

COLLEGE OF BUSINESS

ILLINOIS STATE UNIVERSITY

MGT 354: Compensation Management Spring 2026

COB Mission: Through our shared commitment to excellence in teaching, research, and service, we prepare students to be skilled and ethical business professionals who will make significant positive contributions to organizations, to communities, and to our larger society.

Vision: The first choice for business education in Illinois

Core Values:

- We value excellence in instruction and enhanced *student learning*. The College of Business supports the Illinois State University tradition of excellence in teaching. We attempt to provide a holistic approach to learning, relying on excellent classroom teaching but reaching beyond to provide mechanisms for students to engage faculty, industry and each other through experiential learning and individualized attention.
- We value a dedication to *knowledge creation*. Intellectual contributions and the intellectual discipline required of high-quality scholarship are directly related to excellence in the classroom and in our service activities. Most of the efforts of the faculty will fall in the area of discipline-based scholarship as currently defined, but we also value intellectual contributions in the areas of interdisciplinary research, learning and pedagogy, and contributions to practice.
- We value a commitment to *citizenship* in and service to our institution, state, and nation. Our commitment to a dynamic global business environment demands that we take an active role, both as individuals and as a college of business, in the institutional and public processes related to our disciplines.
- We value a culture of *shared governance*. We operate in an environment of shared governance and we commit ourselves to an active role in campus shared governance processes.
- We value *balanced excellence* in the classroom, in research and intellectual contributions, and in service to our institution, our disciplines, and to the local, state, national and international communities.
- We value *high ethical standards*, as embodied in our Standards of Professional Behavior and Ethical Conduct (<http://business.illinoisstate.edu/downloads/about/COB-ethics-projection.pdf>). As a community of scholars and business professionals, we strive to embody the characteristics of responsibility, honesty, trust, respect, and fairness in our professional and personal lives.

Academic Integrity

Students enrolled in College of Business classes are expected to maintain high standards of ethical conduct within the classroom and when completing assignments, projects, and/or exams. Plagiarism and other forms of academic dishonesty such as cheating will not be tolerated. Students are expected to provide appropriate citations for non-original writing even if the original work is paraphrased, no matter the type of assignment. Penalties for plagiarism and other forms of academic dishonesty may be severe. Consequences will be assigned on a case-by-case basis. All ball caps must be removed or flipped during exams and no restroom visits will be allowed.

COURSE DESCRIPTION:

This course is designed to provide a conceptual understanding of compensation practices, and how these practices contribute as a human resource (HR) function to enhancements in job performance, organizational efficiency, and organizational effectiveness. The course addresses the ways in which tangible and intangible forms of compensation may be used to motivate and reward employee performance.

COURSE COMPETENCIES: (Learning Objectives)

Upon successful completion of the course, students should be able to:

1. Explain how compensation is managed and related to the HR function.
2. Explain the inherent difficulties and constraints incurred in developing any total rewards program.
3. Describe the terminology, concepts, and procedures by which total rewards packages are administered.
4. Design a compensation system appropriate to a given organizational situation.
5. Differentiate the different types of job evaluation measurements.
6. Relate pay with motivation, production, and cost.
7. Understand the role of payroll within the HR function.

Professional Standards

Students are expected to be familiar with and abide by the “College of Business Standards of Professional Behavior and Ethical Conduct”. Please note that only bottled water may be consumed in the classroom wing of the State Farm Hall of Business Building and that all cell phones and other electronic devices should be turned off and stored away during classes, unless permission is otherwise granted by the instructor. Please plan to arrive on time and stay for the entire class period unless the instructor is notified before class. Show respect to class guests and others at all times.

COURSE INFORMATION

Course Number & Title	MGT 354 – Compensation Management
Prerequisites	MGT 323
Time and Location	Sect 01 – T/R 2:00 – 3:15 p.m. SFHB 354

INSTRUCTOR INFORMATION

Instructor	Cass Hermacinski, MBA, SHRM-CP
Phone/e-mail	Office 438-7467/ caherm2@ilstu.edu
Office Location	State Farm Hall of Business 121
Office Hours	M 9:30 a.m. – 10:30 a.m. T 10:00 a.m. – 12:00 p.m. and by appt. Zoom: by appt

RESOURCES/MATERIALS

Required: HRM Simulation by Interpretive Sims **and** a calculator

Recommended: Compensation by Gerhart, 14th edition, ISBN: 9781266156939

Recommended: Strategic Compensation: A Human Resource Management Approach, 10th edition,
ISBN: 9780135192146

GENERAL COURSE INFORMATION AND POLICIES

ACADEMIC DISHONESTY: Action will be taken against a student because of academic dishonesty. Plagiarism, cheating, and knowingly supplying false or misleading information will result in consequences that align with the severity of the infraction. Disciplinary action may include but is not limited to zero points for an assignment, failure of a course, and/or dismissal from Illinois State University. If such infractions are suspected, an investigation will be undertaken pursuant to Illinois State University's Academic Integrity Policy. Students are permitted to use AI to **assist** in completing assignments with proper attribution given in the assignment. The submission must be the original work of the student and can only have AI attribution for assistance in completion (e.g. grammar, formatting, etc.). If there is no proper attribution, the student will be charged with an academic dishonesty infraction.

