

**NIRMA UNIVERSITY**  
**Institute of Management**  
**Master of Business Administration (Full Time) Programme/**  
**Integrated Bachelor of Business Administration-Master of Business**  
**Administration Programme/**  
**Master of Business Administration (Family Business &**  
**Entrepreneurship) Programme**

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<b>Course Code</b>	<b>MFT5SEHR01 MBM5SEHR01 MFB5SEHR01</b>
<b>Course Title</b>	<b>Compensation Management</b>

**Course Learning Outcomes (CLO):**

At the end of the course, students will be able to:

1. Define conceptual frameworks about compensation and its management
2. Explain compensation programmes design and implementation in various business contexts
3. Relate the role of compensation and compensation management to talent retention and culture building in organisations
4. Illustrate the significance of being a fair and ethical professional in compensation delivery
5. Summarise the required regulatory compliances in compensation management

**Syllabus**  
**Hours**

**Teaching**

<b>Unit I: An Introduction to Compensation Management</b> <ul style="list-style-type: none"> <li>• Business Strategy and Compensation Strategy</li> <li>• Compensation Strategy Frameworks, Theories Related to Pay</li> </ul>	04
<b>Unit II: Compensation Design</b> <ul style="list-style-type: none"> <li>• Compensation Structures, Internal and External Alignment in Compensation</li> <li>• Job Evaluation, Market Competitiveness</li> <li>• Employee Benefits, Allowances and Total Reward, Cost to the Company</li> </ul>	10
<b>Unit III: Regulatory Framework for Compensation in India</b> <ul style="list-style-type: none"> <li>• Legal Framework in Compensation Management– payments, deductions, social security, (Payment of Wages Act, Minimum Wages Act, Payment of Bonus Act, Payment of Gratuity Act, Provident Funds and Miscellaneous Provisions Act, Employees State Insurance Act)</li> <li>• Income Tax – what the HR professional must know,</li> </ul>	05
<b>Unit IV: Paying for Performance and Contingent Pay</b> <ul style="list-style-type: none"> <li>• Recognising and Rewarding Performance through Compensation Systems</li> <li>• Incentive Schemes – for shopfloor, sales personnel, managerial personnel;</li> </ul>	05
<b>Unit V: Compensation Administration</b> <ul style="list-style-type: none"> <li>• Administration of Compensation Systems, administrative decision making</li> <li>• Using Technology for Compensation Administration</li> </ul>	03
<b>Unit VI: The Application of Compensation Strategy</b> <ul style="list-style-type: none"> <li>• Alignment of Compensation in Mergers and Acquisitions,</li> </ul>	03

<ul style="list-style-type: none"> <li>• Ethical Issues in Compensation Management</li> <li>• Expatriate Compensation, Compensation and Organisational Change</li> </ul>	
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### **Suggested Readings:**

1. Bhattacharyya, D. K., Performance management systems and strategies. Pearson Education India.
2. Flannery, T. P., Hofrichter, D. A., & Platten, P. E., People, Performance, & Pay: Dynamic compensation for changing organizations. Simon and Schuster.
3. Henderson, R. I., Compensation management in a knowledge-based world. Prentice Hall.
4. Heneman, R. L., Business-driven compensation policies: Integrating compensation systems with corporate strategies. Amacom.
5. Armstrong, M., & Murlis, H., Reward management: A handbook of remuneration strategy and practice. Kogan Page Publishers.
6. Milkovich, G. T., Newman, J. M., & Milkovich, C., Compensation, New York: McGraw-Hill.

w.e.f. Academic Year 2019-20 and onwards