

School of Management

HRIR 306 REMUNERATION AND PERFORMANCE MANAGEMENT

Trimester 2, 2014

COURSE OUTLINE

Names and Contact Details

COURSE CO-ORDINATOR

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

TUTOR

Jayshree Bhikha

Email: jayshree.bhikha@hotmail.com

ADMINISTRATOR

Ina Yoo

Room: RH1022, Rutherford House

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UNDERGRADUATE PROGRAMME MANAGER

Garry Tansley

Room : RH 915, Rutherford House

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Trimester Dates

Teaching Period: Monday 14th July – Friday 17th October

Study Period: Monday 20th October – Thursday 23rd October

Examination Period: Friday 24th October – Saturday 15th November (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 25th July 2014.
2. The standard last date for withdrawal from this course is Friday 26th September. 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

Friday 10.30am – 12.20pm GBLT3

Course Delivery

Lectures

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. You will be expected to have read the relevant Milkovich chapter before each class and be ready to contribute.

Tutorials

Tutorials occur in seven of the 12 weeks. These are an important component of your learning. You have the opportunity to further your understanding of key concepts and develop practical skills.

You should come to tutorials having prepared answers to the questions assigned for that week (found before each week's reading in the course materials book). Answers will be discussed in tutorials. They will also be marked by your tutor, so it is important that you bring a hard copy of these answers to each tutorial for submission. Electronic copies via email will not be accepted. These hard copies will be returned the following week. In addition you will need to submit these answers to Turnitin via Blackboard.

Tutorials will occur in Weeks, **3, 4, 5, 6, 7, 8, 9**. Please sign-up to a tutorial group through S-cube. If you have been unable to sign up for a tutorial by Friday 25th 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 Tutorial 1	Internal alignment	Milkovich Chapter 3 Pfeffer, J. (2005).
Week 4 Tutorial 2	External competitiveness, job evaluation and person based structures	Milkovich Chapters 16 Gomez-Mejia, Luis R. & Balkin, David B., (1992). Chapter 2
Week 5 Tutorial 3	Culture and gender issues	Milkovich Chapters 7 and 8 Gomez-Mejia, Luis R. & Balkin, David B., (1992). Chapter 2
Week 6 Tutorial 4 <i>Assignment 1 due</i>	Employee contributions / pay for performance	Milkovich Chapters 9 & 10 Brown & Purcell (2007)
		Mid trimester break
Week 7 Tutorial 5	Managing remuneration and performance management	Shields (2007) Chapter 8
Week 8 Tutorial 6	Performance appraisals	Latham et al. (2005)

Week 9 Tutorial 7	Designing and managing pay and remuneration systems	Shields (2007) Chapter 21
Week10 <i>Assignment 2 due</i>	Performance management and employee development	
Week11	Development cont'd & unions, special groups, legal issues	
Week12	Synthesis and revision	

Group Work

Collaboration on individual assignments is not allowed beyond general discussion as to how one might interpret the nature of the assignment question. **Please do not work together to formulate a response and do not loan out your completed assignments.** You will be expected and encouraged to work in groups on in-term cases and assignments; however all assessments must be your own work.

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.

Prescription

An analysis of the theory and practice of setting and managing remuneration and performance management systems. The course focuses on strategic choices in setting rewards and compensation for work, and implementing and operating the performance management cycle in workplaces.

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.

Readings

The required textbook is:

Milkovich, G. & Newman, G. T., (2014) Compensation. (11th ed.). NY, McGraw Hill.

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.

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 – *very recommended*
- 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

From Trimester 1, 2014, a revised Assessment Handbook will apply to all VUW courses: see <http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

In particular, there will be a new grade scheme, in which the A+ range will be 90-100% and 50-54% will be a C-.

Course learning objective	Assessment	Weight	Date
1, 3	Individual Assignment One – Performance management case, 1500 words maximum	20%	12pm Monday 18 August (Week 6)
1, 2, 3	Individual Assignment Two – Case Analysis 1500 words maximum	20%	12pm Monday 29 September (Week 10)
2	Tutorial preparation – to be submitted in hard copy and via Turnitin	10%	Assessed tutorials are in weeks 4, 5, 6, 7, 8
1, 2, 3	Final Examination - 2 hours	50%	24th October –15th November
	TOTAL	100%	

Assignment 1: Performance management case

This assignment is designed to develop knowledge and thinking skills about the fit between theory and practice. The practical case below is a reasonably common issue in practice, and gives you an opportunity to show your ability to reason with the first four week's course content.

