

Managing Rewards Systems

Spring 2026

38:533:635:90

KEY POINTS

Instructor:	Professor Michael Sturman, Ph.D., SPHR
Class Time:	This class will be run in a fully asynchronous format. Work will be organized by the week of the semester, and it is expected that you complete each week of work by Saturday (11:59pm EST) of that week unless otherwise noted.
Technology:	The class is supported in Canvas. Note that the Canvas platform has instructions and tutorial to help you (see https://canvas.rutgers.edu/students/). Communication with the professor will be conducted using in-person appointments (Room 216A), Zoom, and email communications.
Office Hours: (Policy)	My personal office hours will be officially once a week, but I recognize those in this class can have quite varied schedules. As such, I anticipate being in the office most of the time and I am happy if you just want to drop by. You may also make an appointment. Office hours can be on any topic. Participation in office hours is <u>NOT</u> required and does <u>NOT</u> influence your grade (well, unless you actually learn something).
Office Hours	<ul style="list-style-type: none">• Wednesday 2:30-4:30, Room 216A• You can also make an appointment to meet with me. Please contact me by email, preferably with 2 or 3 possible times (in order of preference, if any).• Meetings can be held by Zoom if that is easier.
E-mail:	michael.sturman@rutgers.edu
Textbook and	I will use a combination of chapters from the WorldatWork <i>Handbook of Total Rewards</i> (2 nd edition) and articles from compensation-focused outlets. All readings are accessible through the Canvas course webpage (https://tlr.rutgers.edu/canvas).
Attendance:	No attendance is taken. The course is fully asynchronous. There are, however, weekly “in-class” assignments assessed through “quizzes” on the Canvas site. You are required to complete these quizzes each week.
Flexibility:	If a student has a personal/medical/family emergency during the semester, the asynchronous format of the course will allow for flexibility. Depending on the scope (and timing) of the emergency, I can work with you on revised due dates to help you complete the course. If absolutely necessary, an incomplete can be taken and the course finished in the following semester.
Grading:	All grading involves either assignments within Canvas or documents “handed in” to me through the Canvas system.

COURSE DESCRIPTION

In this advanced course we will work together to develop a strategic view on building and managing Total Rewards Systems within an environment of increasing business competition and increasing regulatory and stakeholder scrutiny. The course will cover legal and regulatory trends, and accounting, taxation, and securities issues, the main components of salary and incentive compensation programs (e.g., salary, short-term incentives, long-term incentives), and will focus as well on performance measurement, insurance benefits, and total rewards. The main objective of this course is to help you develop a set of analytical tools that will enable you to address compensation, incentive plan design, and total rewards issues effectively in your professional life. The course is oriented primarily toward the evaluation and design of compensation programs for publicly owned companies, but we will cover privately owned organization compensation issues as well.

COURSE OBJECTIVES

Upon successfully completing this course, students should develop capabilities in the following:

- Considering pay from a total compensation perspective.
- Evaluating the advantages and disadvantages of different approaches to pay setting.
- Designing compensation systems that are internally consistent and externally competitive.
- Assessing various methods for rewarding individual and group performance.
- Considering compensation issues with respect to regulation and legal requirements.
- Distinguishing between legally required benefits and discretionary benefits.
- Creating various pay systems, based on the amount of information available.

ARTIFICIAL INTELLIGENCE (AI) POLICY

Students are generally discouraged from using generative AI tools (such as ChatGPT, Gemini, or similar technologies) for course assignments, unless an assignment explicitly calls for its use. The core learning objectives of this course are best achieved through independent critical thought and original work. If, however, you choose to use AI for any purpose that aids in the completion of your coursework—including for brainstorming, drafting, summarizing, proofing, or any other form of assistance—you must disclose the tool used and the specific manner in which it was employed. Failure to disclose AI use for any part of an assignment will be considered a violation of the academic integrity policy.

