

ECON 448 Employee Compensation and Incentives (Online)

Spring 2021

Instructor: Yuanyuan Sun

Course Information

Course Description

Employee compensation is a critical tool for organizations to attract, retain, and motivate its workforce. The course introduces major principles in compensation design and examines the incentives embedded in compensation system. We will examine a range of topics including forms of pay, incentive theory, pay structure, pay-for-performance, and employee benefits. You are expected to develop skills to design a compensation plan and evaluate compensation practices. The lectures and various class activities including in-class exercises & discussions, as well as a compensation project are designed to achieve the learning goals.

Prerequisites

Basic and intermediate-level microeconomics (ECON 302), and basic-level statistic course (ECON 202) are the prerequisites for this class.

Course Objectives

By the end of this course, you will be able to:

- Understand various compensation components and major principles in compensation design.
- Be able to apply incentive theories to explain the rationale underlying compensation design.
- Be able to evaluate the pros and cons of compensation practices.
- Develop skills to design a compensation plan.

Content Map



Course Structure

This course is conducted fully online in the Illinois Compass 2g course website. This is a **3-credit hour** course (or **4-credit hour** for graduate credit). The course is **15 weeks long** and consists of **15 content modules**. Each module starts at 12:00 a.m. on Monday morning and ends at 11:59 p.m. on Sunday night Central Time. You should dedicate approximately **6-8 hours per week** to working on the course itself, but actual time commitments will vary depending on your input, needs, and personal study habits. You are required to log on to the course website a minimum of **4 days per week**. For additional information about student commitment, please see the policies page.

Required Texts

You can order the required textbook from the Illini Union Bookstore (IUB) (217-333-2050). Be certain you select the correct term from the Search by Course dropdown list. Used books are often available and can be provided at a cost savings to you. Note that the cost and postage for all books must be prepaid. You can charge your order using VISA, Discover, or MasterCard. If you are ordering books elsewhere (e.g., Amazon.com), please be sure to order the correct edition and year of publication.

Newman, J., Gerhart, B., & Milkovich, G.T. (2016). *Compensation* (12th ed.). New York: McGraw-Hill Education.

- ISBN-13: 978-1259532726
- ISBN-10: 1259532720

Other required readings will be distributed electronically on the Compass course website.

Course Components

This course will consist of the following components:

Module Overviews

Each module will begin with the module overview, which will explain what the module is about, what learning goals you are expected to achieve, how long the module will take, and in what activities you will participate. Each module is designed with the same structure and activities unless otherwise specified. The module activities are explained in greater detail below. You can find the due dates of specific assignments on each module's overview page.

Readings and Lessons

Each module will contain a list of lessons (recorded lectures) and assigned readings. In some cases, optional or supplemental readings may be listed for further study. Lessons cover major topics from the readings but do not necessarily include all important information from the readings.

Getting to Know Your Classmates Activity

All the students in the class should record and submit a video to the Getting to Know Your Classmates discussion board to introduce yourselves to the class. This activity is aimed to create a sense of community in our online class, and help you to connect with your classmates. Detailed instructions will be provided in the course website.

Class Participation

Active participation in class activities, especially for an online course, is extremely important to maximize learning goals. Your class participation throughout the semester will be evaluated based on your completion of various course activities including exercises, quizzes, and assignments, as well as the video lecture viewing as recorded in the course Compass website.

Weekly Exercises

Each weekly module includes one exercise and you are required to complete based on the lecture content of the week. The deadline for submission is each **Sunday**, by the end of the day. Please note that you are required to complete the weekly exercises based on the course content, rather than online search. The answers that are not relevant to the course content at all will earn 0 point.

Bi-Weekly Quiz

Every other week, you will complete a quiz, which helps to check your understanding of the course content and provide an incentive to you to keep up with the class. The deadline for submission is **Sunday** of the week (when there is a quiz), by the end of the day.

