Instructor and TA Contact Information

Instructor: David Lewin, Neil H. Jacoby Professor of Management, Human Resources and Organizational Behavior

Course Schedule and Location: Tuesday, 4:10-7:00pm, Room C301, Anderson School

Course Content and Methods

This course provides a systematic treatment of pay (compensation) and rewards in organizations. Emphasis is placed on the design, implementation and outcomes of organizational pay and reward systems and practices. These systems and practices are shaped by strategic, labor market and motivational considerations that we focus on early in the course in order to establish the conceptual foundations for what follows. We then move on to consider such topics as variable compensation (for example, commission, bonus, profit-sharing, stock ownership and stock option plans) and non-compensation rewards; performance-based compensation and rewards; compensation and rewards in entrepreneurial and public organizations; fringe benefits; executive compensation; new legal challenges to compensation practices; international/comparative compensation/reward practices; and the effects of pay/reward practices on organizational performance.

A variety of materials and methods are used in this course. Readings are drawn from academic, professional and business journals and reflect a mix of disciplinary and issue-based perspectives. Several cases, drawn from various industry and organizational settings, are also used in the course. Emphasis will be placed on the application of analytical frameworks and concepts drawn from the readings or presented in class by the instructor to "real world" situations, including those contained in the cases. The major “deliverable” for the course is a paper or project report on a topic of your choice, which may be completed individually or in small groups. In addition, and for the course to work well, you must actively participate in class sessions. From time to time, guest speakers will appear in the course.

Course Materials

There is no textbook for the course. A binder (packet) containing all course readings and cases will be available for purchase prior to the beginning of the Winter Quarter. Readings and cases should be completed prior to the class sessions in which they will be discussed. All other items
and materials will be distributed in class or otherwise provided by the instructor.

**Electronic Access to Course Materials**

Please note that I place copies of all course materials in files accessible to you on the course web page of the Anderson School. To access the files on this web page, go to the School’s homepage, select “My Anderson,” select “Mgt. 254, Section 01,” select “downloads,” then select any of the files contained therein. In addition to the course syllabus and case summaries/study questions, you will find files containing summaries of course readings and analytical frameworks introduced in class by the instructor, sample quiz questions, selected case exhibits and updates, various data sets and sources, and other items. Check these files periodically because I update them from time to time.

**Course Requirements**

- One individual written case analysis. The procedure for selecting cases is described in a separate document, titled “Case Selection and Write-Up Guidelines, Case Summaries and Study Questions,” that accompanies this syllabus and will also be discussed during the first class session. An individual case write up is due on the day that the case will be discussed in class. 20% of grade.

- A mid-term quiz. 20% of grade.

- One individual or small group paper or project. The procedure for selecting paper/project topics is described in a separate document, titled “Guidelines for Paper/Project Topic Selection and Write Up,” that accompanies this syllabus and will also be discussed during the first class session. Brief summaries of papers and projects will be presented during the last two class sessions. 40% of grade.

- Class participation. 20% of grade.

**A Note on the Quiz**

The quiz for this course is open book, open note and will be administered electronically at the end of class on Wednesday, February 12th. The quiz will contain a few objective questions and a few short answer questions that you will have 90 minutes to answer. These answers should be submitted electronically by no later than 5:00pm on Saturday, February 16th. Sample quiz questions will be provided by the instructor during the course.
Readings and Cases

Session 1: Pay/Rewards: Markets & Controversy
January 8


- Case #1: Massachusetts Financial Services

Session 2: Pay/Rewards: Strategy & Motivation
January 15


- Case #2: Human Resource Management at Levi-Strauss; Techniques or Strategy?

Session 3: Variable Pay & Non-Pay Rewards
January 22


• Case #3: Willamette Industries “No Pay at Risk” Compensation Practices

Session 4: Pay/Rewards for Performance: Theory & Evidence
January 29


• Case #4: Harrah’s Entertainment, Inc.: Rewarding Our People

Session 5: Pay/Rewards in Entrepreneurial & Public Organizations
February 5


• Case #5: Performance Pay for MGOA Physicians (A)
Session 6: Fringe Benefits: Concepts & Practice
February 12


- Case #6: The Ottawa Voyageurs

Session 7: Executive Compensation
February 19


- Case #7: Attention Shoppers: Executive Compensation at Kroger, Safeway, Costco and Whole Foods

Session 8: International Pay/Reward Practices
February 26


- M. Firth, P.M.Y. Yung & O.M. Rui. 2006. “Corporate Performance and CEO


- Case #8: Lincoln Electric: Venturing Abroad

**Session 9: New Legal Challenges to Pay Practices**

*March 5*


- Student Paper/Project Presentation Summaries

**Session 10: Pay/Rewards & Organizational Performance**

*March 12*


- Student Paper/Project Presentation Summaries

**Note:** Completed papers/project reports are due by Tuesday, March 19

End of Course