

**Faculty of Business**  
**COMMERCE 4BE3**  
**Strategic Compensation/Reward Systems**  
***Fall 2025***



## Instructor Information

Yao Yao

**Email:** yao33@mcmaster.ca

**Office:** DSB424

**Office Hours:**

By appointment.

I am generally available for short comments and questions before and after classes.

Please email to schedule appointments if your issue cannot be resolved in a few minutes.

## Course Information

**Lectures:** Monday 8.30-11.20am

**Course Dates:** 09/02/2025 - 12/04/2025

**Units:** 3.00

**Course Delivery Mode:** In Person

**Course Description:** Key issues in designing effective pay systems are discussed. Topics include: job evaluation, market pay surveys, pay structures, performance incentives, knowledge pay and employee benefits. Lectures (three hours) Prerequisite(s): COMMERCE 2BC3 or IBH 2AC3; and registration in any Bachelor of Commerce, Labour Studies or Engineering and Management program or relevant minor (see Faculty Note 2.)

## Important Links

- [Mosaic](#)
- [Avenue to Learn](#)
- [Student Accessibility Services - Accommodations](#)
- [McMaster University Library](#)
- [eReserves](#)

## Course Elements

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Credit Value: 3.0	Leadership: Yes	IT Skills: No	Global View: Yes
Avenue to Learn: 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): No

## Course Learning Outcomes

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- 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 in-class discussions and assignments
- 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 capacity for critical thought and argumentation through the interactive components of the course

## Required Materials and Texts

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Please sign in with your MacID [here](#) to view your booklist

### Compensation

**Authors:** Yap, M., Gerhart, B., and Newman, J.

**Publisher:** McGraw Hill Publishing

**Publication Date:** 2021

**Edition:** 6th

At the campus store, a paperback hardcopy costs \$124.95, and a digital copy costs \$64.95. You are free to obtain a used copy from other sources.

If you choose to use an older edition of the text, it is your responsibility to cross-check with the current edition and ensure you are learning the most updated knowledge in the area.

Additional materials will be made available on Avenue to Learn.

## Class Format

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### In Person

The class will consist of weekly 3-hour in-person meetings. Class time will be dedicated to lectures, activities and exercises, including graded elements. Some activities may require the use of a digital device suitable for typing easily. It is essential that students read the textbook and additional materials (made available on Avenue to Learn each week) before each class.

Students will be provided with one or two short breaks during each session.

## Course Evaluation

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Grade Component	Weight	Date
Class Participation	10%	ongoing

Group case studies	6% *4	Sept 29, Oct 6, Nov 10, Nov 28
Midterm Exam	30%	Oct 20 (in-class time; Location: T13 101)
Individual Reflection Paper	6%	Dec 1 (in-class, by hand)
Final Exam	30%	TBD (final exam period)

## Course Evaluation Details

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### 1) Class Participation

Participation marks will be given based on the value you create for the whole class. Examples of the ways you can create value include but are not limited to:

- Attending every class (necessary but not sufficient).
- Actively engaging in class activities and submitting occasional mini-deliverables for activities.
- Asking questions that prompted the instructor to clarify complex materials.
- Always being respectful and professional in class.
- Participating in surveys that help to improve the course.

You may lose participation marks if you display behaviours that harm the learning environment, such as chatting, walking out during classes, arriving late, or leaving early (extenuating circumstances should be explained to the instructor in person or in email on the day of the class).

### 2) Group Case Study

- This 5-part group case study runs throughout the semester. The first part is an ungraded exercise and each of the 4 remaining parts accounts for 6% of the course grade. In each part, you will apply your learning in the most recent weeks to help ABC company construct their compensation system.
- Groups have 24 hours to complete each part, including approximately one-hour in-class work time. All groups (4-6 students) will be randomly assigned. You will work with the

same group throughout the semester. The case materials and more details will be available on A2L.

- All submissions use the standard cover page and follow the formatting guidelines (available on A2L). On the cover page, groups must confirm the participation of each member in each submission. Members who are absent from that part will not receive the corresponding grades and may be given makeup opportunities (see the "Absences, missed work, and illness" section).

