

# كلية العلوم الاقتصادية و التجارية و علوم التسيير

## فريق ميدان التكوين

التخصص: إدارة الموارد البشرية

الشعبة: علوم التسيير

Courses: Wages and Incentives

Teacher: Pr. Djouhara AGTI

Systems

Second semester

Year: 1

2022/2023

## Syllabus

Sub-themes (lectures Elements)	Themes	*Weeks
1. Basic concepts:Wages Definition 1.1. The Natural Wage 1.2.The Demand for Labor 1.3.The Supply of labor 1.4. Unemployment 2. Theories of Wages A. Traditional Theories of Wage: 1. Adam Smith's Contributions: 2. The Subsistence Theory of Wages: 3. Marginal Productivity Theory of Wages: 4. Wage Fund Theory: 5. Residual Claimant Theory: 6. Supply and Demand Theory of Wages	Wages Theories	Week 1
B. Bargaining Theories C. Investment Theory of Wages D. Behavioral theories 1. The Employee's Acceptance of a Wage Level 2. The Internal Wage Structure 3. Human-capital theory	Wages Theories	Week 2
The Definition of Compensation Types of Compensation / Base and Supplementary Compensation Indirect /Supplementary Compensation components Factors Considered in Deciding the Compensation External Factors Internal Factors Objectives of Compensation Management Compensation Approaches Traditional Compensation Approach Total Rewards Approach Differences between Traditional Compensation Approach and Total Rewards Approach 3 P's Approach to Compensation Management	Introduction to Compensation and Wages (compensation)	Week 3

<ul style="list-style-type: none"> <li>➤➤ Paying for position</li> <li>➤➤ Paying for person</li> <li>➤➤ Paying for performance</li> </ul>		
<p>Wage level  What is a Wage Level?  How are Wage Levels are Set?  What is a Wage Rate?  Wage and Salary Administration.  Wage and Salary Administration – Nature and Characteristics  CAFETERIA APPROACH  Wage Differential  MONETARY AND NON –MONETARY  REWARD  Different forms of Non-monetary Rewards  Types of Wage Plans  1.Time Rate  2.Piece Rate  3.Balance or Debt Method  4. Team Based Pay  5. Other systems of Pay</p>	<b>Introduction to Compensation and Wages (Wages)</b>	<b>Week 4</b>
<p>Fringe Benefits definition  Objectives of Fringe Benefits  Features of Fringe Benefits  Factors Determining Fringe Benefits  Reasons for Offering Fringe Benefits  Types of Fringe Benefits</p>	<b>Introduction to Compensation and Wages (Fringe Benefits)</b>	<b>Week 5</b>
<p>Job evaluation defined  Aims of job evaluation  TRADITIONAL JOB EVALUATION  1. Non-quantitative (non-Analytical) Method  1.1. Ranking Method  1.2. Classification Method  2. Quantitative (Analytical) Method  2.2. Factor Comparison Method  2.3. Point Method</p>	<b>Job Evaluation and Wages Structure</b>	<b>Week 6</b>
<p>3. OTHER METHODS OF VALUING JOBS  3.1. Market-Based Pay Systems  3.2. Knowledge-Based Pay Systems  3.3. Skill-Based Pay Systems  Using Information Technology in the Job-Evaluation Process  Wage Structure  What is Wage Structure?  Determinants of the wage structure  What is the Wage Determination Process?  The Process of Job Analysis  The Process of Job Analysis  Relevant Organizational Problems  Preparation of Wage Structure  steps involved in drawing a wage curve  Rate Ranges  Consideration to determine pay ranges</p>	<b>Job Evaluation and Wages Structure</b>	<b>Week 7</b>

