

# HRIR 6502 (060) Rewards Management Strategies (Spring 2021)

## SYLLABUS

### HRIR 6502 – Rewards Management Strategies

### Spring 2021

Department of Human Resources  
& Industrial Relations

Instructor: Peter Ronza

Carlson School of Management

Cell: 612-803-3516

Tuesdays – 5:45pm to 9:05pm

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Classroom - CSOM 1-147

Office Hours – By appointment

### Course Description:

This course is an in-depth examination of specific compensation principles that expands upon the material from the core course (HRIR6501). It focuses on strategies for defining, measuring and rewarding employee contributions to organizational success. Concepts, principles and techniques for effectively managing employee performance and rewards will be explored. This course will utilize cases to illustrate real-world conflicts and the application of compensation principles and practices to arrive at their proper analysis and resolution.

### During this course:

We will focus on the concepts of compensation in the workplace. As a group, we will cover the key concepts, theories and methods that comprise this area as practiced in a variety of contexts and for a variety of purposes, such as recruitment, retention, and motivation.

The course will center on the needs of the Human Resources professional, as well as the organizational manager. There will also be an examination of the ethical issues related to total rewards. It is critical that we understand the impact that programs have on employees in the workplace, both in their professional and personal lives.

As an individual, you will pursue in greater depth, those areas that are related to your present and/or future area of practice. You will share this learning with the group so that we will all emerge from this learning experience having obtained breadth and depth in this field. The objective of this course is to instill in students the ability to analyze situations, devise logical courses of action and recommend sound human resources solutions to business problems.

**You will be involved in the following: (These are your assignments)**

**Active Class Participation and Key Concept Discussion Team**

**10%**

**READ! Reflect! Be ready to discuss assigned readings/cases and actively participate at each session.** This is necessary as in graduate courses, your reactions, reflections and opinion of the material is important to your learning experience and to that of your classmates. Most of us learn best when we are actively involved in the process of learning, this includes your reading and thinking about the course content. Please be sure you are actively involved and prepared for each course session. This will affect your grade in the course as well as the quality of your learning. Be ready to be involved in activities based on these cases/readings.

**Cases**

**60%**

You will compose short writing assignments on the six (6) cases that we will discuss during the course of the class. The assignments are individually worth 10% of your total class grade.

You will be required to submit a short paper (5-10 pages, 12-point font) for each case. They are due by email or paper copy no later than the beginning of class the day the case is discussed. Late papers will be counted as an incomplete. Your analysis should answer the following questions:

**Sears Auto Centers**

- What are the pros and cons of the new compensation system?
- If you were a mechanic how would you react to the new compensation system?
- What if you were a service advisor, how would you react to the new compensation system?
- Why did Brennan implement a new compensation system?
- What assumptions did management make when it implemented the new comp system?

**WrapItUp**

- What are the strengths and weaknesses of the ShareIt Program?
1. Did it address the issues WrapItUp was experiencing?
  2. Was compensation really the root cause or was the HR Executive myopic in her focus?
  3. Was the plan itself structured correctly?
- Why do you think Reyes made a personal visit to the store managers to discuss the program?
  - Consider the financial results achieved by the two pilot stores. Based on that alone, would you agree that the program succeeded in both pilots? Why or why not? Does your opinion change if you incorporate the customer service scores?

- Do you think the behavior of the two co-CEOs contribute to WrapItUp's problems? If so, how?
- What should Reyes recommend? Should WrapItUp roll-out the ShareIt program as is, make modifications, or abandon it for something else?
- What would you do to ensure buy-in from the founders?

### Lincoln Electric – Venturing Abroad

- What has accounted for Lincoln's success in the US?
- Why is a marginal improvement in labor productivity so important?
- Why did the efforts to go international in the 80s and 90s fail?
- Why did their startups in Japan and Venezuela fail?
- In which countries is the economic system or cultural values too different that the Lincoln system can never work?
- How will Massaro's overseas initiative impact the success of implementing the Lincoln compensation plan?
- What advice would you give to Mike Gillespie with regard to his Asian expansion strategy, and particularly, his plans to expand operations in Indonesia?
- Having built the plant, what kind of compensation plan should Gillespie put in place?

### Arck

- Plot the pay-for-performance of Arck and Lux Software's compensation plans. What are the key drivers of the difference in pay-for-performance relationship between the two plans?
- A number of elements in the two companies' compensation plans are different. Which of these differences should most concern Mynor?
- Why do you think the two companies' compensation plans are so different?
- Should Mynor propose scaling back Lux's software's commission accelerators? Are there other changes to Lux Software's compensation plan that he should consider?