MY TEACHING PHILOSOPHY

My goal, quite simply, is for you to learn. I want you to come out of this class knowing how to “do things” with respect to Compensation that you did not know going into this course. I know people come to the course with different comfort levels with respect to their prior HR background, their comfort and knowledge of statistics, as well as their skills in using Excel. It is my view that it is my job to teach you how to implement the skills that are taught in this class. If you don’t know how to do something, or how to conduct and/or develop a particular policy in a given circumstance, I should teach you. If I don’t cover what you need in a lecture, I should have. If there is something you need to know and I didn’t cover it, you should therefore ask about it in office hours (as, chances are, others will be similarly confused).

That all said, this class is a lot of work. It is my goal that, with this class material, you will be ready to be hired into a compensation position. I have had students bring their final examination paper with them to interviews to show what they have done in compensation, and have been hired *AND* had the minimum experience required for the job waived. But to get to this point, there is a lot to cover and a lot of compensation to learn.

With respect to the course itself, I also think your education is more important than a schedule set up months ahead of time. I know I give a lot of work for my class, and it is more important to me that you learn than it is for me to show that I can enforce deadlines. If you will be late with an assignment, I would rather you do the assignment and hand it in late, rather than you not do the assignment. I give an assignment so you can learn from it, not to enforce a deadline or just have something with which to rationalize a grade. In my view, your learning from the assignment is more important than an arbitrary deadline. So, while I have the option of lowering your grade if it is late (and, honestly, I generally do not do that unless it gets extreme or it becomes a pattern), I would still rather you do the assignment than not. While the end-of-semester deadline is fixed (I can’t accept assignments on or after May 7 for assignments, or May 11 for the final project, because I have to get everything graded and final grades entered into the system). Again, I will take late assignments up until May 7, and I will never lower any assignment’s grade more than one full letter grade for being late.

Finally, I fully recognize the continued chaos and challenges that many of you continue to face. If something happens and you need some help or accommodation, please ask. I can’t help you learn if I don’t know what challenges you are facing. I will sincerely try to accommodate problems that arise so that you can come out of this class truly understanding and being able to effectively engage in the tasks associated with managing compensation systems.

SMLR LEARNING OBJECTIVES

This course is designed to help students attain the following specific SMLR learning objectives:

I) Written & Oral Communication — Communicate effectively at a level and in modes appropriate to an entry level professional.

- Communicate complex ideas effectively, in standard written English
- Analyze and synthesize information and ideas from multiple sources to generate new insights
- Produce high quality executive summaries
- Make an argument using contemporary and/or historical evidence
- Present ideas and arguments in a logical and effective way

II) Quantitative, Qualitative, and Analytical Skills — Apply appropriate quantitative and qualitative methods for research workplace issues.

- Formulate, evaluate, and communicate conclusions and inferences from quantitative information
- Apply quantitative methods to analyze data for HR decision making including cost-benefit analyses, ROI, etc. (HRM)
- Apply qualitative methods appropriately, alone and in combination with quantitative methods

III) Research Skills — Demonstrate an ability to collect, analyze and synthesize information to make logical and informed decisions impacting the workplace. Use evidence to evaluate hypotheses, theories and approaches to workplace issues.

- Analyze and synthesize information and ideas from multiple sources to generate new insights
- Assess and critique relevant evidence and research findings
- Use evidence-based analysis to appraise the validity of various hypotheses, theories, and approaches to workplace issues

V) Understanding Context — Evaluate the context of workplace issues, public policies, and management decisions

- Analyze issues related to business strategies, organizational structures, and work systems

VI) Application — Demonstrate an understanding of how to apply knowledge necessary for effective work performance

- Apply concepts and substantive institutional knowledge, to understanding contemporary developments related to work
- Understand the legal, regulatory and ethical issues related to their field
- Understand the internal and external alignment and measurement of human resource practices (HRM)

GRADING (Quick Summary)

Material	Weight
Reading Assignments:	(10%)
“Quizzes”	(10%)
Policy Assignments: (70% of grade in total)	
Policy Assignment 1: Compensation Strategy (Due last day of Week #3—2/7)	(10%)
Policy Assignment 2: Market-Based Pay Policy (Due last day of Week #7—3/7)	(15%)
Policy Assignment 3: Headquarters Pay Policy (Due last day of Week #9—3/28)	(15%)
Policy Assignment 4: Incentives & Balanced Score Card (Due end of Week #12—4/18)	(15%)
Policy Assignment 5: Benefits Design (Due end of Week #14—5/2)	(15%)
Final Paper (Due at the end of the specified weeks):	(10%)
Extra Credit Policy Assignment: Commission Plan Design	(up to 10% extra points)