Assignments

Throughout the course, you will complete three assignments, including tasks for determining compensation structure; other assignments that help enhance your understanding of the course materials are also included. These activities will help you develop practical skills in managing compensation. The due dates for the assignments are listed in the course website.

Exams

There are two proctored exams throughout the course, and these two exams are not cumulative. The exams are conducted remotely through Proctorio. For more information about exams, please refer to **Exam Information** page found in the left-hand navigation menu.

Final Paper

Only those students who are taking the course for 4 grad credit hours will be required to complete a final paper. Detailed information and instructions of the final paper are provided in **Final Paper** page found in the left-hand navigation menu.

Accommodations

To obtain disability-related academic adjustments and/or auxiliary aids, students should contact both the instructor and the Disability Resources and Educational Services (DRES) as soon as possible. You can contact DRES at 1207 S. Oak Street, Champaign, (217) 333-1970, or via email at disability@illinois.edu.

Topic Outline

1. Introduction to Compensation 1: The Pay Model
2. Introduction to Compensation 2: Pay Strategy
3. Internal Alignment 1: Defining Internal Alignment
4. Internal Alignment 2: Job Analysis
5. Internal Alignment 3: Job Evaluation and Job-Based Structures
6. Internal Alignment 4: Person-Based Structures
7. External Competitiveness 1: Defining Competitiveness
8. External Competitiveness 2: Pay Levels, Mix, and Pay Structures
9. External Competitiveness 3: Pay Levels, Mix, and Pay Structures (continued)
10. Recognizing Employee Contributions 1: Motivational Theories & Pay-for-Performance plans
11. Recognizing Employee Contributions 2: Pay-for-Performance Plans (continued)
12. Recognizing Employee Contributions 3: Performance Appraisals
13. Employee Benefits 1: Benefits Options & Benefit Determination
14. (Fall Break)
15. Legal Compliance: Government and Legal Issues
16. Final Review and Q&A

Grading

3-credit Undergraduate Grading Distribution

	Points	Occurrences	Total
Getting to Know Your Classmates Activity	10	1	10
Class Participation	10	1	10
Weekly Exercise	10	14	140
Bi-Weekly Quiz	20	7	140
Assignments	30-40 *	3	100
Exam 1	100	1	100
Exam 2	150	1	150
Course Total			650

* points vary based on the particular assignment.

4-credit Graduate Grading Distribution

	Points	Occurrences	Total
Getting to Know Your Classmates Activity	10	1	10
Class Participation	10	1	10
Weekly Exercise	10	14	140
Bi-Weekly Quiz	20	7	140
Assignments	30-40 *	3	100
Exam 1	100	1	100
Exam 2	150	1	150
Final Paper	100	1	100
Course Total			750

* points vary based on the particular assignment.

Grading Scale

Percentage	Letter Grade
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97-100	A+
93-96.9	A
90-92.9	A-
87-89.9	B+
83-86.9	B
80-82.9	B-
77-79.9	C+
73-76.9	C
70-72.9	C-
67-69.9	D+
63-66.9	D
60-62.9	D-
Below 59.9	F

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Policies

- [Accommodations](#)
- [Participation](#)
- [Instructor Responses](#)
- [Academic Integrity](#)
- [Copyright](#)
- [Student Behavior](#)
- [Communications](#)
- [Sexual Misconduct Policy](#)
- [Student Wellness Resources](#)

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Participation

Active participation in the online learning environment is vital to your success in this course. Depending on your course, you may be asked to engage in online discussions and other interactive learning environments that invite your active participation and involvement with other students and your instructor.

Student Commitment

By registering for this online course, you commit to self-motivated study, participation in online course activities, and timely submission of all assignments. Furthermore, you commit to accessing the course website and checking e-mail at least four days per week, as well as to devoting at least 6-8 hrs./week to preparing for each module and completing the required assignments and readings.

