

Victoria Management School

## **HRIR 306 Remuneration and Performance Management**

Trimester Two 2011

### **COURSE OUTLINE**

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#### **Course Coordinator/ Lecturer**

##### **Dr Geoff Plimmer**

Room: RH1007, Rutherford House

Phone: 463 5700

Email: geoff.plimmer@vuw.ac.nz

Office Hours: 9.30am to 12 noon on Thursday

#### **Administrator**

##### **Tania Loughlin**

Room: RH1022, Rutherford House

Phone: 463 5358

Email: tania.loughlin@vuw.ac.nz

#### **Tutorial Coordinator**

##### **Garry Tansley**

Room: RH 915, Rutherford House

Phone: 463 6968

Email: garry.tansley@vuw.ac.nz

#### **Trimester Dates**

Teaching Period: Monday 11 July – Friday 14 October

Study Period: Monday 17 October – Thursday 20 October

Examination Period: Friday 21 October – Saturday 12 November (inclusive)

#### **Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before 22 July 2011.
2. The standard last date for withdrawal from this course is 23<sup>rd</sup> September 2011. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an '*Application for Associate Dean's Permission to Withdraw Late*' including supporting documentation.

The application form is available from either of the Faculty's Student Customer Service Desks.

#### **Class Times and Room Numbers**

Lectures: Tuesday 12.40 – 2.30 pm GBLT4

Tutorials will occur in Weeks, 3, 4, 5, 8, 9, 10 and 11. Please sign-up to a tutorial group through S-cube. If you have been unable to sign up for a tutorial by Friday 22 July contact the Tutorial Coordinator (Garry Tansley).

## Course Content

| DATE  | TOPICS  | Reading   |
|---|---|---|
| Week 1  | Course overview and introduction to remuneration and performance management | Milkovich Chapter 1   |
| Week 2  | Strategic issues in remuneration and performance management                 | Milkovich Chapter 2   |
| Week 3<br>Tutorial 1                            | Internal alignment  | Milkovich Chapter 3<br>Pfeffer, J. (2005).  |
| Week 4<br>Tutorial 2                            | Cultural issues   | Milkovich Chapters 16<br>Gomez-Mejia, Luis R. & Balkin, David B., (1992).<br>Chapter 2      |
| Week 5<br>Tutorial 3<br><i>Assignment 1 due</i> | External competitiveness, Job evaluation and person based structures        | Milkovich Chapters 7 and 8<br>Gomez-Mejia, Luis R. & Balkin, David B., (1992).<br>Chapter 2 |
| Week 6<br>Tutorial 4                            | Employee contributions / pay for performance                                | Milkovich Chapters 9 & 10<br>Brown & Purcell (2007)   |
|   |   | Mid trimester break   |
| Week 7<br>Tutorial 5                            | Designing pay and remuneration systems                                      | Henemann & Dixon (2001)   |
| Week 8<br>Tutorial 6                            | Managing remuneration and performance management                            | Shields (2007) Chapter 12   |
| Week 9<br><i>Assignment 2 due</i>               | Performance appraisals  | Aguinas (2009) Chapter 5  |
| Week10  | Performance management and employee development                             | Latham et al. (2005)<br>Shields Chapter 8   |
| Week11<br>Tutorial 7                            | Unions, special groups, legal issues  |   |
| Week12  | Synthesis and revision  |   |

### Course Learning Objectives

By the end of this course, students should be able to:

- 1) Analyse and evaluate strategic choices in remuneration and performance management;
- 2) Apply principles and processes, communicate and help lead the development of remuneration and performance management systems; and
- 3) Communicate and lead performance management situations.

### Course Delivery

There is one two -hour lecture per week - this will be a mix of lecture, guest speakers, class exercises and videos. Lecture slides will be posted on Blackboard before class in order to aid note taking in class.

Tutorials occur in 7 of the weeks. These are an important component of your learning. You have the opportunity to further your understanding of key concepts and develop practical skills. Active preparation and participation in tutorials is expected and assessed.