ATTENDANCE POLICY: Attendance is expected and required in this course. Attendance is taken at the start of each session. No late arrivals are allowed. If you arrive after the class has started, you will be marked absent and ineligible to receive any points for the in-class work assigned for that day. **The only absences that will be excused will be those sent as excused by the Dean of Students.**

CLASSROOM CONDUCT POLICY: Students are expected to behave professionally in the classroom, be respectful towards the instructor and fellow classmates, and ensure their behaviors do not disrupt or interfere with class activities. Disruptive behavior either in the classroom or online will not be tolerated. Disruptive behavior is any behavior that is seen as interfering with normal classroom functions. Instructors have the authority and professional obligation to maintain a positive and conducive learning environment for all students. To that end, the following expectations will be enforced:

- DO arrive to class on time and remain in class for the entire class period.
- DO turn off and put away all cell phones, smartphones, and other electronic devices during class periods unless the instructor has provided permission to use the devices.
- DO be attentive and involved throughout the entire class period. Naptime during class ended in kindergarten.
- DO keep your language professional and free of profanity.
- DO NOT carry on distracting side conversations including speaking out of turn or monopolizing discussion.
- DO NOT be disrespectful in speech or actions to the instructor or fellow classmates.
- DO NOT show audible and visible signs of restlessness, boredom, disengagement, or hostility.

NETIQUETTE:

The expectations of students in this course when participating in the virtual classroom, attending virtual meetings with the professor, and/or participating on discussion boards (written or video).

- Keep in mind that you are taking a college class. Something that would be inappropriate in a traditional classroom is also inappropriate in an online classroom.
- Keep your video on and your audio on mute if you're not talking.
- Raise the hand icon to speak or use the chat function to ask a question in the comments section and wait for the instructor to call on you.
- Dress appropriately. Don't wear your pajamas or decide that a shirt or pants are optional pieces of clothing.
- Do not participate in class while lying in bed, walking around the room, or sharing your hygiene or eating habits with the class/instructor.

Students who exhibit behavior deemed to be disruptive may be dismissed from the class and will (1) be marked as absent, (2) lose points on assignments submitted that day, (3) be required to meet with the instructor and/or administration depending on the severity of the disruption and not allowed to return to class until resolved.

EXTRA CREDIT: No extra credit opportunities will be provided based on individual requests. This policy is in place to be fair to all students. Extra credit may, however, be offered to all students at times as the instructor sees fit.

FREE RIDING: Teamwork is often required. Free riding sometimes occurs in teamwork; free riding occurs when one or more members of a team fail to contribute to the team's work and discussions. Symptoms of free riding include (but are not limited to) no clear conceptual contribution to an assignment/project, ignoring team member emails, absences from team meetings, and failure to meet team deadlines.

Here are some things you should know about how I handle free riders:

- I am prepared to help if your team runs into a problem with free riding.
- I am also comfortable with giving free riders a lower grade or a zero on a team presentation or other team assignments.
- If you do run into a problem, the free rider should be informed as clearly and as early as possible that your team is dissatisfied with the person's contributions.
- Make sure that your team's free rider problem is documented by e-mail or text record.
- If there is clear evidence of no contribution (see 3 and 4 above), the non-performing team member will be removed from the team and/or receive an adjusted grade.

PARTICIPATION: My philosophy is that you get out of the course what you put into it. That said, I will pose many questions throughout "lectures" that are meant to facilitate discussion. Most of the questions I ask will be aimed at determining where you are with the material – do not be afraid to give a wrong answer. The more that you participate in class, the more that this will make sense to you.

EXERCISES: There will be a series of exercises to complete that will reinforce the material we are learning in class. These exercises will not count towards your grade. However, these exercises will help you prepare for exams – particularly the math portion.

QUIZZES: Currently, I do not have any quizzes planned. However, I reserve the right to assign quizzes if I feel that participation is lacking, or that they are needed to reinforce comprehension of the material.

HRM SIMULATION: Students will complete a human resources-based simulation through Interpretive Sims. Each student will have to purchase access for ~\$50. This simulation will take place throughout a majority of the semester and be completed in groups of 2-5.

