

School of Management

MGMT3728

Managing Pay and Performance

Course Outline

Semester 2, 2017

The Business School expects that you are familiar with the contents of this course outline. You must also be familiar with the Course Outlines Policies webpage which contains key information on:

- Program Learning Goals and Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Student Support and Resources

This webpage can be found on the Business School website - :
<https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>

MGMT3728

Managing Pay and Performance

Semester 2, 2017

CONTACT DETAILS

LIC and course coordinator:

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Tutor: Catherine Dolle-Samuel

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Lecture time and place:

Thursdays 9am-11am ChemSc M11

Tutorial times and places:

Thursdays:

12pm QUAD G052

1pm QUAD G052

2pm QUAD G046

Consultation time with Sarah:

Times are flexible, but a prior appointment is essential – just phone or email to make a mutually suitable arrangement.

Consultation time with Catherine:

Thursdays 3-4pm

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COURSE OVERVIEW:

This course examines contemporary practices in managing pay and performance from both applied and theoretical perspectives, analysing the current trend away from traditional fixed, job-based pay to variable, person-based and performance-based remuneration. Topics covered include: HRM and the New Pay, motivation theory, fair pay, job evaluation, pay for skill and competencies, merit pay, recognition awards, performance appraisal vs performance management, broad-banding, team-based pay, gainsharing, employee share ownership, and executive pay. We will examine strategies for achieving an efficient and equitable mix of pay methods appropriate to all job levels.

Acknowledgement: This course outline builds on the work of Dr John Shields, Dr John O'Brien, Dr Anne Junor, Dr Ian Hampson, Dr Sam Kovacevic, and Catherine Dolle-Samuel. Any shortcomings are solely attributable to the current LIC.

STRATEGIES FOR SUCCESSFUL LEARNING:

Learning and teaching in MGMT3728 will be based on interactive lecture delivery, absorption of suggested reading material and tutorial discussion. The lectures critically evaluate core concepts and theories in the area. Tutorials reflect a learning philosophy that puts discussion and debate at the centre of higher learning.

Avoiding 'passive' learning techniques, class discussions encourage you discuss ideas from your readings, test your understanding on classmates, and listen to their points of view in a non-threatening environment. High importance is placed on regular and engaged tutorial participation based on prior preparation. The course uses practical case studies and relevant assessment opportunities to practise skills that you might need in employment.

PURPOSE:

MGMT3728, *Managing Pay and Performance*, is a specialist elective you can take as part of a major or minor in Human Resource Management, towards completion of a Bachelor of Commerce degree. It constitutes 6 units of credit. This course help you to critically assess the strategic, ethical and social implications of performance systems, so that you can intervene to resolve problematic aspects of pay and performance regimes. At the end of the course, you should be able to engage in organisational and public debates about the strengths and weaknesses of various approaches to this important aspect of human resource management practice. Successful completion of this course should enable you to:

- Explain a range of theories and debates associated with the issues of the psychological contract, work motivation, employee satisfaction, and competency;
- Adopt and defend an informed and ethical position on equity and organisational and social justice, including wage dispersion, 'pay-at risk'; and the gender pay gap;
- Identify and describe various performance management methods available to contemporary human resource practitioners
- Explain both 'best-fit' and 'best practice' approaches to strategic management;
- Describe and assess the range of financial and non-financial rewards available;
- Learn appropriate procedures for bias-free job evaluation, using appropriate data;
- Describe and critically assess the main types of performance-related pay;
- Develop an integrated and effective performance and reward management system.

STUDENT LEARNING OUTCOMES:

Business Undergraduate Program Learning Goals and Outcomes

1. Knowledge: Our graduates will have in-depth disciplinary knowledge applicable in local and global contexts.

You should be able to select and apply disciplinary knowledge to business situations in a local and global environment.

2. Critical thinking and problem solving: Our graduates will be critical thinkers and effective problem solvers.

You should be able to identify and research issues in business situations, analyse the issues, and propose appropriate and well-justified solutions.

3. Communication: Our graduates will be effective professional communicators.

You should be able to:

Prepare written documents that are clear and concise, using appropriate style and presentation for the intended audience, purpose and context, and

Prepare and deliver oral presentations that are clear, focused, well-structured, and delivered in a professional manner.

4. Teamwork: Our graduates will be effective team participants.

You should be able to participate collaboratively and responsibly in teams, and reflect on your own teamwork, and on the team's processes and ability to achieve outcomes.