## Expected Workload

Students can expect the workload over the trimester to be up to a total of 150 hours spread approximately as follows: Reading for lectures and tutorials 29 hours; assignment preparation (essay and case analysis) 60 hours; examination preparation 30 hours; lecture attendance 24 hours; tutorial attendance 7 hours.

## Readings

The **required** textbook is: Milkovich, G. & Newman, G. T., (2010) Compensation. (10<sup>th</sup> ed.). NY, McGraw Hill.

For those saving money and using 2nd hand texts, this 10<sup>th</sup> edition diverges slightly from older editions –mainly in the areas of HRM ethics and the risks of pay for performance plans.

Assigned readings that apply to the tutorial preparation and participation are:

Pfeffer, J. (2005). Producing Sustainable Competitive Advantage Through the Effective Management of People. *Academy of Management Executive*, 19 (4), 95-108.

Gomez-Mejia, Luis R. & Balkin, David B., (1992). Chapter 2. Strategic Choices in Compensation. *In Compensation, organizational strategy, and firm performance* / Luis R. Gomez-Mejia, David B. Balkin South-Western Pub. Co., College Division, Cincinnati, Ohio. (pp. 34-58).

Brown, D., & Purcell, J. (2007). Reward management: on the line. *Compensation and Benefits Review*, 39(3), 28.

Heneman, R. L., Fisher, M. M., & Dixon, K. E. (2001). Reward and organizational systems alignment: an expert system. *Compensation & Benefits Review*, 33(6), 18.

Latham, G. P., J. Almost, et al. (2005). "New Developments in Performance Management." *Organizational Dynamics* 34(1): 77-87.

Shields, J. (2007). Performance review and development. In *Managing employee performance and reward*. Chapter 12 (pp. 509 – 540). Cambridge.

Aguinis, H. (2009). Performance management: Prentice Hall/Pearson Education. Chapter 8, pp 180 – 205.

Shields, J. (2007). Performance review and development. In *Managing employee performance and reward*. Chapter 8 (pp. 201 – 230). Cambridge.

### **Additional resources available in the Commerce library which you may also find helpful:**

Aguinis, H. (2009). *Performance management*. Upper Saddle River, N.J. : Pearson Prentice Hall. <http://victoria.lconz.ac.nz/vwebv/holdingsInfo?bibId=1269609>

Aguinis, H., Cascio, W. (2010). *Applied psychology in human resource management*. 7th ed., International ed. Harlow: Pearson Education. <http://victoria.lconz.ac.nz/vwebv/holdingsInfo?bibId=1269608>

Luecke, R.,Hall, B.J. (2006). *Performance management*. Boston,Harvard Business School Press.

Martocchio, J. (2009) *Strategic Compensation: A Human Resource Management Approach*. 6/E. Prentice Hall.<http://victoria.lconz.ac.nz/vwebv/holdingsInfo?bibId=1269612>

Shields, J. (2007). *Managing employee performance and reward*. Cambridge ; New York : Cambridge University Press.  
<http://victoria.lconz.ac.nz/vwebv/holdingsInfo?bibId=1125107>

**Other relevant library books are:**

Harvard business review on compensation. (2002) Boston : Harvard Business School Press.

Henderson, Richard I., (2002). Compensation management in a knowledge-based world. Upper Saddle River, NJ: Prentice Hall

Heneman, R. L. (2002). Strategic reward management : design, implementation, and evaluation. Greenwich, Conn.

Lockett, John (1992). Effective performance management: a strategic guide to getting the best from people. London: Kogan Page

London, M. (2003). Job feedback : giving, seeking, and using feedback for performance. Mahwah, NJ: Lawrence Erlbaum Associates.