Deadlines

Late Submission

If you miss any of the course assignments (exercises, quizzes, projects, etc.), you will receive a score of zero without a University excused and documented reason. Late submission will result in **10% point deduction** for each day after the due date, including weekends. If late submission is due to a University excused reason, you can avoid the point deduction by **notifying the instructor before the deadline and provide supporting evidence** (e.g., illness with a doctor's note), and then you can complete the exercise within 14 calendar days. Extra extension can be given based on the specific situations.

Cancellation, Drop & Withdrawal

For information on cancellation, drop, and withdrawal policies for online courses, please review the

information listed on the webpage [Cancellation, Drop & Withdrawal](#).

Instructor Responses

Instructor Feedback Turnaround Time

Questions posted to the **Course Help Discussion Forum** generally will be answered within 48 hours. If possible, students are encouraged to answer questions posted by other students to the Course Related Questions forum rather than waiting for an instructor's response.

Assignments submitted online usually will be reviewed and graded by the course instructor within 10 business days. Exams, essays, and term papers will be graded within 10 business days.

Responding to E-mails

The instructor will try best to respond to e-mail messages within 24 hours of receiving them. **When sending e-mail, include a subject line that identifies the course number and nature of your question.** The instructor may ask you forward your question to the Course Help Discussion Board.

Responding to the Discussion Forums

The role of the instructor within the discussion boards is to help facilitate discussion by providing probing questions, asking for clarification, and helping solve conflicts as necessary. The instructor will not respond to every post. You are encouraged to share your thoughts, experiences, and ideas with each other as well.

Academic Integrity

Academic dishonesty will not be tolerated. Any form of academic dishonesty is regarded as a serious offense and will not be tolerated. Please carefully review the [University policy governing academic integrity and plagiarism](#). Examples of academic dishonesty include the following:

- Cheating
- Fabrication
- Facilitating infractions of academic integrity
- Plagiarism
- Bribes, favors, and threats
- Academic interference
- Examination by proxy
- Grade tampering
- Non-original works

Should an incident arise in which a student is thought to have violated academic integrity, the student will be processed under the disciplinary policy set forth in the [Illinois Academic Integrity Policy](#). Anyone found cheating in the course (or helping others to cheat) will be penalized according to the Code. These penalties include, among others, a failing grade (F) for the course and suspension and/or expulsion from the University. If you do not understand relevant definitions of academic infractions, contact your instructor for an explanation within the first week of class.

Copyright

Student Content

Participants in University of Illinois courses retain copyright of all assignments and posts they complete; however, all materials may be used for educational purposes within the given course. In group projects, only the portion of the work completed by a particular individual is copyrighted by that individual. The University of Illinois may request that students' materials be shared with future courses, but such sharing will only be done with the students' consent. The information that students submit during a course may, however, be used for the purposes of administrative data collection and research. No personal information is retained without the students' consent.

Non-Student Content

Everything on this site and within University of Illinois courses is copyrighted. The copyrights of all non-student work are owned by the University of Illinois Board of Trustees, except in approved cases where the original creator retains copyright of the material. Copyrights to external links are owned by or are the responsibility of those external sites. Students are free to view and print material from this site so long as

- The material is used for informational purposes only.
- The material is used for noncommercial purposes only.
- Copies of any material include the respective copyright notice.

These materials may not be mirrored or reproduced on non-University of Illinois websites without the express written permission of the University of Illinois Board of Trustees. To request permission, please contact the academic unit for the program.

Please review the Copyright Clearing Guidelines document for more information about fair use practices when including materials to submit in student projects.

Use of Class Notes and Materials

Taking notes is a means of recording information but more importantly of personally absorbing and integrating the educational experience; it must not be for the purpose of selling or re-distribution since course materials are protected by the US copyright laws. You must not make audio or visual reproductions of any portion of any class, or upload course materials including the course syllabus on any non-university website, without the explicit permission from the instructor. According to the university policy regarding sale or distribution of lecture notes or course materials ([Student Code Article 1 Part 3](#))

“No student shall sell, deliver or distribute copyrighted lecture notes or other course materials without the express permission of the copyright holder. An example of an infraction would include posting on a website or selling instructor copyrighted slides, lecture notes or other expressions fixed in a medium. (See also the University General Rules, Art. III, §4 regarding copyright policy.)”

