

**ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD
(Department of Business Administration)**

**Course: Compensation Management (823)
Level: MBA**

Semester: Autumn, 2013

CHECKLIST

This packet comprises the following material:

- 1) Text book
- 2) Assignment no. 1 & 2
- 3) Course outlines
- 4) Assignment forms (2 sets)
- 5) Schedule for submitting the assignments

In this packet, if you find anything missing out of the above-mentioned material, please contact at the address given below: -

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Course Coordinator

ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD
(Department of Business Administration)

WARNING

- 1. PLAGIARISM OR HIRING OF GHOST WRITER(S) FOR SOLVING THE ASSIGNMENT/S WILL DEBAR THE STUDENT FROM AWARD OF DEGREE/CERTIFICATE, IF FOUND AT ANY STAGE.**
- 2. SUBMITTING ASSIGNMENT/S BORROWED OR STOLEN FROM OTHER/S AS ONE’S OWN, WILL BE PENALIZED AS DEFINED IN “AIOU PLAGIARISM POLICY”.**

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Total Marks: 100

ASSIGNMENT No. 1
(Units: 1–5)

Note: You must answer the questions in your own words. Copying from books is not permissible.

- Q. 1 The design of the wage and salary administration program is a particularly important project for any organization. Discuss the basic developmental steps of a wage and salary program. **(20)**
- Q. 2 Job analysis is an activity that is required not only to perform all the activities of wage and salary administration effectively but also for a variety of other organizational needs. There are three major steps in the job analysis process namely planning the process, collecting data, and documenting the findings. Explain each in detail. **(20)**
- Q. 3 The job description is an important part of the job evaluation process, but it can be accomplished much more if the organization demonstrates its commitment to the project and the entire process. Comment. **(20)**
- Q. 4 The key provisions in a budget enable the organization to evaluate itself in terms of progress made to achieve its stated goals and objectives. Discuss the budget process and how effective it is to achieve organizational goals in a better way? **(20)**
- Q. 5 There seems to be growing discontent with the performance appraisal process as it has been traditionally implemented. The growing diversity of the workforce, the increasingly litigious nature of Pakistani society, the legal climate, and the current wide disparity of standards in the area of performance appraisal will continue to put pressure on the people responsible for performance appraisal in any organization. Discuss. **(20)**

ASSIGNMENT No. 2

Total Marks: 100

Pass Marks: 50

This assignment is a research-oriented activity. You are required to submit a term paper and present the same in the classroom prior to the final examination. Presentation component is compulsory for all students. You will have to participate in the activity fully and prepare a paper of about 15 to 20 pages on the topic allotted to you. You are required to prepare two copies of Assignment No. 2. Submit one copy to your teacher for evaluation and the second copy for presentation in the classrooms in the presence of your resource persons and classmates, which will be held at the end of the semester prior to final examination.

Include the following main headings in your report:-

- a) Introduction to the topic
- b) Important sub-topics
- c) Practical aspects with respect to the topic
- d) Review of theoretical and practical situations
- e) Merits, demerits, deficiencies or strengths of the organization with respect to your topic
- f) Conclusions and recommendations
- g) Annex, if any

You may use transparencies, charts or any other material for effective presentation. You are also required to select one of the following topics according to the last digit of your roll number. For example, if your roll number is D-3427185 then you will select topic No.5 (the last digit):-

List of Topics:

0. Organization's pay policies
1. Analyzing jobs to determine pay rates
2. Steps in the job description process
3. Performance appraisal system
4. Building an incentive plan
5. The role of computer in wage and salary administration
6. Organization's wage and salary program
7. Designing a staff budget program
8. Promoting organization wide communication
9. Managing the wage and salary administration unit.

COMPENSATION MANAGEMENT COURSE OUTLINE (823)

Unit 1 Establishing Wage and Salary Program

- 1.1 Building a Wage and Salary Program
- 1.2 Auditing and Reviewing Current Wage and Salary Program
- 1.3 Building an Information Base
- 1.4 Job Description Compilation
- 1.5 Determining Organization's Pay Policy
- 1.6 Developing Wage and Salary Administration Program

- 1.7 Providing an Inventory of Job Description to use in Job Evaluation Process
- 1.8 Determining the Appropriate Method of Job Evaluation
- 1.9 Building Pay Structure
- 1.10 Creating a Wage and Salary Budget
- 1.11 Providing a Manual for Program
- 1.12 Promoting Organization Wide Communication
- 1.13 Develop Relationships Outside Organization
- 1.14 Auditing and Reviewing Program on a Regular Basis