5. Ethical, social and environmental responsibility: Our graduates will have a sound awareness of the ethical, social, cultural and environmental implications of business practice.

You should be able to:

Identify and assess ethical, environmental and/or sustainability considerations in business decision-making and practice, and

Identify social and cultural implications of business situations.

You can match these Course Learning Outcomes to Business School Learning Goals and Outcomes to the following table; they are indications of the knowledge, skills and personal/professional qualities MGMT3728 will help you to develop.

| Program Learning Goals and Outcomes | | Course Learning Outcomes | Course Assessment Item |
|---|--|---|---|
| <i>This course helps you to achieve the following learning goals:</i> | | <i>On successful completion of the course, you should be able to:</i> | <i>This learning outcome will be assessed in the following items:</i> |
| 1 | Knowledge | Explain a range of theories and debates associated with pay and performance | <ul style="list-style-type: none"> Team Tutorial Facilitation Job Evaluation Assessment Consultancy Report |
| 2 | Critical thinking and problem solving | Demonstrate your analysis, critical thinking and problem solving skills through common pay and performance workplace scenarios | <ul style="list-style-type: none"> Team Tutorial Facilitation Job Evaluation Assessment Consultancy Report |
| 3a | Written communication | Construct written work which is logically and professionally presented. | <ul style="list-style-type: none"> All assessments |
| 3b | Oral communication | Communicate ideas in a succinct and clear manner be able to articulate options, solutions and programs with regards to employee remuneration and performance. | <ul style="list-style-type: none"> Team Tutorial Facilitation Lecture and Tutorial Participation |
| 4 | Teamwork | Work collaboratively to complete a task. | <ul style="list-style-type: none"> Option of a group report Team Tutorial facilitation |
| 5a. | Ethical, social and environmental responsibility | Analyse wage dispersion, pay at risk and the gender pay gap | <ul style="list-style-type: none"> All assessments |
| 5b. | Social and cultural awareness | Develop an informed position on organisational and social justice | <ul style="list-style-type: none"> All Assessments |

COURSE ADMINISTRATION AND STUDENT RESOURCES

Lecture and tutorial timetable

| Week | Date | Lecture Topic | Tutorial Topic |
|---|--------|--|---|
| 1 | 27 Jul | Introduction to course – Key concepts and themes, work attitudes and behaviour | NO TUTORIALS |
| 2 | 3 Aug | Motivation, performance and money | Course intro and administration, tutorial facilitation allocation |
| 3 | 10 Aug | Organisational performance and individual contribution | Motivation, performance and money |
| 4 | 17 Aug | Assessing and developing individual contribution | Organisational performance and individual contribution |
| 5 | 24 Aug | Base pay structures, position-based pay, and job evaluation | Assessing and developing individual contribution |
| 6 | 31 Aug | Competency-based pay and managing poor performance | Base pay structures, position-based pay, and job evaluation |
| 7 | 7 Sep | Indirect pay and benefits | Competency-based pay and managing poor performance |
| 8 | 14 Sep | Rewarding performance: Individual and group merit and incentive pay | Indirect pay and benefits Job evaluation due 14 September |
| 9 | 21 Sep | Rewarding performance: Group and organisation-based incentives, executive remuneration | Rewarding performance: Individual and group merit and incentive pay |
| Mid-semester break: 23rd September – 2 October (public holiday) | | | |
| 10 | 5 Oct | Sources of pay inequity: how to address them | Rewarding performance: Group and organisation-based incentives, executive remuneration |
| 11 | 12 Oct | Remuneration and performance management in context: EBAs, contracts, negotiation | Sources of pay inequity: how to address them |
| 12 | 19 Oct | Total remuneration and performance system | Remuneration and performance management in context: EBAs, contracts, negotiation Total remuneration and performance system Consultancy report due 27th October |

REQUIREMENTS FOR SUCCESSFUL COURSE COMPLETION

Your regular and punctual attendance at all classes is expected in this course. University regulations indicate that if students attend less than 80% of scheduled classes, they may be refused final assessment. For more information, check out:

<https://my.unsw.edu.au/student/atoz/AttendanceAbsence.html>

a) **LECTURE PARTICIPATION: 2 HOURS PER WEEK**

Unsurprisingly, attending classes is a crucial element of the learning process! Lectures provide you with the conceptual orientation necessary for coming to terms with the themes and issues dealt with in each weekly topic. You can ask questions if something is not clear. Marks are not awarded for attendance, but non-attendance will most likely negatively affect your final mark.