Student Behavior

Student Conduct

Students are expected to behave in accordance with the penal and civil statutes of all applicable local, state, and federal governments, with the rules and regulations of the Board of Regents, and with University regulations and administrative rules.

For more information about the student code and handbook, see the [CITL Course Policies page](#).

Netiquette

In any social interaction, certain rules of etiquette are expected and contribute to more enjoyable and productive communication. The following are tips for interacting online via e-mail or discussion board messages, adapted from guidelines originally compiled by Chuq Von Rospach and Gene Spafford (1995):

- Remember that the person receiving your message is someone like you, deserving and appreciating courtesy and respect.
- Be brief; succinct, thoughtful messages have the greatest effect.
- Your messages reflect on you personally; take time to make sure that you are proud of their form and content.
- Use descriptive subject headings in your e-mails.
- Think about your audience and the relevance of your messages.
- Be careful when you use humor and sarcasm; absent the voice inflections and body language that aid face-to-face communication, Internet messages are easy to misinterpret.
- When making follow-up comments, summarize the parts of the message to which you are responding.
- Avoid repeating what has already been said; needless repetition is ineffective communication.
- Cite appropriate references whenever using someone else's ideas, thoughts, or words.

Communications

Daily Contact

Your daily contact should be via the discussion boards in our Learning Management System and via e-mail.

Course Questions

Questions pertaining to the course should be posted in our Course Related Questions forum. You can access this discussion board from the Course Help page. Posting questions here allows everyone to benefit from the answers. If you have a question, someone else is probably wondering the same thing. Anyone submitting a question via e-mail will be directed to resubmit the question to the Course Related Questions forum. Also, participants should not hesitate to answer questions posed by peers if they know the answers and the instructor has not yet responded. This not only expedites the process but also encourages peer interaction and support.

Personal and Grade-related Questions

Questions of a personal nature should first be sent to the instructor's e-mail address (listed on the Instructor Information page). **When sending e-mail, include a subject that identifies the course number and nature of your question.**

Emergencies

If you have an emergency that will keep you from participating in the course, please notify your instructor by using the instructor's e-mail address (listed on the Instructor Information page). Provide callback information in your e-mail (if necessary). You should also notify your program director of any emergencies.

Zoom

Zoom is a tool that allows multiple people to join together simultaneously via a computer to text chat, audio chat, video chat, collaborate on a digital whiteboard, and even share their computer desktops with one another. The Instructor's Virtual Office and the Student Lounge (when available) make use of Zoom.

Instructor's Virtual Office

Another way to communicate with the instructor is to make use of the virtual office hours. The instructor will be available for virtual office hours by appointment.

Announcements

The **Announcements** forum serves as a way for your instructor and University of Illinois administrators to make announcements within our online learning environment. Announcements posted here will also be sent to your Illinois e-mail address, so be sure to check your e-mail or the Announcements forum at least once a day to see whether any new announcements have been made.

Sexual Misconduct Policy and Reporting

The University of Illinois is committed to combating sexual misconduct. Faculty and staff members are required to report any instances of sexual misconduct to the University's Title IX and Disability Office. In turn, an individual with the Title IX and Disability Office will provide information about rights and options, including accommodations, support services, the campus disciplinary process, and law enforcement options.

A list of the designated University employees who, as counselors, confidential advisors, and medical professionals, do not have this reporting responsibility and can maintain confidentiality, can be found in the [Confidential Resources](#) section. Other information about resources and reporting is available at

wecare.illinois.edu

Student Wellness Resources

The University of Illinois strives to promote student success through the support of student psychological and emotional well-being. Please take advantage of the resources listed on the [Student Affairs](#) website.