FINAL GRADES

Final grades will be computed mathematically based on the aforementioned weighting and the scores on the various grade elements. Final grades for the class will be determined as follows:

90-110	A
85-89.9	B+
80-84.9	B
75-79.9	C+
70-74.9	C
< 70	F

GRADING (DETAILS)

Material	Weight
Reading Assignments:	(10%)
For most weeks, there will be a reading and a corresponding homework assignment. The reading and assignment will be provided in the module in the week before it is due (so, the reading and reading assignment for Week 2 will be provided in Week 1's module). All assignments should be written in double-spaced; 12-point font; Times New Roman; 1-inch margins.	
“Quizzes” in Canvas (meant to be like In-Class Assignments):	(10%)
Although the class is asynchronous, each week contains one or more required "quizzes" designed as brief, ungraded exercises to reinforce the material. You must complete these weekly activities to earn the 10% course credit allocated to Quizzes, but your actual score on the quiz (as long as it is not a zero) will not impact your final grade. Students are expected to spend approximately 15-20 minutes each week on these exercises; if you are spending significantly more time, you may be overthinking them. We strongly encourage thoughtful engagement to fully grasp the course content.	
Policy Assignments (Due at the end of the specified weeks): (70% of grade in total)	
There will be six policy assignments (and an optional seventh), intended to test your skills in compensation design. As this class is asynchronous, the assignments will require you to work by yourself. These assignments are intended to be comprehensive examples requiring you to apply a variety of topics learned in the course. More detail on the assignments is provided below and will be provided during the term.	
Policy Assignment 1: Compensation Strategy (Due last day of Week #3—2/7)	(10%)
In this assignment, you will develop a Compensation Strategic Statement that aligns the intended pay system with the company's organizational vision. The task involves defining a total compensation policy—choosing to either match or lead the market—and articulating the strategic emphasis placed on base pay, incentives, and benefits. You will also need to construct a budget forecast that allocates funds for merit pay, equity adjustments, and bonuses, producing a high-level strategic document addressed to the CEO.	
Policy Assignment 2: Market-Based Pay Policy (Due last day of Week #7—3/7)	(15%)
You will design the internal compensation framework for Evergreen Hospitality by developing a formal Base Pay Policy for its individual hotels. This process will focus on jobs for which there is nearly complete market information. This process also requires you to establish a position hierarchy and constructing a pay structure with defined grades and salary ranges. The final deliverable is a professional policy document outlining the methodology used to ensure internal equity and alignment with the company's strategy.	
Policy Assignment 3: Headquarters Pay Policy (Due last day of Week #9—3/28)	(15%)
This policy assignment focuses on the compensation of employees at the organization's corporate headquarters. Again, you will be developing a formal Base Pay Policy, but this time for jobs for which only a subset have market information. This process involves conducting a job evaluation to establish a position hierarchy, using analyses to develop a pay-policy line, and constructing a pay structure with defined grades and salary ranges. The final deliverable is again a professional policy document outlining the methodology used to ensure internal equity and alignment with the company's strategy.	

Policy 4: Individual Incentives & Balanced Score Card (Due end of Week #12—4/18) (15%)

This assignment requires the student to design and implement a comprehensive compensation system for all hotels, integrating individual and group-based incentive plans. The plan must include policies for merit raises, red- and green-circled employees, and equity adjustments. Concurrently, you must design an individual-based bonus system and a group-based Balanced Scorecard plan for the company, specifying coverage, metrics, weighting, and combining methods. The student must then apply all these plans to the current set of employees, providing the new pay level for everyone and a detailed breakdown of each person's raise, equity adjustment, and bonus.

Policy 5: Benefits Design (Due end of Week #14—5/2) (15%)

This policy assignment requires you to design a Benefits System for Evergreen Hospitality, adhering to the budget constraints set in previous assignments. You need to provide a detailed description of the benefits plan, clearly articulating the overall benefits strategy and the specific offerings. For each benefit, you must specify the employer cost and any required employee contributions. The assignment also requires presenting two comprehensive examples of sample employee benefits packages.