COMPENSATION CASE STUDY: Students will complete the case study in groups during the second half of the semester. The entire case study will be due toward the end of the semester, but I have outlined how much each milestone is worth relative to the overall value of the assignment. We will be spending most of our class time in the second half of the semester working on this case study. The case study is worth a major portion of your grade, so it is imperative that you are in class working on this assignment. There will be a peer evaluation at the end of the case study to ensure work was completed by each member as expected. This peer evaluation can have a major impact on a student's case study grade.

EXAMS: There will be 3 Exams this semester– the exam dates can be found at the bottom of this syllabus. The purpose of these exams is to ensure that students are learning the material that we discuss. These exams can feature T/F, MC, short answer, essay, and word problems. These questions will come from lectures/discussions/videos/guest speakers/case studies.

NOTE TAKING: I strongly encourage all students to take notes during each class period. Most of your exam questions will come from what we discuss in class. My classes have a more conversational approach opposed to a lecture approach. Students should take notes on any in-class discussions or activities.

LATE WORK: Students are expected to demonstrate professional level skills in all areas. For this class, there is zero tolerance for not turning in all assignments on time and for not being prepared for class. Even pre-approved excused absences must submit assignments on time via email or Canvas unless extenuating circumstances exist. The instructor will make the final determination regarding whether those circumstances are extenuating or not.

MAKE-UP POLICY: Make-up exams and quizzes are only allowed if the instructor is notified well in advance by the student that he/she/they are unable to attend the day of a quiz or exam and the instructor excuses the absence. Failure to properly notify the instructor and have that absence approved by the instructor will result in a "0" for that exam or quiz. Students missing an exam for a school-related activity are expected to make arrangements to take the quiz or exam prior to their absence unless approved by the instructor to take upon their return.

USE OF TECHNOLOGY IN CLASS: Students can use laptops in class to take notes, but are not permitted to email, check their social media, or snapchat! Lectures or classes may not be recorded, or photos taken of lecture materials used in class unless you have a letter of accommodation for a specific disability. Recording devices can make individuals feel less free to express themselves and can therefore constrain discussion. Additionally, it raises FERPA concerns and may violate copyright laws.

FINAL GRADES: I am not in the habit of curving or inflating grades at the end of the semester. Do not approach me at the end of the semester to “grade grab” the next highest grade. Doing so will almost certainly hurt your reputation with me. There are rare instances where I will round a grade, but that will be based on attendance/participation and overall effort in the course.

RESPECT: Students are expected to show respect to the instructor and to fellow classmates. Remember, we can learn a lot from the differing perspectives of those around us. As you share your thoughts and your work with each other, try to challenge yourself to think differently, and push yourself to understand other’s viewpoints. No headphones, please, during class time. Students who use the computer for non-class work will be asked to desist or leave the class.

HOW TO BE SUCCESSFUL: I will not sugarcoat anything – this course will be challenging. This course is largely considered to be the capstone of the HR sequence. The exams in this class will be tough – be sure to ask questions during class if you are confused. The questions I have crafted are not meant to “trick you”, but they are meant to draw out your critical thinking skills. Additionally, working together throughout the semester and managing your time wisely will be the key to success in this course. Below are the steps I recommend you take to be successful in this course:

1. Attend class and take notes during class discussions – including guest speaker presentations. I highly recommend you print off the PPT slides before class and take notes on our discussion in class opposed to writing down what is on the PPT.
2. Any math that we do in this course will have an exercise to accompany it. These exercises will not be graded, but it will behoove you to try the exercise(s) on your own before I provide answers in class. Additionally, you should practice these types of problems (change the numbers) as many times as possible before exams.
3. The simulation will be challenging, but I also hope it will be fun. It will be imperative that your teams work well together throughout the running of the simulation during the semester. The purpose of the simulation is to give you a taste of what HR professionals do and how their decisions have a compounding effect on the organization.
4. As we get into the case study, be sure that you are constantly up to speed with what is going on. There will be outside research that will need to be conducted, formulas to be calculated, etc.
5. Seek me out and ask questions! I am here to help. I will not assume that you are lost or confused. When I ask if there are questions, or if anyone is confused in class and there is no response, I will assume that everyone is good to go. If this is not the case, speak up or seek me out.

***Excused Student Absences Due to Communicable Disease, Bereavement or Military Service—These are the ONLY exceptions for attendance points or missing/late assignments and exams. Read the policies to make sure you understand your responsibility.

<https://policy.illinoisstate.edu/students/2-1-30.shtml> Communicable Disease

<https://policy.illinoisstate.edu/students/2-1-27.shtml> Bereavement

Limited Excused Absence for Military Service

In accordance with state laws and regulations (330 ILCS 60/5.2), a service member enrolled in an institution of higher learning who is unable, because of his or her military service, to attend classes on a particular day or days has the right to be excused and to reschedule a course examination administered on such day or days. The faculty and administrative officials shall make available to the service member an opportunity to make up any examination he or she has missed because of his or her military service.