In addition, exam questions are based on debates outlined in the lectures, debates that cannot necessarily be 'crammed' from one or two key sources. Coming to the lectures is the best form of exam preparation you can do. Please note:

- ❖ Detailed notes from each lecture will be posted on Moodle and Echo360 records the lectures if you must miss them.
- ❖ Perusing the lecture notes or listening to a recording, without attending the lectures, is like reading a travel guide – a poor substitute for the real thing!

b) **TUTORIAL PARTICIPATION: 1 HOUR PER WEEK**

The ability to work in teams, debate ideas and present material to an audience are basic tools of trade for professional employment and are also highly regarded skills in the wider community. The tutorial experience offers you a useful opportunity to refine these skills in a supportive peer group context. Through tutorial participation, you will have the opportunity to exchange ideas, build logical arguments and express informed opinions on the themes and issues canvassed by the course. In this way, it is hoped that you will develop your ability to think critically, debate ideas, work in groups and give oral presentations.

Please note that tutorials are not the same as lectures – they are the forums in which *you* mostly talk and *your tutor* mostly listens. Moreover, they are an opportunity for you to *demonstrate* the work you have done in the previous week and to earn marks in accordance with the quality of your contribution to the class.

What should you bring to class?

- ☒ **An open mind**
 - ☒ **Enthusiasm for debate**
 - ☒ **A sense of humour**
 - ☒ **A willingness to work hard**
-

COURSE ASSESSMENTS AND WEIGHTINGS:

| | Assessment Task | Weighting | Length | Due date |
|----|--|-----------|--|-------------------------------|
| 1) | Lecture and tutorial participation | 10% | See 4.3 below | Ongoing |
| 2) | Team tutorial facilitation <ul style="list-style-type: none"> Facilitation Self-reflection notes | 20% | Team facilitates in-class discussion Submits 1,000 words on reflection of effectiveness of facilitation | Determined in Week 2 tutorial |
| 3) | Job Evaluation Assessment | 25% | 2,100 words | |
| 4) | Consultancy Report | 45% | 2,500 words | |

NB: Although obviously desirable, it is not necessary to pass all assessment elements to pass the course – a composite mark of 50% is sufficient.

1) Tutorial attendance, preparation and participation: 10%

| Grade | Description | Mark |
|--------------------------------------|--|------|
| Outstanding contribution | Attends 80%+ tutorials and <u>actively contributes</u> in discussions. Contributions in class reflect thorough preparation. Provides good insights; has clear and thoughtful views; supports and argues for position, but is open to modifying view. | 9-10 |
| Satisfactory | Attends 80% + tutorials and <u>participates</u> in discussions. Contributions demonstrate some preparation for tutorial. Some contribution of facts or opinion. | 5-8 |
| Unsatisfactory | Attends 80%+ tutorials but is an <u>unwilling participant</u> , is observed to rarely speak in small group discussion and never voluntarily speaks in class discussions. For example: only speaks when directly addressed by a tutor. | 1-4 |
| Does not meet attendance requirement | Students must attend a minimum of 8 tutorials to be eligible for participation marks | 0 |

Tutorials will also provide you with an opportunity to **work in groups**, collaborating closely within that group, and then sharing the results of that collaboration with the rest of the class. **Tutorial topics relate to the preceding week's lecture.** This format will allow you to think about issues raised in lectures and to do the required reading before the tutorial. Even if you are busy, *reading something is much better than reading nothing.*

Please note: The 10% of your assessment assigned to tutorial preparation and participation can make a difference to your overall grade, so please don't waste it. You should not think that attendance on its own will be sufficient to do well. If your tutor cannot see and hear evidence of regular preparation for class, you cannot expect to do well in this assessment component.

2) Team Tutorial Facilitation and Self Reflection 20%

You will form groups of 3-4 (no more than 4) students to lead a tutorial between weeks 3 and 13 and your team will facilitate *part* of the tutorial (approx. 30-40mins). The high weighting attached to this assessment reflects the need to meet the all requirements. Each team is expected to facilitate a comprehensive and professional program to the class, focusing on generating class discussion.

You will be encouraged to spark controversy and use debates, role-play and case studies to generate discussion of the issues.

Specifically, you will:

- Illustrate the key issues and controversies with a case study or role play;
- Draw answers to tutorial questions from others in the tutorial group, AND
- Summarising those answers you might:
 - present a slide, flip-chart page, or handout summarising key points in your answers
 - use the whiteboard to collect extra points from other teams' conclusions;
 - organise a short role-play, case study or debate and draw comments from the class on how your material helps answer your questions for the
 - week. (See the Readings & Tutorial Questions List in Moodle).

