

**Commerce 4BE3
Strategic Compensation and Reward Systems
Winter 2021 Course Outline**

**Human Resources & Management Area
DeGroote School of Business
McMaster University**

COURSE OBJECTIVES

How workers are compensated is of critical importance to organizations, workers, and society. In addition to being intricately linked to motivation, employee recruitment and retention, and performance (among other outcomes), compensation and rewards systems can also represent significant forms of social injustice linked to income inequality, racial discrimination, and the decline of employee well-being. This course investigates the process in which compensation and rewards systems are designed and administered, while considering the effects of this design on outcomes for a broad range of stakeholders.

INSTRUCTOR AND CONTACT INFORMATION

Fri 8:30 – 11:30
Dr. Sean O’Brady
Instructor

obradys@mcmaster.ca

Office Location/Hours: Zoom, by appointment

Tel: (905) 905-525-9140 ext. 24250

Class Location: Zoom

Student TA

Javid Nafari

nafarij@mcmaster.ca

Office Location/Hours: Zoom, by appointment

COURSE ELEMENTS

Credit Value: 3	Leadership: Yes	IT skills: No	Global view: Yes
A2L: Yes	Ethics: Yes	Numeracy: No	Written skills: Yes
Participation: Yes	Innovation: No	Group work: Yes	Oral skills: Yes
Evidence-based: Yes	Experiential: Yes	Final Exam: Yes	Guest speaker(s): Yes

COURSE DESCRIPTION

This course will explore:

- Internal factors and processes that influence how companies design their compensation and rewards systems
- External factors and their role in shaping the design of compensation and rewards systems in response to competitiveness considerations
- Employee benefits and their role in the overall compensation mix
- How unions and governments influence compensation outcomes
- Compensation from an international perspective
- The implications of compensation management for a variety of stakeholders across a variety of outcomes

LEARNING OUTCOMES

Upon successful completion of this course, students will have:

- A sound understanding of how compensation and rewards systems are designed and implemented in organizations, from both a theoretical and practical perspective
- The ability to critically assess the strengths and limitations of compensation systems and strategies, which will be developed through discussions (in-class and on discussion boards) and a case-study
- Knowledge of key issues facing modern compensation arrangements in the private and public sector
- Recognition of the importance of compensation and rewards to broader forms of social injustice, such as income inequality, pay equity, mental health outcomes, and intersectionality
- Knowledge of both domestic and international trends in compensation
- Improved their capacity for critical thought and argumentation through the interactive components of the course

COURSE MATERIALS AND READINGS

Milkovich, G.T., Newman, J., Gerhart, B., and Yap, M. (2020). *Compensation*, 5th Canadian Edition. McGraw-Hill: Emond Publishing.

Additional readings will be made available on Avenue to Learn.

COURSE OVERVIEW AND ASSESSMENT

BREAKDOWN OF CLASS ACTIVITIES

ACTIVITY	DELIVERY	DESCRIPTION	TOOL(S)
Lectures	Synch	Live sessions by instructor	Zoom
Class participation	Synch	Participation in class discussions	Zoom
Discussion board participation	Asynch	Participation in discussion boards	A2L
Readings	Asynch	Mandatory course readings	Textbook/A2L
Case-study	Asynch	Company analysis	MS Word

EVALUATION

GRADE COMPONENT	WEIGHT	DESCRIPTION
Class Participation	10%	Class participation in the form of active and informed participation in class discussions, including reading all assigned material before class
Discussion board participation	15%	Participation in discussion board on A2L
Case-study	25%	A written analysis of a company's compensation strategy
Midterm	25%	Completion of a timed exam in Avenue to Learn
Final Exam	25%	Completion of a timed exam in Avenue to Learn in the exam period (<u>not cumulative</u>)

Missed tests/exams will receive a grade of zero unless the student has submitted and been approved for a Notification of Absence or MSAF. Late assignments will be penalized 10% for each day they are late. Your final grade will be calculated as follows:

COURSE DELIVERABLES

Class Participation

Class participation is worth **10%** of your final grade. Students are expected to attend class, to have read the assigned material before class, and discuss the material in an active and informed manner.

Discussion board participation

Students' participation on the Avenue to Learn discussion board will be evaluated. This component is worth **15%** of your final grade. In most sessions, students will be assigned one or two brief articles referring to a key issue and/or case on compensation. On each day an "article for discussion" has been assigned, the teaching assistant and/or professor will post a question relating to that reading. For periods of one or two weeks (see the course calendar below for the opening and closing times of each discussion), students will post comments in the discussion board. The teaching assistant/professor may make further posts to facilitate further discussion.