Extra Credit Policy Assignment: Commission Plan Design (Due May 7) (10%)

I recognize this class has a lot of work. And I did not want to require another policy assignment, even though there is one key area not yet specifically covered: commission plan design. I am therefore offering an “extra credit” policy assignment, which you can complete if you want. It can earn you up to 10 points towards your final grade.

In this policy assignment, you would be required to design and analyze two alternative sales commission plans, transitioning from a straight commission model to a draw-plus-commission structure. The assignment involves creating a Draw plus Straight Commission Plan and a Draw plus Progressive Commission Plan, each with specified stable pay levels. The final memo must detail the specific monthly draw amounts, commission rates, and thresholds for both plans, while demonstrating that the total compensation cost remains relatively stable compared to the original system.

Final Paper (Due May 11): (10%)

The final paper is actually intended to be very easy, and it should actually be helpful for you if you want a job in compensation. The final paper is simply to take your six policy assignments and combine them into one cohesive document. The idea is to have a single large document that shows the sum of what you have learned in your compensation class. While the final paper requires more than just providing a table of contents and renumbered reports, it is not intended to be burdensome at all. You will need to provide a summary document (1-2 pages), a table of contents, and a clear organizational scheme. You may find this is a helpful document to demonstrate what you know about compensation.

COURSE INFORMATION, POLICIES, AND RESOURCES

Course Website:

The course Canvas website (<https://tlt.rutgers.edu/canvas>) will be the primary mechanism that I will use to communicate information to the entire class outside of lecture. All class material, lectures, readings, assignments, and grades will all be available on the course website.

Computer Use:

This class will make use of Excel and the Data Analysis Add-In. Please make sure you can use the Data Analysis tools.

For Windows: <https://support.office.com/en-us/article/load-the-analysis-toolpak-in-excel-6a63e598-cd6d-42e3-9317-6b40ba1a66b4%23OfficeVersion=Windows>

For Mac: <https://support.office.com/en-us/article/load-the-analysis-toolpak-in-excel-6a63e598-cd6d-42e3-9317-6b40ba1a66b4#OfficeVersion=MacOS>

Note that Excel 2011 or earlier version on the MAC operating system will not feature the Data Analysis add-in. To install the most updated version of Excel, please visit <http://software.rutgers.edu> to download and install via your Rutgers NetID account.

Assignment Policy:

Each week's reading assignment homework is officially due by the end (Saturday at 11:59pm EST) of each week, although you may find it helpful to do the reading before watching the lectures. Any other assignments associated with a given week are also due at the end (Saturday at 11:59 pm EST) of that week. Assignments handed in after class (or handed in to my office during class) *may* be marked down (although I usually do not do this). Note, however, that up until the final course deadline, no assignment will be marked down more than one full letter grade. Thus, it is far better to hand in an assignment, even if it is very late, than to get a zero on it. It is always better to at least hand an assignment in late than not hand it in at all. Due to university constraints, though, all assignments due over the course of the semester must be handed in on or by May 7 to allow me to get grades completed in time. Also, please see my *Teaching Philosophy* above.

Academic Integrity:

All students enrolled in this course are responsible for abiding by the guidelines outlined in the University's Academic Integrity Policy. You can find the full policy at <http://academicintegrity.rutgers.edu/>. In particular, the principles of academic integrity require that a student do the following:

- *Properly acknowledge and cite all use of the ideas, results, or words of others.*
- *Properly acknowledge all contributors to a given piece of work.*
- *Make sure that all work submitted as his or her own in a course or other academic activity is produced without the aid of impermissible materials or impermissible collaboration.*
- *Obtain all data or results by ethical means and report them accurately without suppressing any results inconsistent with his or her interpretation or conclusions.*
- *Treat all other students in an ethical manner, respecting their integrity and right to pursue their educational goals without interference. This requires that a student neither facilitate academic dishonesty by others nor obstruct their academic progress.*
- *Uphold the canons of the ethical or professional code of the profession for which he or she is preparing.*

Accommodation:

Rutgers University welcomes students with disabilities into all of the University's educational programs. In order to receive consideration for reasonable accommodations, a student with a disability must contact the appropriate disability services office at the campus where you are officially enrolled, participate in an intake interview, and provide documentation: <https://ods.rutgers.edu/students/documentation-guidelines>. If the documentation supports your request for reasonable accommodations, your campus's disability services office will provide you with a Letter of Accommodations. Please share this letter with your instructors and discuss the accommodations with them as early in your courses as possible. To begin this process, please complete the Registration form on the ODS web site at <https://ods.rutgers.edu/>.