Bronwyn is a 50 year old mother of two, and wife of Graeme, a plumber. She has been a loyal employee at JKL Corporation for the past 20 years, working in administration of the finance department, doing jobs like typing, filing and running errands. Despite her 20 years' service, Bronwyn is horrified to learn her base pay is \$2,000 less than what a recent salary survey of administration jobs found someone of her experience is earning, on average. Further, when her colleague (Tanya) was out to lunch, Bronwyn saw on her pay slip that she earns the same amount as her, despite having 10 years' less experience.

Bronwyn thinks this is unfair, as she thinks they both have the same output. A discussion with Bronwyn's manager, Wayne, reveals that Tanya's output is much greater than Bronwyn's, although this hasn't been conveyed to Bronwyn, because Wayne hates conflict and likes them both as people. Wayne always gives Bronwyn and Tanya the same positive performance reviews. Wayne has also noticed Bronwyn looking at Facebook during work time which thinks is inappropriate. She would like a pay rise of \$3,000 so that she and Graeme can go on a holiday of their dreams to Bluff for the opening of the Bluff oyster season. She also wants a 10 year guarantee of employment at JKL Corporation.

You are the HR advisor at JKL Corporation and the HR manager, Anastasia, tells you that JKL are considering a restructure of the finance department within the next five years, because it has consistently been underperforming. This might involve the redundancy of Bronwyn's position.

In recent years a number of international staff have been hired. Although they are considered to be competent, turnover among them is quite high and some grumblings about unfairness and low pay have been picked up. JKL always aims to keep labour costs as low as possible.

The HR manager asks you to draft a report on what the organisation should do about the finance department generally and Bronwyn's complaint specifically. You are told to make reference to the appropriate sections of the Milkovich Pay Model that apply and your own research to decide whether or not Bronwyn will receive the pay rise, and any other solutions you can think of. She notes make it no more than 1500 words excluding references, as CEOs hate long waffly reports, but make sure it is well argued and backed up with research.

Assignment 2: Remuneration and performance management design proposal

This assignment will assess and develop your skills in applying remuneration and performance management principles, concepts and methods to an organisation and jobs. Further, it aims to develop your skills in having the credibility and influencing skills needed to lead HR projects.

You are an HR consultant asked to design a remuneration and performance management program. You are also asked 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. Demonstrate your ability to analyse an organisation, and using your knowledge of the literature, apply it to an organisation.

Examinations

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 26 October – Saturday 17 November (inclusive).

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 14** (Mezzanine Floor of Rutherford House – Pipitea Campus), AND
2. Electronic copy to the **HRIR 306 Blackboard Digital drop box. Late assignments handed in to RH 1022, Level 10 Reception.**

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.

Assessment

From Trimester 1, 2014, a revised Assessment Handbook will apply to all VUW courses: see <http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

In particular, there will be a new grade scheme, in which the A+ range will be 90-100% and 50-54% will be a C-.

Penalties

Late assignments

Late assignments are to be handed in to 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 while the Level 10 Reception area is open. The desk opens at 9am and closes at 5pm Monday to Friday during term time.

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 **Undergraduate Programme Manager**, 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 **Undergraduate Programme Manager** 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.

The outcome will be a standard grade (A+ to E).

Remarking

Every attempt is made to ensure that the marking is consistent across tutors and fair to students. Students may ask for their written work to be remarked. A different tutor will do the remarking and provide comments.

For marks: If the mark differs by 10% or less the two marks are averaged. If it exceeds 10% then it is independently marked by a third marker and the average of the two closest marks is taken.

For grades: If the grade differs by one grade then the highest grade is taken. If the grade differs by more than one grade then the assignment is marked by a third marker and the average grade is taken.

Experience from previous years is that almost all remarks are within 10% or one grade. Occasionally there is a significant shift in the mark or grade. Application for remarks must be made within 5 days after the assignments are available. To apply for a remark, complete the request for re-examination of assessed work form (Annex B) stating which sections (criteria listed in the mark sheet) you wish re-examined. Write on why you think the mark does not, in your view, fairly reflect the quality of your work. Hand this with your assignment into the following place:

- Pipitea Campus – the Reception Desk on Level 10 Rutherford House where your assignment will have the **time, date and signature** noted on the front cover by the person receiving it.

Allow a minimum of 5 days for remarks to be completed.

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 submitted to Turnitin. A copy of submitted materials will be retained 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.

Examinations

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 following period:

Friday 24th October – Saturday 15th November (inclusive)

Mandatory Course Requirements

In addition to obtaining an overall course mark of 50 or better, students must meet the following **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 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 – this is a fail grade. Other 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.

If you cannot complete an assignment or sit a test or examination, refer to www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat

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

Additional information or information on changes will be conveyed to students via class, tutorials Blackboard or email.

Student feedback

Student feedback on University courses may be found at www.cad.vuw.ac.nz/feedback/feedback_display.php

Link to general information

For general information about course-related matters, go to <http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

Note to Students

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 academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.