Both the quantity and the quality of these posts will be evaluated. On the whole, students who post many comments that are thoughtful, demonstrate knowledge of the assigned reading material (including both the discussion article(s) and the textbook), and which make significant efforts to engage with others on the board (e.g. by commenting on peers' posts) will receive the highest grade on this component.

Midterm

The midterm covers material from sessions 1-4 and is worth **25%** of your final grade.

Final Exam

The final exam covers material from sessions 7-12 and is worth **25%** of your final grade. This exam is not cumulative.

Case-Study

A case-study worth **25%** of your final grade is due on March 26th, 2021. You and approximately four other students will role-play as consultants and provide your client with key knowledge on the compensation strategy of a major company. Further instructions will be provided in-class.

The written portion of the assignment will consist of 4,000-5,000 words. Groups whose word count is outside of this range will be penalized. Students are expected to conduct research on the company and industry using external sources while drawing on the textbook to inform their analysis. All texts mobilized in this analysis are to be cited in APA format. Students will also need to defend their analysis through a one-on-one meeting with their client (by appointment with Javid, the teaching assistant). The written submission should adhere to the following standards:

- Times New Roman font
- Double-spaced
- Standard 8.5" x 11" paper
- 1" margins on sides of paper
- Proper referencing in APA format: <https://owl.english.purdue.edu/owl/resource/560/01/>

COMMUNICATION AND FEEDBACK

Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Area Administrative Assistants. All students must receive feedback regarding their progress prior to the final date by which a student may cancel the course without failure by default.

- *For Level 1 and Level 2 courses, this feedback must equal a minimum of 20% of the final grade.*
- *For Level 3 courses and above, this feedback must equal a minimum of 10% of the final grade.*

Instructors may solicit feedback via an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

In the event of an absence for medical or other reasons, students should review and follow the Academic Regulation in the Undergraduate Calendar “Requests for Relief for Missed Academic Term Work” and the link below;

<http://ug.degroote.mcmaster.ca/forms-and-resources/missed-course-work-policy/>

ACADEMIC INTEGRITY

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity. **It is your responsibility to understand what constitutes academic dishonesty.**

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university.

For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/), located at <https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/>

The following illustrates only three forms of academic dishonesty:

- plagiarism, e.g. the submission of work that is not one's own or for which other credit has been obtained.
- improper collaboration in group work.
- copying or using unauthorized aids in tests and examinations.

AUTHENTICITY/PLAGIARISM DETECTION

Some courses may use a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. For courses using such software, students will be expected to submit their work electronically either directly to Turnitin.com or via an online learning platform (e.g. A2L, etc.) using plagiarism detection (a service supported by Turnitin.com) so it can be checked for academic dishonesty.

Students who do not wish their work to be submitted through the plagiarism detection software must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software.

All submitted work is subject to normal verification that standards of academic integrity have been upheld (e.g., on-line search, other software, etc.). For more details about McMaster's use of Turnitin.com please go to www.mcmaster.ca/academicintegrity.

COURSES WITH AN ON-LINE ELEMENT

Some courses may use on-line elements (e.g. e-mail, Avenue to Learn (A2L), LearnLink, web pages, capa, Moodle, ThinkingCap, etc.). Students should be aware that, when they access the electronic components of a course using these elements, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course.

The available information is dependent on the technology used. Continuation in a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

ONLINE PROCTORING

Some courses may use online proctoring software for tests and exams. This software may require students to turn on their video camera, present identification, monitor and record their computer activities, and/or lock/restrict their browser or other applications/software during tests or exams. This software may be required to be installed before the test/exam begins.

CONDUCT EXPECTATIONS

As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the “Code”). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, **whether in person or online**.

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students’ access to these platforms.

ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES

Students with disabilities who require academic accommodation must contact [Student Accessibility Services](#) (SAS) at 905-525-9140 ext. 28652 or sas@mcmaster.ca to make arrangements with a Program Coordinator. For further information, consult McMaster University’s [Academic Accommodation of Students with Disabilities](#) policy.

ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)

Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the [RISO](#) policy. Students should submit their request to their

Faculty Office **normally within 10 working days** of the beginning of term in which they anticipate a need for accommodation or to the Registrar's Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

COPYRIGHT AND RECORDING

Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

EXTREME CIRCUMSTANCES

The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, A2L and/or McMaster email.