Useful Journals (available via library databases):

- Compensation and Benefits Review – easy to read articles but lacking supporting evidence
- Journal of Applied Psychology – highly empirical evidence based material but hard to digest

Other useful journals

- Asia Pacific Journal of Human Resources
- Human Resources
- Human Resource Management
- Human Resource Management Review
- Human Relations
- International Journal of Human Resource Management

**Assessment Requirements**

| Course learning objective | Assessment  | Weight      | Date  |
|---------------------------|---|-------------|---|
| 1, 3                      | Individual Assignment One - Critical analysis essay, 1500 words | 30%         | <b>4 pm, Monday 8 August 2011 (Week 5)</b>    |
| 1, 2, 3                   | Individual Assignment Two – Design Proposal 1500 words          | 30%         | <b>4pm, Monday 19 September 2011 (Week 9)</b> |
| 2                         | Tutorial Preparation & Participation                            | 10%         | <b>Weeks 4, 5, 8, 9, 10</b>                   |
| 1, 2, 3                   | Final Examination - 2 hours                                     | 30%         | 21 October – 12 November                      |
|                           | <b>TOTAL</b>  | <b>100%</b> |   |

Marking guides and criteria for both assignments will be posted on Blackboard.

## Assignment 1

### **1. Critical Analysis Essay**

**30%**

This assignment is designed to develop knowledge and thinking skills about the fit between theory and practice, and give you a chance to showcase your ability to reason with the first four week's course content. Write an essay on the following:

Pfeffer (2005) argues for wage compression and symbolic egalitarianism. Discuss the validity of his arguments. How important are things like culture, the job and organisational context in determining whether wage compression and symbolic egalitarianism are best?

## Assignment 2

### **2. Remuneration and performance management design proposal**

**30%**

This assignment will assess and develop your skills in:

- applying remuneration and performance management principles, concepts and methods to an organisation and jobs, and
- the credibility and influence needed to lead HR projects.

You are an HR consultant asked to design a remuneration and performance management programme, and advise on how to implement it in the organisation.

Choose an organisation, or part of an organisation, that interests you. Based on public information (such as websites, media reports and other public information) consider the best remuneration and performance management system for it.

Write a proposal that gives your advice on options, and any processes needed to further design and implement the system. Justify your advice by referring to the organisation, the job and the literature.

Demonstrate your ability to analyse an organisation, and your knowledge of the literature.

### **Tutorial preparation & participation**

**10%**

Preparation for and participation in, tutorials is expected. Tutorials will be held in Weeks 3, 4, 5, 8, 9, 10, 11.

- You are expected to have read the assigned reading for that week and to be ready to answer the assigned questions (also available in the booklet of course readings).
- The assigned questions in tutorials 4, 5, 8, 9, 10 will be worth 1% each (5% in total), you will earn the 1% if you get all the questions correct.
- The tutorials will also include participation in practical skill development activities.

Participation in tutorials will be assessed on:

- a) whether you contributed to discussion/activity and
- b) also allowed others to contribute, at each of the 5 graded tutorials (1% each tutorial).

Grading will not occur in Tutorial 1 or 7 but preparation & participation is still encouraged!

### **Examinations**

**30%**

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period. The final examination for this course will be scheduled at some time during the period from Friday 21 October – Saturday 12 November 2011. The examination is worth 30% of the total marks available for this course. It is a closed book 2-hour examination. All lectures and readings covered during the course are examinable.

## Handing in assignments

Completed assignments are to be submitted **on the due date** in **BOTH** of the following forms:

1. Hardcopy submitted to the **HRIR 306 assignment box number 15** (Mezzanine Floor of Rutherford House – Pipitea Campus), AND
2. Electronic copy to the **HRIR 306 Blackboard Digital drop box**.

Both versions must have a cover sheet. A hardcopy cover sheet is at the end of this course outline and an electronic copy has been placed on blackboard in the ‘Assignments’ folder. Both copies must be submitted by the due time and date to avoid penalties.

## Use of Turnitin

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

## Late assignments

Late assignments are to be handed to the Administrator for the course, Tania Loughlin in RH 1022, Level 10 Reception. Late assignments that do not have **the time and date noted and signed by** the Administrator, will incur late penalties from the time the Administrator receives it. Assignments left on the Reception Counter will incur penalties from the time and date they are recovered. Assignments slid under the door of the Administrator’s office will also incur penalties from the time and date they are recovered. Note that there is no provision to accept assignments on weekends or public holidays. Late assignments must be handed into Tania while the Level 10 Reception area is open. The desk opens at 9am and closes at 5pm Monday to Friday during term time.

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

## Penalties

In fairness to other students, work submitted after any deadline will incur a penalty for lateness.