### 3) Midterm Exam

This closed-book exam will cover content taught in the first five weeks of the course. More details such as the length and format of questions will be made available in class and on A2L. The exam will take place during class time in **Room T13 101**.

### 4) Individual Reflection Paper

A short in-class individual writing assignment in the last class of the semester. Writing prompts will be given in class. You will write by hand.

### 5) Final Exam

Closed-book exam during the final exam period, covering content taught throughout the semester, with an emphasis on that taught after the midterm. More information will be made available at the end of the semester.

## Course Schedule

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- Additional reading materials will be made available each week. You are expected to read the listed materials before classes to be able to effectively engage and contribute.
- Lecture content and class activities may deviate from the plan below. Any changes affecting your preparation will be notified in advance on A2L.

Date	Topic	Reading	Class Activity
Session 1 Sept 8	Introduction; Pay Model	Course outline Chapter 1	Pre-class survey Fun quiz: survive the course

Session 2 Sept 15	Strategy	Chapter 2	Meet your group
Session 3 Sept 22	Defining Internal Alignment; Job Analysis	Chapters 3 and 4	Group Case Study Part 0: Compensation Strategy
Session 4 Sept 29	Job-based Pay Structures and Job Evaluation; Person-based Pay Structures	Chapters 5 and 6	Job evaluation exercise <b>Case Study Part 1: Internal Alignment</b>
Session 5 Oct 6	Defining External Competitiveness; Designing Pay Levels, Pay Mix, and Pay Structures	Chapters 7 and 8	Case Study Part 2: External Competitiveness
<b>Midterm Recess: No Class</b>			
Session 6 Oct 20	<b>Midterm Exam (Location: T13 101)</b>		
Session 8 Nov 3	Employee Benefits	Chapter 9	Dream company, real perks
Session 9 Nov 10	Pay-for-Performance	Chapters 10 and 11	Case Study Part 3: Pay-for-Performance
Session 10 Nov 17	The Role of Governments and Unions	Chapter 12	Stakeholder Negotiation Simulation
Session 11 Nov 28	Compensation Budgets and Administration	Chapter 13	Case Study Part 4: Compensation Communication
Session 12 Dec 1	Final Exam Info and Q&A Final Review		In-class Reflection Paper
TBD	<b>Final Exam</b>		Time and Location TBD

## Late Assignments

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Late assignments will be penalized 10% for each 24 hours they are late and will not be accepted after 72 hours past the deadline (receiving a grade of 0).

## Absences, Missed Work, Illness

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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/>

\* Non-Commerce students must follow the Missed Course Work protocols outlined by their home faculty and Program Office.

### **Midterm and Individual Reflection Paper:**

Missed tests/exams will receive a grade of zero unless the student has submitted and been approved for a Notification of Absence or MSAF.

### **Group Case Study:**

Students get group grades only if they participate in the corresponding parts of the case study. Students who miss up to two parts with legitimate causes (accompanied by acceptable documentation such as a doctor's note) will be given the opportunity to make up for the grade with one additional individual case study at the end of the semester for each part missed. Any further absence and any absence without documentation will qualify make-up opportunities.

## Generative AI: Some Use Permitted

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Students may use generative AI for editing/translating/revising their work throughout the course so long as the use of generative AI is referenced and cited following citation instructions given in the syllabus. Use of generative AI outside the stated use of editing/translating/revising without citation will constitute academic dishonesty. It is the student's responsibility to be clear on the limitations for use and to be clear on the expectations for citation and reference and to do so appropriately.

**If you use generative AI in your graded coursework, you will need to submit all relevant chats in full.**

## APPROVED ADVISORY STATEMENTS

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## 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](#).

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

**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. Avenue to Learn, 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](http://www.mcmaster.ca/academicintegrity).



## Courses with an On-line Element

***Some courses may*** use on-line elements (e.g. e-mail, Avenue to Learn, 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](mailto:sas@mcmaster.ca) to make arrangements with a Program Coordinator. For further information, consult McMaster University's [Academic Accommodation of Students with Disabilities](#) policy.

## **Requests for Relief for Missed Academic Term 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 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, Avenue to Learn and/or McMaster email.