GRADING POLICIES

A	90-100%
B	80-89.99%
C	70-79.99%
D	60-69.99%
F	Below 60%

Your grade will be based solely on the points you earn utilizing the distribution below:

Percentage of Grade	Requirements	Points
25%	HRM Simulation: • Assignments: ○ Case Quiz ○ Decision Rationale ○ Concepts Quiz • Overall Results (including Peer Evals) • Presentation	250 • 100 ○ 20 ○ 60 ○ 20 • 100 • 50
30%	Compensation Case Study	300
45%	Exams • Exam 1 • Exam 2 • Exam 3	450 • 150 • 150 • 150
100%	Total Possible Points	1000

Assignments, calendar and requirements may be changed at the discretion of the instructor.

ACCOMMODATION FOR STUDENTS WITH DISABILITIES

Any student in need of special accommodation should contact the staff in the Office of Disability Concerns at 438-5853 (voice) or 438-8620 (TDD).

Course Outline MGT 354 (Sect. 1) T/R 2:00-3:15 Spring 2026

Date	Modality	Class Agenda	Assignments/Due Dates/Points
Tuesday, January 13	Classroom	Course Orientation What is Compensation?	
Thursday, January 15	Classroom	Compensation Strategy Review LinkedIn Learning EC Opportunities	
Tuesday, January 20	Classroom	Introduce HRM Simulation Register and Create Groups (2-5 students/group)	Complete Simulation Practice (Online) Take Case Quiz (Online)
Thursday, January 22	Classroom	Job Descriptions & Job Analysis FLSA	HRM Simulation: Period 1
Tuesday, January 27	Classroom	Guest Speaker – Jeff Stewart Internal Alignment	HRM Simulation: Period 2
Thursday, January 29	Online	Job-Based Structures & Person-Based Structures	HRM Simulation: Period 3 Review for Exam #1
Tuesday, February 3	Classroom	Exam #1	
Thursday, February 5	Classroom	Guest Speaker – Sam Lewis Competitiveness	HRM Simulation: Period 4
Tuesday, February 10	Classroom	Designing Pay Levels, Mix, & Pay Structures	Pay Grade/Pay Range & Statistics Exercise
Thursday, February 12	Classroom	Merit Based Pay, Incentive Based Pay, and Performance Appraisals	HRM Simulation: Period 5 Review for Exam #2
Tuesday, February 17	Classroom	Exam #2	
Thursday, February 19	Classroom	Guest Speaker – Kathleen Hermacinski (Benefits)	HRM Simulation: Period 6
Tuesday, February 24	Classroom	Compa-Ratios/ Payroll as a Function of HR	HRM Simulation: Period 7 Compa-Ratio Exercise Payroll Exercises
Thursday, February 26	Classroom	Guest Speaker – Derek Story (AI & HR) Compensating Executives and the Flexible Workforce	HRM Simulation: Period 8
Tuesday, March 3	Classroom	Discuss Compa-Ratio Exercise & Payroll Exercises (if needed)	Review for Exam #3
Thursday, March 5	Classroom	Exam #3	
Tuesday, March 10	No Class	Spring Break	
Thursday, March 12	No Class	Enjoy!	
Tuesday, March 17	Classroom	Introduce Case Study	
Thursday, March 19	Classroom	Case Study Work	HRM Simulation: Period 9
Tuesday, March 24	Classroom	Case Study Work	HRM Simulation: Period 10
Thursday, March 26	Classroom	Case Study Work	HRM Simulation: Period 11
Tuesday, March 31	Classroom	Case Study Work	HRM Simulation: Period 12

Thursday, April 2	Classroom	Case Study Work	All remaining simulation assignments are due Sunday, April 5 (check Canvas)
Tuesday, April 7	Classroom	Case Study Work	
Thursday, April 9	Classroom	Case Study Work	Simulation Presentation Files due Sunday, April 12
Tuesday, April 14	Classroom	Simulation Presentations (3)	
Thursday, April 16	Classroom	Simulation Presentations (2) Case Study Work	
Tuesday, April 21	Classroom	Simulation Presentations (2) Case Study Work	
Thursday, April 23	Classroom	Case Study Work Complete Course Evaluations	Case Study Written/Excel Submission due to Canvas Sunday, April 26
Tuesday, April 28	Online	Open	
Thursday, April 30	Online	Open	
Finals Week: May 4-8		No Final Exam Date & Time: TBD	Total Class Points: 1,000

***The instructor reserves the right to change this course outline at any time.