### Singapore International Airlines

- What impact did the triple disasters of 9/11, SARS and the 2<sup>nd</sup> Gulf War have on Singapore International Airlines (SIA)? Which were short-term and which were long-term?
- What impact did the triple crisis make on SIA's revenue and costs? Which are short-term and which are long term?
- Did the wage component revisions of SIA address lower demand for air travel in general and pricing strategy in particular?
- What were the revisions deployed by SIA to deal with the difficult period between 1999-2003. Analyze these responses and comment on their implications to cost reduction and employee attraction, retention and morale.
- How could the HR Department of SIA propose a different model for base salary, SI and PSB to address the issue of the airline industry's seasonality (<1 year) and cyclicity (2-3 years) while including a suitable reward to shareholders?

- What components of the Compensation & Benefits package at SIA would you restructure to build more flexibility in the airline's costs for the future to deal with the onslaught of low-cost carriers?
- What are some of the negative effects of SIA's cost reduction and HR strategies? How could SIA have managed these effects better?

### Wal-Mart: The Living Wage

- Summarize the moral arguments supporting a living wage set out in the case.
- Search the internet and find three (3) articles/websites related to the living wage movement. Write a brief summary (350-400 words) with appropriate citations.
- Provide details of the evidence in the case for how Wal-Mart and other employers cut labor costs in response to raising wages for current employees.
- The case briefly mentions the effect of higher wages on food prices. Why do you think this occurs? Why would the fast food industry have a greater rise in prices than other segments of the food industry?
- Which movement for higher wages has been more effective, the living wage movement or the minimum wage movement? Why?
- What are Wal-Mart's espoused values regarding employees? Do you think the company honors those values in the workplace? Why or why not?

### **Group Project – Tata Motors**

**30%**

Students will submit a report and a PowerPoint presentation electronically to the instructor by email no later than Friday, March 3, 2021. Late submittals will be counted as an incomplete.

### Tata Motors

- Identify the peculiarities In Tata Motors' approach to compensation and the main challenges arising as a result. Arrive at a compensation structure that is easier to understand and more transparent. Provide a clear and articulate rationale for the changes that you would be able to explain to staff and management.
- Based upon your proposed structure, calculate the revised elements of the pay mix for each of the employees at the Pantnagar Plant. What are the budgetary impacts for the unit?
- Using the revised structure, determine the current pay ranges for each of the grades. Are these satisfactory? If not, determine the "ideal" pay ranges for each of the grades in the hierarchy and develop a policy document for recruiters to be able to engage in salary negotiations (assume that the average pay correction in the industry is 10% and an employee who "meets expectations" gets a merit pay raise of 12%).
- Based on the new pay ranges and the performance ratings, determine a merit pay grid for increments in 2012 (it is expected that average raises in the auto industry will be 10%). Provide a justification for the increments.

You will be required to submit a written report (12 point font) that covers the above mentioned requirements AND a PowerPoint presentation that acts as an executive summary of your written report.

**Recommended Textbook:**

Greene, Robert J. (2019). *Rewarding Performance: Guiding Principles, Custom Strategies* (2nd ed.)  
Florence, KY: Routledge.

ISBN-13: 978-1138368804

ISBN-10: 1138368806

Also available as an E-Book by accessing the “Library Course Page” tab on the Canvas site.

## Assigned Readings:

The seven (7) cases will be available for purchase at the Harvard Business case website at:

<https://hbsp.harvard.edu/import/771626> [\\_ \(https://hbsp.harvard.edu/import/771626\)](https://hbsp.harvard.edu/import/771626)

**Class Format**

This class will be interactive and participatory in nature. Attendance is critical in this short seven (7) week course. A significant portion of your grade is based upon engagement, participation and preparation. Through speaking and giving opinions you demonstrate your knowledge of the topics at hand (through preparation and reading).

Be respectful and courteous to everyone especially when making comments and contributions in class. Wait until called upon to make a comment without interrupting others. All ideas and comments are valid and welcome.

Turn cell phones OFF. Don't text. Give your instructor and fellow students your full attention. Class starts on-time so be on-time.

**Statement on Submission of Written Assignments:**

One of the competencies of HR professionals is to be able to convey ideas in a coherent and cogent manner. Your written assignments should incorporate correct grammar and syntax, and be free of spelling and typographical errors. Incorrect grammar, syntax and proofreading will result in a reduced grade.

All assignments must be handed in on time, unless you have sought prior permission. The use of ideas from others without appropriate credit is called plagiarism. In any assignment that you submit, you must cite the sources of your ideas as well as any quotations used.