In preparing for your team's leadership of the tutorial wrap-up, you **MUST** do **AT LEAST TWO** extra readings from the weekly list provided or additional journal or text readings. Please note that team facilitation **IS NOT** a repeat of lecture material or a simple presentation.

You are required to *facilitate and elicit answers* to the tutorial questions from those in the tutorial group and then bring those answers to some conclusion. The goal of this assessment is to develop your ability to lead discussion and challenge others with regards to the relevant material.

Reflection Summary: Your team will be required to submit reflection notes for your team facilitation. The self-reflection should focus on the effectiveness of the facilitation, including an assessment of the challenges, what worked and what was less effective. This will be **due in one week after** you deliver your team's facilitation.

Assessment criteria are:

- Summarise and explain a range of theories associated with remuneration & performance management, as per the Course Outline for your chosen week (without regurgitating lecture material)
- Demonstrate your analysis, critical thinking and problem solving skills through your ability to communicate and articulate options, solutions and programs with regards to employee remuneration and performance.
- Challenge, defend and effectively facilitate part of the tutorial in your team using innovative methods to bring out the key concepts and problems associated with the reading for your chosen week.
- Submit a Self- Reflection Summary critically analyse team facilitation effectiveness and issues raised by student colleagues during the tutorial
- Work collaboratively to complete the team task

Job Evaluation Assessment - DUE DATE: 14 September, submit on Turnitin, worth 25%

This exercise can be found on Moodle. You will be given two position descriptions, amplified by the results of completed job analysis questionnaires, and asked to apply a factor plan to them, writing short comments explaining your decisions. There will also be five short-answer questions to check your conceptual understanding of job evaluation activities.

Note: If you do not attend the lecture in Week 5, nor complete the reading required for that week, plus undertake additional reading for the assessment, you will struggle to complete this assessment. It is designed to develop your ability to complete a job evaluation, something most managers will need to do at some point, whether they work in HR or not.

Consultancy Report – DUE DATE: 27 October, submit on Turnitin, worth 45%

Length: 2,500 +/- 10% **per person** (see below). The word count for your work (i.e. the number of words in YOUR assignment) must be disclosed on the coversheet of your assignment.

| | | |
|--|---|----------------|
| The report must address the following areas: | | In word limit? |
| Assignment cover sheet, title page, executive summary, table of contents: | | No |
| Strategic Analysis <i>For the organisation:</i> <ul style="list-style-type: none"> Design a HR matrix (Figure 0.1, Shields p. 8) that applies to the organisation. Describe what currently exists in the organisation. Identify the internal and external environment in order to work out the organisation's key | performance requirements and key success factors (Figure 4.4, Shields p. 114). <ul style="list-style-type: none"> Identify key issues relating to motivation and fairness and make an initial judgment about possible problems of equity (including gender equity) in the management of both performance and remuneration. <p><i>Write a brief summary of your findings, with reasons (approx. 500 words).</i></p> | Yes |
| Introduction | | Yes |
| Body: <ul style="list-style-type: none"> Management of performance, feedback and development; Management of the base pay system and structure and its relationship to the market; Management of non-monetary rewards and of indirect and variable pay elements. Including consideration of: <ul style="list-style-type: none"> <i>The organisation's key success factors;</i> | <ul style="list-style-type: none"> <i>Issues with the organisation's present system in terms of 'best practice' (you will specialise on your chosen areas here if you are doing a group report);</i> <i>Overview of options for addressing these issues, identifying strengths and weaknesses;</i> <i>Implications of the Strategic Analysis in the selection of a 'best fit' option;</i> <i>An outline of the implementation details of your chosen option;</i> <i>How to address motivation (e.g. line of sight; financial/non-financial incentives) and of fairness (e.g. felt-fairness; equity, distributive and procedural justice; gender equity; dispersion).</i> | Yes |
| Conclusion | | Yes |
| Appendices, list of references/bibliography | | No |

Consultancy Report Requirements

You have a choice of **one** of the three case study organisations from Shields et al (2016) which will be made available on Moodle. This report will require students to make recommendations for three elements of a remuneration and performance management system appropriate to your chosen organisation. The three elements required are:

- Management of performance, feedback and development;
- Management of the base pay system and structure and its relationship to the market;
- Management of non-monetary rewards and of indirect and variable pay elements.