Student-Wellness Services

Rutgers provides several resources to assist student who may be experiencing distress or mental health concerns. The following are some of the resources that are available to you if you need them.

For more general information and links to receive support for (a) victim and mental health services, (b) academics, and (c) financial assistance (mainly emergencies), see <https://smlr.rutgers.edu/academic-programs/current-students>.

Other resources:

Counseling, ADAP & Psychiatric Services (CAPS)

(848) 932-7884 / 17 Senior Street, New Brunswick, NJ 08901/ www.rhscaps.rutgers.edu/

CAPS is a University mental health support service that includes counseling, alcohol and other drug assistance, and psychiatric services staffed by a team of professional within Rutgers Health services to support students' efforts to succeed at Rutgers University. CAPS offers a variety of services that include: individual therapy, group therapy and workshops, crisis intervention, referral to specialists in the community and consultation and collaboration with campus partners.

Violence Prevention & Victim Assistance (VPVA)

(848) 932-1181 / 3 Bartlett Street, New Brunswick, NJ 08901 / vpva.rutgers.edu/

The Office for Violence Prevention and Victim Assistance provides confidential crisis intervention, counseling and advocacy for victims of sexual and relationship violence and stalking to students, staff and faculty. To reach staff during office hours when the university is open or to reach an advocate after hours, call 848-932-1181.

Disability Services

(848) 445-6800 / Lucy Stone Hall, Suite A145, Livingston Campus, 54 Joyce Kilmer Avenue, Piscataway, NJ 08854 / <https://ods.rutgers.edu/>

The Office of Disability Services works with students with a documented disability to determine the eligibility of reasonable accommodations, facilitates and coordinates those accommodations when applicable, and lastly engages with the Rutgers community at large to provide and connect students to appropriate resources.

LECTURE TOPICS AND ASSIGNMENTS

Week #1: Introduction and Total Rewards

(1/20-1/24)

Readings:

- *The WorldatWork Handbook of Total Rewards*, Chapter 1.
- Diez, F. (2024). Reimagining Rewards Strategies in the New Landscape of Work. *The Journal of Total Rewards*, 33(4), 1-2.

DUE:

Reading Assignment #1

Week #2: Compensation Strategy

(1/25-1/31)

Readings:

- *The WorldatWork Handbook of Total Rewards*, Chapter 2.
- Greene, R. J. (2025). Pay for results, the person, or the job? *Compensation and Benefits Review*, 57(3), 188-192.
- Kawamoto, D. (2025). Why it's time for a compensation philosophy refresh. *Workspan*, April 9.

DUE:

- **Reading Assignment #2**

Week #3: Pay Basics and Employee Motivation

(2/1-2/7)

Readings:

- Dalton, F. (2024). Motivating the unmotivated. *Journal of Compensation and Benefits*, 23 (4), 5-12.
- O'Donnell, E., & Marsh, L. (2022). The impact of compensation structure on salesperson perceptions and behaviors: Insights from the sales literature. *Compensation and Benefits Review*, 54 (1), 3-11.

DUE:

- **Reading Assignment #3**
- **Policy Assignment #1**

Week #4: Compensation Regulation

(2/8-2/14)

Readings:

- Smith, A. (2025). Keep up with compliance obligations. *HR Quarterly*, Summer, 18-19.
- Nagele-Piazza (2025). Navigating the maze of minimum wage rules. *HR Quarterly*, Winter, 19-20.