<p>Setting of Rate Ranges  Single-Rate Wage Systems  Dimensions of Ranges  Range Breadth  Number of Grades  Overlap  Moving Employees Through Rate Ranges  Rate Ranges and Recruitment</p>		
<p>Qualification levels  Inferential salary  How to classify the ranks in the inferential within the framework of the special basic laws  The method of calculate the salary  Evolution of the minimum guaranteed national wage in Algeria  Grants of a family nature  Contributions and deductions related to wages in Algeria  Payroll tax calculation</p>	<p><b>Wages structure in the Algerian public sector</b></p>	<p><b>Week 8</b></p>
<p>An applied study: calculate the salary of a university professors and their return</p>	<p><b>Wages structure in the Algerian public sector</b></p>	<p><b>Week 9</b></p>
<p>Incentives definition  Incentive Strategy Formulation Process  Types of Incentive Plans</p> <ul style="list-style-type: none"> <li>- Basic Rate System</li> <li>- Incentive Schemes for Individuals</li> </ul> <ol style="list-style-type: none"> <li>1. Individual Payment by Results (PBR)</li> <li>2. Piecework, Bonus Schemes and Home Workers</li> <li>3. Work Measured Schemes</li> <li>4. Measured Day Work (MDW)</li> <li>5. Appraisal/Performance Related Pay</li> <li>6. Market-Based Pay</li> </ol>	<p><b>Incentives and Motivation</b></p>	<p><b>Week 10</b></p>
<ul style="list-style-type: none"> <li>- Incentive Schemes for Groups/ Team Compensation</li> </ul> <ol style="list-style-type: none"> <li>1. Team-Based Pay</li> <li>2. Plant or Company Based Pay/ Enterprise Incentive Plan</li> </ol> <ul style="list-style-type: none"> <li>- Gain Sharing Incentive Plan</li> </ul> <ol style="list-style-type: none"> <li>1. Scanlon Plan</li> <li>2. Share Incentive Schemes</li> </ol> <ul style="list-style-type: none"> <li>- Other Schemes</li> </ul> <p>Executive Incentives  What are non-monetary Incentives?</p>	<p><b>Incentives and Motivation</b></p>	<p><b>Week 11</b></p>
<p>Nature of Motivation  Importance of motivation  Behavioural or human relations management  Theories of Motivation</p> <p>A. Need Theories</p> <ol style="list-style-type: none"> <li>1) Maslow's need hierarchy theory - Maslow</li> <li>2) Two factor theory - Herzberg</li> <li>3) ERG Theory - Clayton Alderfer</li> </ol>	<p><b>Motivation Theories</b></p>	<p><b>Week 12</b></p>

4) McClelland's Theory of Needs		
B. Cognitive Theories - 5) Expectancy theory - Victor H. Vroom 6) Goal Setting theory - Edwin Locke 7) Equity theory - J. Stacy Adams C. Behavioural Theories 8) Theory X and Theory Y – Mc Gregor 9) Theory Z – Ouchi	<b>Motivation Theories</b>	<b>Week 13</b>
Review	<b>Review</b>	<b>Week 14</b>

\* يتم اعتماد الأسابيع بناء على الرزنامة البيداغوجية المحددة.

## References:

1. Arul, P. G. (2003), Compensation Management, Pondicherry University, Department of International Business, MBA – HRM, Private Circulation.
2. SARI, R., (2000), WAGE DETERMINATION MODEL: THEORY AND EVIDENCE, Submitted to the Graduate Faculty of Texas Tech University in Partial Fulfillment of the Requirements for the Degree of Doctor of Philosophy.
3. COMPENSATION MANAGEMENT, Lesson 9: INTRODUCTION TO THE THEORY OF WAGES, Rai Technology University, India.
4. Stirati, A. (1994), The Theory of Wages in Classical Economics: A Study of Adam Smith, David Ricardo and Their Contemporaries, Published by Edward Elgar company, England
5. Ethical Trading Initiative, Wages and Purchasing Theories, Source: <http://www.britannica.com/EBchecked/topic/633855/wage-and-salary> (Jan 2014).
6. COMPENSATION MANAGEMENT, Eilm University, [www.eilmuniversity.ac.in](http://www.eilmuniversity.ac.in)
7. Bhattacharyya, D.K, (2014), Compensation Management, 2 Edition, Published in India by Oxford University Press.
8. COMPENSATION MANAGEMENT, Eilm University, [www.eilmuniversity.ac.in](http://www.eilmuniversity.ac.in)
9. Adamus, W. (2009), A NEW METHOD OF JOB EVALUATION, Jagiellonian University.
10. HANNON, J.M, NEWMAN, J.M, MILKOVICH, G.T, & BRAKEFIELD, J.T, (2001), Job Evaluation in Organizations (Chapter 34), *Handbook of Industrial Engineering: Technology and Operations Management, Third Edition*. Edited by Gavriel Salvendy, John Wiley & Sons, Inc.
11. Mario, C. (2019), Comparative Incentive Systems, Springer Nature Switzerland.
12. Gupta, A.K., (2021), Motivation Theories and their Application, International Journal of Science and Research (IJSR), Vol 10, No 3.
13. Creative Commons Attribution 3.0 Unported License, (n.d), The Evolution of Motivation, MOSAIC.
14. Official Gazette of the Algerian Republic, No. 23, 2022.

## The evaluation method

Exam + directed works, evaluation is done through (works provide to students, two tests and participation).