You have two options as to how to undertake this assignment.

Option 1

An individually written report –You will do the assignment on your own, producing a final report consisting of an Executive Summary, a Strategic Analysis (500 words), and the actual Report (2000 words). The Report will cover all three areas: (a) performance; (b) base pay; and (c) non-monetary, indirect and variable rewards.

OR

Option 2

A team report, with each team member receiving the same mark (Teams are of two and no more than three people). You will work together in preparing a joint Strategic Analysis. You will work together on writing and assembling the Report and the Executive Summary and Bibliography.

Each person will contribute up to 2000 words and you will collaborate on the Executive Summary and Strategic Analysis (500 words). You will both/all receive the same mark. If you embark on this option and find you have a free-rider, take one week to negotiate with this person, and then revert to the other two options, letting the lecturer know as soon as possible.

The lecturer reserves the right to direct a person to prepare an individually written report where this seems advisable. If choosing to submit a group report, you must advise the lecturer no later than Week 9.

| | |
|--|---|
| Formatting information Your assignments must be formatted as per the requirements below: <ul style="list-style-type: none">• Use 12pt font• 2.5cm left margin• 1.5 line spacing• Leave a line between each paragraph• Number each page | <ul style="list-style-type: none">• Student number and course code (MGMT 3728) to appear on every page• Identical electronic copy submitted via the Course Website• Coversheet completed correctly and attached - coversheet available on course website• Use Harvard method for referencing - more information can be found on the EDU website (no footnotes) |
|--|---|

Marking criteria:

- Overall quality of analysis, depth of reflection/ thinking in terms of the key themes
- Quality of academic research, report supported by at least 8 credible per consultant
- Executive summary identifies key success factors and gives clear guidance on option that best fits the strategic analysis and meets motivation and fairness criteria.
- The Strategic Analysis clearly analyses the situation of the organisation and its members.
- The Report clearly and tactfully identifies problems with present system, including issues of motivation and equity, summarises a range of options and proposes a clear solution demonstrating insight and practicality.
- Appropriate structure, clarity of expression and grammar, Correct in-text citations and bibliography format using Harvard style (EDU Harvard Guide)

COURSE READINGS:

The **prescribed textbook** for this course is:

John Shields et al (2016) *Managing Employee Performance and Reward*, 2nd edition, Cambridge University Press, Cambridge.

You are encouraged to read widely and should not feel that reading the textbook will be sufficient to gain a full appreciation of the material discussed. **Articles for each tutorial and assignments** will be placed on **Moodle** <http://moodle.telt.unsw.edu.au> – please read as many of them as you can, because they have been selected to illuminate important themes and debates discussed in the course.

SUBMITTING and RECEIVING ASSESSMENT ON YOUR ASSIGNMENTS:

- All written assignments **must** be submitted via the **Turnitin link in Moodle**.
- Assignments that are incomplete or have been incorrectly loaded onto Turnitin will be treated as the submitted assignment for assessment purposes. PDF is the best format for any files you upload. Subsequent submissions will be treated as late assignments if they are not uploaded before the due date + one week has elapsed (see below in Penalties for Late Assignments for more details).
- **No late submissions will be accepted** after assignments have been marked and results released.
- If you are having trouble with your written assignments at ANY point in the research and writing process, please don't leave it until the last minute to seek help – I'm happy to discuss problems and potential solutions at any stage.
- Students should keep an electronic copy of all work submitted for assessment.
- Your written work will be marked and published in GradeMark.

PENALTIES FOR LATE ASSIGNMENTS

- If you require an extension, take one week from the due date (until the following Friday) to submit your assignment **without penalty**. Nor is notice to me required.
- However, if you submit your assignment after that week has elapsed (ie after midnight of the following Friday, as registered by Turnitin), **one mark** will be subtracted from your result for each day/part day the assignment was not submitted, **backdated to the original due date**. In other words, a clock starts ticking from the original due date!
- Independent of this arrangement, you are still able to apply to me via email for a formal extension for a longer period, if you have experienced significant illness or

misadventure etc. However, this application must be submitted to me by email **before** the original due date. Please also see information in Part B about Special Consideration applications, in case it is relevant to you.

- For information on Special Consideration please refer to the Business School's [Course Outlines Policies webpage](#).

COURSE EVALUATION AND DEVELOPMENT

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's myExperience survey is one of the ways in which student evaluative feedback is gathered. In this course, we will seek your feedback through myExperience responses and make adjustments where appropriate.