**CSOM Academic Policies****Student Conduct Code:**

The University seeks an environment that promotes academic achievement and integrity, that is protective of free inquiry, and that serves the educational mission of the University. Similarly, the

University seeks a community that is free from violence, threats, and intimidation; that is respectful of the rights, opportunities, and welfare of students, faculty, staff, and guests of the University; and that does not threaten the physical or mental health or safety of members of the University community.

As a student at the University you are expected adhere to Board of Regents Policy: *Student Conduct Code*. To review the Student Conduct Code, please see:

[http://www1.umn.edu/regents/policies/academic/Student\\_Conduct\\_Code.html](http://www1.umn.edu/regents/policies/academic/Student_Conduct_Code.html).

Note that the conduct code specifically addresses disruptive classroom conduct, which means "engaging in behavior that substantially or repeatedly interrupts either the instructor's ability to teach or student learning. The classroom extends to any setting where a student is engaged in work toward academic credit or satisfaction of program-based requirements or related activities."

### **Use of Personal Electronic Devices in the Classroom:**

Using personal electronic devices in the classroom setting can hinder instruction and learning, not only for the student using the device but also for other students in the class. To this end, the University establishes the right of each faculty member to determine if and how personal electronic devices are allowed to be used in the classroom. For complete information, please reference:

<http://policy.umn.edu/Policies/Education/Education/CLASSROOMPED.html>.

### **Scholastic Dishonesty:**

You are expected to do your own academic work and cite sources as necessary. Failing to do so is scholastic dishonesty. Scholastic dishonesty means plagiarizing; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; altering, forging, or misusing a University academic record; or fabricating or falsifying data, research procedures, or data analysis. (Student Conduct Code

[http://www1.umn.edu/regents/policies/academic/Student\\_Conduct\\_Code.html](http://www1.umn.edu/regents/policies/academic/Student_Conduct_Code.html))

If it is determined that a student has cheated, he or she may be given an "F" or an "N" for the course, and may face additional sanctions from the University. For additional information, please see:

<http://policy.umn.edu/Policies/Education/Education/INSTRUCTORRESP.html>.

The Office for Student Conduct and Academic Integrity has compiled a useful list of Frequently Asked Questions pertaining to scholastic dishonesty:

<http://www1.umn.edu/oscai/integrity/student/index.html>

[\(<http://www1.umn.edu/oscai/integrity/student/index.html>\)](http://www1.umn.edu/oscai/integrity/student/index.html).

If you have additional questions, please clarify with your instructor for the course. Your instructor can respond to your specific questions regarding what would constitute scholastic dishonesty in the context of a particular class-e.g., whether collaboration on assignments is permitted, requirements and methods for citing sources, if electronic aids are permitted or prohibited during an exam.

### **Makeup Work for Legitimate Absences:**

Students will not be penalized for absence during the semester due to unavoidable or legitimate circumstances. Such circumstances include verified illness, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, and religious observances. Such circumstances do not include voting in local, state, or national elections. For complete information, please see:

<http://policy.umn.edu/Policies/Education/Education/MAKEUPWORK.html>.

### **Appropriate Student Use of Class Notes and Course Materials:**

Taking notes is a means of recording information but more importantly of personally absorbing and integrating the educational experience. However, broadly disseminating class notes beyond the classroom community or accepting compensation for taking and distributing classroom notes undermines instructor interests in their intellectual work product while not substantially furthering instructor and student interests in effective learning. Such actions violate shared norms and standards

Students are free to take reasoned exception to the views offered in any course of study and to reserve judgment about matters of opinion, but they are responsible for learning the content of any course of study for which they are enrolled.\*

Reports of concerns about academic freedom are taken seriously, and there are individuals and offices available for help. Contact the instructor, the Department Chair, your adviser, the associate dean of the college, or the Vice Provost for Faculty and Academic Affairs in the Office of the Provost. *[Customize with names and contact information as appropriate for the course/college/campus.]*

\* *Language adapted from the American Association of University Professors "Joint Statement on Rights and Freedoms of Students".*

### **HRIR 6502 – Spring 2021 Course Outline**

**Note: This is a tentative outline and is subject to change.**

#### **Session Date      Case for this week: Readings:**

1	1/19/21	<b>Sears Auto Centers (A) #394009</b>	<b>Textbook: Greene</b>
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Chapter 3: Rewarding Performance:  
Guiding Principles (Pages 39-66)