RESEARCH USING HUMAN SUBJECTS

All researchers conducting research that involves human participants, their records or their biological material are required to receive approval from one of McMaster's Research Ethics Boards before (a) they can recruit participants and (b) collect or access their data. Failure to comply with relevant policies is a research misconduct matter. Contact these boards for further information about your requirements and the application process.

McMaster Research Ethics Board (General board): <https://reo.mcmaster.ca/>

Hamilton Integrated Research Ethics Board (Medical board): <http://www.hireb.ca/>

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in Commerce 4BC3 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

COURSE SCHEDULE

**Commerce 4BE3
Strategic Compensation and Reward Systems
Winter 2021 Course Schedule**

WEEK	DATE	ASSIGNMENT
Introduction		
Session 1 <i>Introduction</i>	Friday Jan. 15	<p>Reading: Milkovich, G. T., Newman, J., Gerhart, B., & Yap, M. <i>Compensation</i>. Fifth Canadian Edition. McGraw-Hill Education, 2017 (Chapter 1).</p> <p>Article for discussion board: Wilson, J. 2020. Wage increase lowers suicide rate among workers with high school education: Report. <i>Canadian HR Reporter</i>. January 10. Found at https://www.hrreporter.com/focus-areas/compensation-and-benefits/wage-increase-lowers-suicide-rate-among-workers-with-high-school-education-report/324799.</p> <p>Discussion board activity: Opens: Immediately after first question is posted on January 15th, 2021 Closes: Thursday, January 22nd at 11:59pm.</p>

<p>Session 2 <i>The pay model and strategy</i></p>	<p>Friday Jan. 22</p>	<p>Reading: Milkovich, G. T., Newman, J., Gerhart, B., & Yap, M. <i>Compensation</i>. Fifth Canadian Edition. McGraw-Hill Education, 2017 (Chapter 2).</p> <p>Articles for discussion board: Weikle, B. 2020. Canada's top 100 CEOs have already earned more than the average Canadian will all year. <i>CBC News</i>. January 2. Found at https://www.cbc.ca/news/business/canada-top-100-ceo-salary-1.5413124</p> <p>Hegarty, S. (2020) The boss who put everyone on 70k. <i>BBC News</i>. February 28. Found at https://www.bbc.com/news/stories-51332811.</p> <p>Discussion board activity: Opens: Immediately after first question is posted on January 22nd, 2021 Closes: Thursday, January 28th at 11:59pm</p>
Internal Alignment: Determining the Structure		
<p>Session 3 <i>Defining internal alignment / job analysis</i></p>	<p>Friday Jan. 29</p>	<p>Readings: Milkovich, G. T., Newman, J., Gerhart, B., & Yap, M. <i>Compensation</i>. Fifth Canadian Edition. McGraw-Hill Education, 2017 (Chapters 3 and 4).</p> <p>Article for discussion board: Bresge, A. 2020. Gender pay gap persists in medicine because of systemic biases, study says. <i>CTV News</i>. August 31. Found at http://ctv.news/m9VSSXI.</p> <p>Discussion board activity: Opens: Immediately after first question is posted on January 29th, 2021 Closes: Thursday, February 5th at 11:59pm.</p>
<p>Session 4 <i>Pay structures / job evaluation</i></p>	<p>Friday Feb. 5</p>	<p>Readings: Milkovich, G. T., Newman, J., Gerhart, B., & Yap, M. <i>Compensation</i>. Fifth Canadian Edition. McGraw-Hill Education, 2017 (Chapters 5 and 6).</p>
<p>Session 5</p>	<p>Friday Feb. 12</p>	<p><u>Midterm</u> on Avenue to Learn during regularly scheduled class time</p>
<p>Session 6</p>	<p>Friday Feb. 19</p>	<p>Mid-term recess</p>
External Competitiveness: Determining the Pay Level		
<p>Session 7 <i>External competitiveness and compensation design</i></p>	<p>Friday Feb. 26</p>	<p>Readings: Milkovich, G. T., Newman, J., Gerhart, B., & Yap, M. <i>Compensation</i>. Fifth Canadian Edition. McGraw-Hill Education, 2017 (Chapters 7 and 8).</p> <p>Article for discussion board: Gilchrist, K. 2020. From Facebook to Reddit, how Silicon Valley salary adjustments could redefine remote worker earnings. <i>CNBC</i>. November 20. Found at https://www.cnbc.com/2020/11/05/how-silicon-valley-facebook-salary-cuts-are-shaping-remote-worker-pay.html.</p>

