

VI Semester Electives - HR

17BB328-PERFORMANCE AND COMPENSATION MANAGEMENT

Course Objective:

To provide an outline of Managing Employee Performance and thus enabling those to establish and manage appropriate Compensation for the Employees and Executives.

Course outcomes:

By the end of the course the learners are expected to

- Be able to show awareness of the process and principles of Performance Management.
- Understand the governing body in the performance review process.
- Identify the negative aspects of appraisal system and consider how these can be overcome.
- Apply the compensation/reward system with regard to performance.
- Understand the designing and fixation of pay in relation to job.

UNIT - I

Performance Management: Introduction of Performance Management – Meaning and Definition, Concept & Perspectives, Pre-requisites, Principles, Elements, Imperatives and Challenges – Job Performance: Determinants and Five-Factor Model – Performance Management System: Elements, Objectives and Functions.

UNIT- II

Performance Management Process – I: Introduction of PMP – Performance Planning: Meaning & Definition, Objectives, Importance, Methodologies, Process – Competency Mapping: Meaning & Definition, Methods, Linkage to Performance Planning – Performance Managing – Meaning & Definition, Characteristics, Objectives, Process.

UNIT- III

Performance Management Process – II: Performance Appraisal: Meaning & Definition, Characteristics, Objectives, Principles, Process, Methods and Common Rating Errors, Elements of Good Performance Appraisal – Performance Monitoring: Meaning & Definition, Objectives, DSMC/ATI Model and Process – Role of HR: Role, Seven sins of HR Professionals, Seven rules of Excellence for HR Professional.

UNIT - IV

Compensation Management: Compensation: Perspectives and Types , Common terms, Theories – Job Analysis – Job Evaluation – Performance Related Pay: Introduction, Objectives, Individual Performance Related Pay, Advantages and Disadvantages – Team Performance Related Pay: Team Incentive Plans, Advantages

and Disadvantages - Person-Based Compensation: Skill-based pay, Competency-based pay

UNIT – V

Pay Design and Structure: Types of Wage Differentials – Wage Fixation: Collective Bargaining, Process, Statutory Wage Fixation – Introduction, Designing Pay structure, Components – Executive Compensation: Introduction, Principal-Agent Theory, Components of Executive Compensation, Suggestions – Compensation Strategy: Components and Significance, Developing Compensation strategy, Policies that are strategically relevant – Global Compensation: Emerging Issues – Compensation Practices of Different Countries.

Skill Development:

(These activities are only indicative, the Faculty member can innovate)

1. Make a study of the performance management system in an MNC in Bangalore.
2. Study the performance appraisal of an international employee as compared to the host country national.
3. Report on the process of setting work standards in an organisation.
- 4.

numerate ways to use performance management training activity to explore the various elements and techniques that are key to the successful introduction of a sense of ‘partnership’ between an employee and their supervisor.

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TEXT BOOKS:

1. A. S. Kohli and T. Deb, “Performance management”, 1/e, Oxford University Press, New Delhi, 2008.
2. Mousumi S. Bhattacharya and Nilanjan Sen Gupta, “Compensation Management”, 1/e, Excel Books, New Delhi, 2009

REFERENCE BOOKS:

1. Michael Armstrong & Angela Baron, “Performance management: The New realities”, Jaico Publishing House, New Delhi 2002.
2. Dewakar Goel: “Performance Appraisal and Compensation Management – A Modern Approach”, 2/e, PHI Learning, New Delhi, 2012.