Unit 2 Job Analysis and Job Description

- 2.1 Analyze Jobs to Determine Pay Rates
 - 2.1.1 Collecting, Documenting and Analyzing Data for Job Analysis
 - 2.1.2 Job Analysis for Functions Other than Wages and Salary Administration
 - 2.1.3 Planning the Job Analysis Program
 - 2.1.4 Collecting Data for Job Analysis Program
 - 2.1.5 Analyzing the Data
- 2.2 Creating Job Description to Facilitate Wage and Salary Evaluation
 - 2.2.1 Determining When to Prepare Job Description
 - 2.2.2 Determining Who Should Prepare Job Description
 - 2.2.3 Job Description Forms
 - 2.2.4 Steps in Job Description Process

Unit 3 Budgeting and Auditing

- 3.1 Designing a Staff Budget Program
 - 3.1.1 Defining Basic Terms
 - 3.1.2 Implementing a Wage and Salary Budget
 - 3.1.3 Conducting Training Sessions
 - 3.1.4 Following Up with Assistance and Advice to Staff
 - 3.1.5 Completing Budget
 - 3.1.6 Other Budget Issues
- 3.2 Auditing and Reviewing Wage and Salary Program for Overall Effectiveness
 - 3.2.1 Performing Wage and Salary Audit
 - 3.2.2 Reviewing Organization's Current Wage and Salary Program

Unit 4 Use of Performance Appraisal and Incentives in Wage & Salary Program

- 4.1 Using Performance Appraisal Process to Determine Wage and Salary Changes
 - 4.1.1 Developing the Performance Appraisal System
 - 4.1.2 Using Performance Appraisal for Various Purposes
 - 4.1.3 Planning a Performance Appraisal System
 - 4.1.4 Avoiding Potential Problems with Performance Appraisal
 - 4.1.5 Designing Forms for the Performance Appraisal System
 - 4.1.6 Rating Errors in the System
 - 4.1.7 Designing a Rater Training Program
 - 4.1.8 Avoiding Legal Problems in the Performance Appraisal
- 4.2 Making Incentives Part of the Wage and Salary Program

- 4.2.1 Identifying the Key Components of a Successful Incentive Program
- 4.2.2 Implementing Specific Types of Incentive Programs
- 4.2.3 Awarding Discretionary Incentives Based on Suggestion Systems
- 4.2.4 Choosing Different Types of Incentive Payments
- 4.2.5 A Word About Intrinsic Rewards
- 4.2.6 Negative Incentives
- 4.2.7 Incentive Plan
- 4.2.8 Benefits and Perquisites as Incentive

Unit 5 Staffing & Managing Wage & Salary Administration Unit

- 5.1 Determining Role and Size of Compensation within Human Resources Function
- 5.2 Wage and Salary Administration Units
- 5.3 Managing Wage and Salary Administration Units

Unit 6 How to Develop Wage and Salary Surveys to Determine Pay Policies

- 6.1 Developing Wage and Salary Survey
- 6.2 Using Consultants to conduct Salary Survey
- 6.3 Survey Methods
- 6.4 Participation of Wage and Salary Professionals in Surveys

Unit 7 Wage & Salary Administration Functions

- 7.1 Effective Payroll Systems
- 7.2 Working with Payroll to Process Salary Actions
- 7.3 Working with Payroll on Critical Aspects of Routine Pay Period
- 7.4 Auditing Payroll to Ensure Proper Implementation of Wage and Salary Actions
- 7.5 Legal Issues

Unit 8 Automating Wage & Salary Administration Function to increase Efficiency

- 8.1 Role of Computer in Wage and Salary Administration
- 8.2 Eight Steps to Implementing Change
- 8.3 Analyzing the Impact of Change on Other Units in Organization
- 8.4 Project from idea to Implementation
- 8.5 Designing System Internally
- 8.6 Designing System Externally
- 8.7 Selecting Appropriate System
- 8.8 Automation Details

Unit 9 Future of Wage and Salary Administration Function

- 9.1 Total Compensation Approach
- 9.2 Direct Pay for Performance
- 9.3 Performance Management
- 9.4 Consideration for Smaller Organization
- 9.5 Consultant/Internal Customer Service Approach

Recommended Books:

- Compensation Management by Matthew J. Deluca.
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