DUE:

- **Reading Assignment #4**

Week #5: Pay Structures and Pay Surveys

(2/15-2/21)

Readings:

- *The WorldatWork Handbook of Total Rewards*, Chapter 3.
- Cullen, Z. B., Li, S., Perez-Truglia, R., Schaefer, A., & Weiss, B. (2023). Why your organization should use salary benchmarking. *Harvard Business Review*, October 10, 1-7.

DUE:

- **Reading Assignment #5**

Week #6: Market-Based Structure Design

(2/22-2/28)

Readings:

- SHRM (2024). Building a market-based pay structure from scratch. SHRM Toolkit. <https://www.shrm.org/topics-tools/tools/toolkits/building-market-based-pay-structure-scratch>.

DUE:

- **Reading Assignment #6**

Week #7: Job Analysis and Job Evaluation

(3/1-3/7)

Readings:

- Verma, A., & Singh, S. (2024). Job Analysis and Job Evaluation. In *Clinical Laboratory Management* (pp. 23-28). Cham: Springer Nature Switzerland.

DUE:

- **Reading Assignment #7**
- **Policy Assignment #2**

Week #8: Job Evaluation-Based Pay Design

(3/8-3/14)

Reading:

- SHRM (2024). Job evaluation: A comprehensive guide to fair compensation strategies. *SHRM Toolkit*. <https://www.shrm.org/topics-tools/tools/toolkits/performing-job-evaluations>

DUE:

- **Reading Assignment #8**

Week #9: Performance Appraisal, Merit Pay, and Bonuses

(3/22-3/28)

Reading:

- *The WorldatWork Handbook of Total Rewards*, Chapter 10.
- Brodsky, S., & Vodola, A. (2025). A new way to evaluate performance-compensation strategy. *Total Rewards Journal*, August 25.

DUE:

- **Reading Assignment #9**
- **Policy Assignment #3**

Week #10 Group Rewards, Gainsharing, and Scorecards

(3/29-4/4)

Reading:

- Brown, D. (2020). 'We are all in this together'. Collective bonuses and incentives in the United Kingdom and Europe: The real performance-related pay? *Compensation and Benefits Review*, 52(4), 175-192.

DUE

- **Reading Assignment #10**

Week #11: Skill-Based Pay and Commissions

(4/5-4/11)

Readings:

- *The WorldatWork Handbook of Total Rewards*, Chapter 9.
- Albrecht, C., & Simon, A. (2024) Is your sales compensation plan really self-funding'? *Workspan Article*. December 5.
- Kniebel, McMullen, & Miner (2025). Mind the skills gap: Moving from Skills-based pay to skills-based rewards. *Compensation and Benefits Review*, 57 (3), 215-221.

DUE:

- **Reading Assignment #11**

Week #12: Benefits

(4/12-4/18)

Readings:

- *The WorldatWork Handbook of Total Rewards*, Chapter 8.
- Werner, S., & Balkin, D. B. (2021). Strategic benefits: How employee benefits can create a sustainable competitive edge. *The Journal of Total Rewards*, 30(1), 8-22.

DUE:

- **Reading Assignment #12**
- **Policy Assignment #4**

Week #13: Benefit Plan Design

(4/19-4/25)

Readings:

- Lester, G. V., Brock Baskin M. E., Clinton, M. S. (2021). Employer-sponsored benefits in the United States: The past, present, and future. *Compensation and Benefits Review*, 53(1), 24-42.
- Binney, E. (2024). 5 health benefit trends come into focus for 2024. *Workspan*. February 9.

DUE:

- **Reading Assignment #13**

Week #14: Future of Compensation and Wrap Up

(4/26-5/2)

Readings:

- *The WorldatWork Handbook of Total Rewards*, Chapter 15.
- Bryant, P. C., Brown, D., Cotton, C., Hill, B., Gibbs, M., & Sturman, M. C. (2020). Five experts respond to five questions about five trends in compensation and benefits over the next 5 years. *Compensation and Benefits Review*, 52(4), 138-155.

DUE:

- **Reading Assignment #14**
- **Policy Assignment #5**

Post-Class Due Dates

May 7

- **Last day to hand in late reading assignments**
- **Last day to hand in Policy Assignments**
- **Last day to hand in extra credit policy assignment**

May 11

- **Final Paper Due**