		<b>Evidence Based Rewards Management</b>	<b>Evidence Based Reward Management</b>
2	1/26/21		<b>REA Performance Appraisal</b>
		<b>Guest Speaker:</b> <b>Robert Greene</b>	(available on Canvas site)
3	2/2/21	<b>WrapItUp: Developing A New Compensation Plan</b> <b>#4362</b>	<b>Textbook: Greene</b> Chapter 10: Managing Rewards: Variable Compensation (Pages 168-181)
4	2/9/21	<b>Lincoln Electric Venturing Abroad</b> <b>#398095</b>	<b>Textbook: Greene</b> Chapter 14: Managing Rewards: Global Workforces (Pages 229-246)
5	2/16/21	<b>Arck Systems (A)</b> <b>#911056</b>	<b>Textbook: Greene</b> Chapter 7: Rewarding Performance: Sales (Pages 131-144)

			<b>Textbook: Greene</b>
			Chapter 16: Sustainable Strategies: Facing into the Future (Pages 270-282)
6	2/23/21	<b>Singapore International Airlines  #NTU013</b>	<b>WSJ Article</b>  “These Tech Companies are Paying Workers the Same Rates Across US”  (available on Canvas)
7	3/2/21	<b>Wal-Mart: The Living Wage  #W17631</b>	<b>Textbook: Greene</b>  Chapter 1: Human Resources Management Strategy (Pages 3-16)

**Peter Ronza**

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Peter Ronza is a Teaching Specialist in the Human Resources and Industrial Relations Department of the Carlson School of Management at the University of Minnesota. He also serves as an Adjunct Professor at the Organization Learning and Development Department at the University of St. Thomas. He is the President of the Pontifex Consulting Group.

Mr. Ronza has over thirty five years of experience in health care, banking, higher education, government and as a consultant for a variety of industries. He also has been called upon as a resource based on his expertise by print and video media (NBC Nightly News, Wall Street Journal).

Mr. Ronza has been responsible for designing, implementing and maintaining new base pay, variable pay and incentive pay systems for staff, managers, and executives. He has also designed rewards and

performance management systems for specialty groups such as pharmacists, physicians, athletic personnel and sales staff.

Mr. Ronza has a Master's degree in Human Resources/Industrial Relations from the University of Minnesota.

Mr. Ronza is a member of:

WorldatWork (formerly American Compensation Association) and has his Certified Compensation Professional (CCP) certification.

Society for Human Resources Management and has his Senior Professional Human Resources (SPHR) certification. He also served on the Total Rewards Special Expertise Panel (2005-2008) that provided advice and professional services to the 250,000 members of SHRM. He currently serves (2010-2012) on the Ethics Special Expertise Panel.

## Course Summary:

Date	Details	Due
Tue Jan 19, 2021	 <b><u>HRIR 6502 (060) Rewards Management Strategies (Spring 2021)</u></b> <a href="https://canvas.umn.edu/calendar?event_id=595586&amp;include_contexts=course_221708">https://canvas.umn.edu/calendar?event_id=595586&amp;include_contexts=course_221708</a>	5:30pm to 9pm
Tue Feb 2, 2021	 <b><u>HRIR 6502 (060) Rewards Management Strategies (Spring 2021)</u></b> <a href="https://canvas.umn.edu/calendar?event_id=622809&amp;include_contexts=course_221708">https://canvas.umn.edu/calendar?event_id=622809&amp;include_contexts=course_221708</a>	5:30pm to 9:30pm
Tue Feb 9, 2021	 <b><u>HRIR 6502 (060) Rewards Management Strategies (Spring 2021)</u></b> <a href="https://canvas.umn.edu/calendar?event_id=622810&amp;include_contexts=course_221708">https://canvas.umn.edu/calendar?event_id=622810&amp;include_contexts=course_221708</a>	5:30pm to 9:30pm
Tue Feb 16, 2021	 <b><u>HRIR 6502 (060) Rewards Management Strategies (Spring 2021)</u></b> <a href="https://canvas.umn.edu/calendar?event_id=622811&amp;include_contexts=course_221708">https://canvas.umn.edu/calendar?event_id=622811&amp;include_contexts=course_221708</a>	5:30pm to 9:30pm

Date	Details	Due
Tue Feb 23, 2021	 <b><u>HRIR 6502 (060) Rewards Management Strategies (Spring 2021)</u></b> <a href="https://canvas.umn.edu/calendar?event_id=622812&amp;include_contexts=course_221708">https://canvas.umn.edu/calendar?event_id=622812&amp;include_contexts=course_221708</a>	5:30pm to 9:30pm
Tue Mar 2, 2021	 <b><u>HRIR 6502 (060) Rewards Management Strategies (Spring 2021)</u></b> <a href="https://canvas.umn.edu/calendar?event_id=622813&amp;include_contexts=course_221708">https://canvas.umn.edu/calendar?event_id=622813&amp;include_contexts=course_221708</a>	5:30pm to 9:30pm