make contact with the lecturer as soon as possible, and make application for waiver of a penalty as soon as practicable.

### **Mandatory Course Requirements**

1. Completion of individual assignments on due dates.
2. Regular attendance of classes. Should you need to be absent from class, discuss it with the course coordinator in advance.

Notice of Failure to meet Mandatory Requirements will be posted on Blackboard or on the Mezzanine Floor Notice-board. Students will be expected to check both places for notification.

## **Communication of Additional Information**

Information on course-related matters will be announced at class and posted on the **Blackboard** website at <http://blackboard.vuw.ac.nz/>. It will be crucial for you to regularly check Blackboard for messages, announcements and materials.

## **Email Contact**

Students wishing to contact staff by email should adhere to the following instructions: Include the **Course Code**, your **Name**, your **Student ID** and the **Topic** in the subject area of the email, eg MGMT300\_Smith\_Pauline\_3000223344\_Ass1 Query. All students must use their VUW SCS email account and ID. Otherwise, email will be classified as Spam and will be dumped without being read. All emails with attachments will be dumped, unless requested by staff.

## **Referencing**

There are many different styles of referencing and the Faculty of Commerce & Administration at VUW has decided to make APA (American Psychological Association) referencing style the common standard across the Faculty. The Commerce and Central Libraries hold the APA Style Guide. You can also access the information from the online VUW library site (<http://www.vuw.ac.nz/library/resources/virtualref.shtml#style>).

## **Faculty of Commerce and Administration Offices**

### Railway West Wing (RWW) - FCA Student Administration Office

The Student Administration Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications. To check for opening hours call the office on (04) 463 5376.

### Easterfield (EA) - FCA/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce & Administration and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices 125a to 131 (Level 1). The office is available for the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- FCA Student Administration forms (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

Check with the Student Administration Office for opening times (04) 463 5376.

## **General University Policies and Statutes**

Students should familiarise themselves with the University's policies and statutes, particularly those regarding assessment and course of study requirements, and formal academic grievance procedures.

## **Student Conduct and Staff Conduct**

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps can be taken if there is a complaint. For queries about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor. This Statute is available in the Faculty Student Administration Office or on the website at: [www.vuw.ac.nz/policy/StudentConduct](http://www.vuw.ac.nz/policy/StudentConduct). The policy on Staff Conduct can be found on the VUW website at: [www.vuw.ac.nz/policy/StaffConduct](http://www.vuw.ac.nz/policy/StaffConduct).

## Academic Grievances

If you have any academic problems with your course you should talk to the tutor or lecturer concerned or, if you are not satisfied with the result of that meeting, see the Head of School or the Associate Dean (Students) of your Faculty. Class representatives are available to assist you with this process. If, after trying the above channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Policy which is published on the VUW website:

[www.vuw.ac.nz/policy/AcademicGrievances](http://www.vuw.ac.nz/policy/AcademicGrievances).

## Academic Integrity and Plagiarism

Academic integrity is about honesty – put simply it means **no cheating**. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. Plagiarism is **prohibited** at Victoria.

The University defines plagiarism as follows:

Plagiarism is presenting someone else's work as if it were your own, whether you mean to or not.

*'Someone else's work' means anything that is not your own idea, even if it is presented in your own style. It includes material from books, journals or any other printed source, the work of other students or staff, information from the Internet, software programmes and other electronic material, designs and ideas. It also includes the organization or structuring of any such material.*

### **Plagiarism is not worth the risk.**

Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct ([www.vuw.ac.nz/policy/studentconduct](http://www.vuw.ac.nz/policy/studentconduct)) and may be penalized severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- suspension from class or university
- cancellation of your mark for an assessment or a fail grade for the course.

*Find out more about plagiarism and how to avoid it, on the University's website at:*

[www.vuw.ac.nz/home/studying/plagiarism.html](http://www.vuw.ac.nz/home/studying/plagiarism.html).

## Students with Disabilities

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities an equal opportunity with all other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, then please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services to confidentially discuss your individual needs and the options and support that are available. Disability Support Services are located on Level 1, Robert Stout Building, or phoning 463-6070, email: [disability@vuw.ac.nz](mailto:disability@vuw.ac.nz). The name of your School's Disability Liaison Person can be obtained from the Administrative Assistant or the School Prospectus.

## **Student Support**

Staff at Victoria want students' learning experiences at the University to be positive. If your academic progress is causing you concern, please contact the relevant Course Co-ordinator, or Associate Dean who will either help you directly or put you in contact with someone who can.

The Student Services Group is also available to provide a variety of support and services. Find out more at [www.vuw.ac.nz/st\\_services/](http://www.vuw.ac.nz/st_services/) or email [student-services@vuw.ac.nz](mailto:student-services@vuw.ac.nz).

VUWSA employs two Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and faculty delegates. The Education Office is located on the ground floor, Student Union Building, phone 463 6983 or 463 6984, email [education@vuwsa.org.nz](mailto:education@vuwsa.org.nz).

## **Manaaki Pihipihinga Maori and Pacific Mentoring programme (Faculties of Humanities and Social sciences and Commerce and Administration).**

- **What:** Academic Mentoring for Maori and Pacific students studying at all levels in the above faculties. Weekly sessions for an hour with a mentor to go over assignments and any questions from tutorials or lectures. Registered students can use the faculty's study rooms and computer suite at any time at Kelburn and Pipitea.
- Mature student and Post grad network

If you would like to register as a mentor or mentee please contact the coordinator.

### **Where:**

Melissa Dunlop  
Programme Coordinator  
Room 109 D  
14 Kelburn Parade: back courtyard  
Ph: (04) 463 6015  
Email: [Maori-Pacific-Mentoring@vuw.ac.nz](mailto:Maori-Pacific-Mentoring@vuw.ac.nz)

Please Note: A mentoring room will also be running at Pipitea Campus starting January. Please contact the Programme Coordinator for details.