		<p>Discussion board activity: Opens: Immediately after first question is posted on February 26th, 2021 Closes: Thursday, March 4th at 11:59pm.</p>
<p>Session 8 <i>Employee benefits</i></p>	<p>Friday Mar. 5</p>	<p>Readings: Milkovich, G. T., Newman, J., Gerhart, B., & Yap, M. <i>Compensation</i>. Fifth Canadian Edition. McGraw-Hill Education, 2017 (Chapter 9).</p> <p>Articles for discussion board: No Author. 2020. Don't Listen to Big Pharma Lobbyists: Universal Pharmacare Would Be Good for Workers and Good for Business. <i>PressProgress</i>. February 20. Found at https://pressprogress.ca/dont-listen-to-big-pharma-lobbyists-universal-pharmacare-would-be-good-for-workers-and-good-for-business/.</p> <p>No Author. 2017. Canada pays more for prescription drugs than comparable countries: study. <i>CTV News</i>. June 12. Found at https://www.ctvnews.ca/health/canada-pays-more-for-prescription-drugs-than-comparable-countries-study-1.3454056.</p> <p>Discussion board activity: Opens: Immediately after first question is posted on March 5th, 2021 Closes: Thursday, March 11th at 11:59pm.</p>
<p>Employee Contributions: Determining Individual Pay</p>		
<p>Session 9 <i>Pay-for-performance</i></p>	<p>Friday Mar. 12</p>	<p>Readings: Milkovich, G. T., Newman, J., Gerhart, B., & Yap, M. <i>Compensation</i>. Fifth Canadian Edition. McGraw-Hill Education, 2017 (Chapters 10 and 11).</p> <p>Articles for discussion board: No Author. (2019). Performance-based pay linked to employee mental-health problems, study shows. <i>The Source</i>. March 20. Found at https://source.wustl.edu/2019/03/performance-based-pay-linked-to-employee-mental-health-problems-study-shows/.</p> <p>Discussion board activity: Opens: Immediately after first question is posted on March 12th, 2021 Closes: Thursday, March 18th at 11:59pm.</p>
<p>Managing the System</p>		
<p>Session 10 <i>Governments, unions, and budget administration</i></p>	<p>Friday Mar. 19</p>	<p>Readings: Milkovich, G. T., Newman, J., Gerhart, B., & Yap, M. <i>Compensation</i>. Fifth Canadian Edition. McGraw-Hill Education, 2017 (Chapters 12 and 13).</p> <p>Articles for discussion board: Brennan, J. (2014). Labour unions in the 21st century? <i>Canadian Centre for Policy Alternatives</i>. Found at https://www.policyalternatives.ca/publications/monitor/labour-unions-21st-century</p> <p>Opens: Immediately after question is posted on March 19th, 2021 Closes: Thursday, March 25th at 11:59pm.</p>

<p>Session 11 <i>Guest Lecture</i></p>	<p>Friday Mar. 26</p>	<p>Topic: Advancing Pay Equity in the Federal Public Service</p> <p>Speaker: Emily Kent, BA, MPPA, Advisor, Treasury Board of Canada Secretariat, Government of Canada</p> <p><u>Deadline for case-study analysis submission</u> - Meetings with Javid will take place between March 26th, 2021 and April 1st, 2021</p>
<p>Session 12 <i>International pay systems</i></p>	<p>Friday Apr. 2</p>	<p>Readings: Milkovich, G. T., Newman, J., Gerhart, B., & Yap, M. <i>Compensation</i>. Fifth Canadian Edition. McGraw-Hill Education, 2017 (Appendix: International Pay Systems).</p> <p>Article for discussion board: Newman, A. (2018). Australia pays fast-food workers \$20 an hour and the sky hasn't fallen. <i>The Globe and Mail</i>. February 20. Found at https://www.theglobeandmail.com/report-on-business/small-business/talent/australia-pays-fast-food-workers-20-an-hour-and-the-sky-hasnt-fallen/article38026876/.</p> <p>Opens: Immediately after question is posted on April 2nd, 2021 Closes: Thursday, April 22nd at 11:59pm.</p>
<p>Session 13</p>	<p>Friday Apr. 9</p>	<p><u>Final exam</u> on Avenue to Learn during regularly scheduled class time.</p>

*****Synchronous sessions will be recorded*****