- (i) **The penalty is 2 of the marks available** (marks available means what the assignment is worth i.e. 20% or 20 marks) for an assignment submitted after the due time on the due date **for each part day or day late**. (for example if an assignment is out of 20 and the assignment receives 50% then one day late means the mark will be out of 18 and the student will receive 50% of 18). **Saturdays, Sundays and public holidays** will be included when counting the number of days late. Assignments received **more than 7 days after the due date** will not be accepted and the student will **automatically fail the Mandatory Course Requirements**.
- (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**, to the **Tutorial Coordinator**, 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 clearly stating the degree of impairment, and the dates the illness or event prevented you from undertaking your academic studies. This can be applied retrospectively.

- (iv) In the event of unusual or unforeseeable circumstances (e.g. serious illness, family bereavement or other exceptional events), that precludes an application in advance, students should make contact with the **Tutorial Coordinator** as soon as possible, and make application for waiver of a penalty as soon as practicable.
- (v) Word limits should be adhered to, especially so when they provide a guide to limiting the student's coverage of a topic.

### **Mandatory Course Requirements**

To meet Mandatory Course Requirements, students are required to:

- a. Submit all assignments within the allowable timeframe (see Penalties section) above (i)); and
- b. To obtain at least 40 per cent (i.e. 12 marks out of 30) of the final examination marks available.

Failure to meet mandatory requirements does not prevent a student completing other pieces of assessment, including any final examination. Students who fail to satisfy the mandatory requirements for this course but who obtain 50% or more overall, will be awarded a "K" grade. Standard fail grades (D or E) will be awarded when the student's overall course mark falls below the minimum pass mark, regardless of whether the mandatory course requirements have been satisfied or not.

Notice of Failure to meet Mandatory Course Requirements will be posted on Blackboard.

## **Class Representative**

Class representatives will be elected in the first class, and that person's name and contact details made available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

## **Communication of Additional Information**

Any additional information or information on changes will be conveyed to students, e.g. via the HRIR 306 Blackboard site, and urgent messages via email to all class members student email addresses.

**For the following important information follow the links provided:**

### **Academic Integrity and Plagiarism**

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

### **General University Policies and Statutes**

Find key dates, explanations of grades and other useful information at

[www.victoria.ac.nz/home/study](http://www.victoria.ac.nz/home/study)

Find out about academic progress and restricted enrolment at

<http://www.victoria.ac.nz/home/study/academic-progress.aspx>

The University's statutes and policies are available at [www.victoria.ac.nz/home/about/policy](http://www.victoria.ac.nz/home/about/policy), except qualification statutes, which are available via the Calendar webpage at

<http://www.victoria.ac.nz/home/study/calendar.aspx> (See Section C).

Further information about the University's academic processes can be found on the website of the Assistant Vice-Chancellor (Academic) at

[www.victoria.ac.nz/home/about\\_victoria/avcacademic/default.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/default.aspx)

### **AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support**

[http://www.victoria.ac.nz/home/about\\_victoria/avcacademic/Publications.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx)

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

<http://www.victoria.ac.nz/fca/studenthelp/>

### **Te Putahi Atawhai**

#### **Maori and Pacific Mentoring Programme**

[http://www.victoria.ac.nz/st\\_services/tpa/index.aspx](http://www.victoria.ac.nz/st_services/tpa/index.aspx)





**Victoria Management School**

HRIR 306 Individual Assignment Cover Sheet

Name: \_\_\_\_\_

Student ID: \_\_\_\_\_

Tutor's Name: \_\_\_\_\_

Tutorial Day: \_\_\_\_\_ Tutorial Time: \_\_\_\_\_

Date Due: \_\_\_\_\_ Date Submitted: \_\_\_\_\_

*I have read and understood the university policy on Academic Integrity and Plagiarism.  
I declare this assignment is free from plagiarism.*

Signed: \_\_\_\_\_

Extension of the due date (if applicable)

**Please attach a copy of the note authorising your extension.**

**Date extension applied for:** \_\_\_\_\_

Extension granted until: \_\_\_\_\_

Extension granted by: \_\_\_\_\_