

LER 565/BADM 512 Human Resources Management and Strategy

University of Illinois at Urbana-Champaign

Fall 2018

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Time: Tuesdays 11:00AM – 1:50 PM
Location: Armory 134, 505 E Armory Ave.
Instructor: Shinjae Won, Ph.D.
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Office Hours: By appointment

Course Description

This course has two major goals. The first is to understand the fundamentals of strategic management. In this condensed version of the course on strategic management, we will cover basic concepts of strategic management and its application to the analysis of business organizations and competitive environment, with a special focus on its relevance to human resource management. The second goal of the course is to explore how firms can strategically manage human resources as a source of competitive advantage. This part calls for a departure from a traditional view of HR as an administrative function to a view of HR as a strategic component in an organization. In this part, students learn how to apply the knowledge about strategic management to the functions and roles of human resource management. By integrating the two learning purposes, students learn how the system of human resource management can be designed and implemented with the clear goal of contributing to the formulation and implementation of the organization's competitive strategy.

Course Requirements

Readings:

It is extremely important to come prepared for each class session. Assignments should be read and given some thought in advance of class. Although the instructor will be more than happy to answer questions and help you understand the contents of the readings, the instructor will not provide a general summary of the readings; it is your responsibility to read them and come prepared for classroom discussion. You will not be able to successfully complete the course without full understanding of the readings. Exams and other assignments are designed to ensure that you complete the readings and understand the concepts in them thoroughly.

Each week's readings typically consist of one or two conceptual pieces and one business case. The cases are carefully chosen to illustrate core concepts that are introduced in the conceptual

pieces. The cases are intended to help you understand the concepts in a real-world setting and to provide the basis for class discussion. Some information may seem dated, but consider it as relevant information that helps us understand historical background of the organizations. The cases are not intended to provide up-to-date information about the companies. Keep in mind that our goal is to learn the underlying the concepts rather than to know more about the specific companies or industries featured in the cases.

Participation:

Active student participation is essential to the success of the course. Your ability to contribute comments that are relevant and insightful is highly valued in this course. You may be cold-called to contribute to the class discussion. Participation will be worth 10 percent of the course grade.

Attendance:

Attendance is required at all class sessions. Attendance includes arriving on time and remaining until the end of the session. If you know ahead of time that you cannot attend class due to illness or civic duty (court appearance, jury duty, etc.), please notify the instructor immediately.

Midterm examination:

There will be one midterm exam (in class) on **October 16th**. Please mark your calendar. There will be no make-up exams, except for extraordinary circumstances. For such circumstances, arrangements must be made at least one week prior to the exam date and official documentations must be submitted. More specific guidelines for the exam will be announced later. The exam will be worth 30 percent of the course grade.

Final examination:

There will be one final take-home exam (due **December 14th**). The exam will be worth 30 percent of the course grade.

Team project:

Students will be assigned to project teams of 4-5 people each. Each team will jointly conduct a research project, co-author a term paper, and make an in-class presentation. At the end of the project, members will rate one another's performance on the project, and those ratings will affect your team project grade. An example of the peer evaluation form is found at the end of this syllabus.

The team project is to study a real organization, using the concepts and methods you learn in this course, prepare a report that identifies the organization's problems related to HR management and strategy, and propose actions that solve problems and raise performance. Your goal is to devise a strategy that aims to improve organizational performance; your tool is HR. In doing this, you should adopt the clinical pose of a management consultant, endeavoring to understand the root causes of the problems, and to propose actions that solve problems.

The organization you study could be somewhere you (or someone in your team) have actual contacts, so you can possibly visit them and talk to them, or an organization that you can indirectly study through secondary materials (such as media coverage and financial reports). Any organization (for-profit private organizations, non-profit and public organizations) can be a subject, as long as they manage human resources, care about organizational performance, and are situated in a competitive environment. Avoid organizations that are situated in a complete monopoly due to industry constraints or public interest (for example, military organizations or fire department). Avoid organizations that consist solely of full-time students or volunteers; a majority of the members in the organization must be paid employees. Do not study fraternities or sororities. If necessary, you may use a pseudonym for the organization to protect its identity.

Gather information and data, both quantitative and qualitative, through appropriate channels such as published documents, reports, websites, interviews with key members, and/or observations at the work place if possible. Think carefully about how reliable the information is. Make efforts to obtain information from multiple sources, rather than relying on a single source—for example, one or two employees' opinion may not be representative of what is really going on at the organization.

Select a problem or issue (or a set of related issues). The range of options is large, but the requirements are:

- (a) the issue should concern the role of human resource management as a source of competitive advantage at the organizational level, and
- (b) it should be both relevant and important to the organization you select.

Your choice of the problem or issue should be directly relevant to the course; otherwise your project will not earn full credits. Specifically, a project that solely focuses on internal HR issues without any explicit linkage to competitive strategy and external environment will earn a low score. As stated in (a) above, it should focus on the issues at the level of the *organization* you study, not at the level of the HR function (i.e., HR department). As stated in (b) above, it is important to demonstrate that the issues you choose have a real impact on the success of the organization.

Once you have chosen an organization to study, the research method, and an issue or problem to explore, your analysis should be primarily based on concepts and methods you learn from the class. Your analysis may be either quantitative or qualitative. In either case, it should be based on sound logic. Your analysis should be concrete enough to generate some practical recommendations to the organization you study. Do not use popular HR techniques without thinking about its connection to the organization's strategy. You should have a strong rationale for your choice of HR tools. How would your choice of HR management fit the strategy and enhance performance? Why should the organization spend money and resources to implement your recommendations?

The actual process of the project will have the following five steps:

- Step 1. Team Project Report #1.** A 3 page (1 page for each of the 3 organizations – list them in the order of preference), double-spaced note that includes the names (real names or pseudonyms) of the organization, industry, products/services, and the reason why your team chose these organizations. Submit it through Compass. (SafeAssign). Due **October 16th** (Week 8). Late reports will not be accepted.
- Step 2. Team Project Report #2.** A note that outlines the research plan. The report should contain information about the division of tasks among the team members, internal deadlines and the potential data sources. Submit it through Compass. (SafeAssign). Due **October 23th** (Week 9). Late reports will not be accepted.
- Step 3. Final draft (optional),** no longer than 15 pages in total (up to 10 pages of text, and up to 5 pages of bibliography and exhibits such as graphs and tables), double-spaced. Due **November 27th** (Week 14) in order to receive feedback from the instructor.

**** Each team will be asked to schedule a team meeting with the instructor between November 27th and Dec 4th.**

- Step 4. Oral presentation** in class on **Dec 4th** (Week 15). All members of the team should participate in the presentation. The audience (i.e., your classmates and the instructor) will grade the presentations. A sample of presentation grading form is found at the end of this syllabus.
- Step 5. Final paper,** no longer than 16 pages in total (1 page cover, up to 10 pages of text, and up to 5 pages of bibliography and exhibits such as graphs and tables), double-spaced. Submit through Compass (SafeAssign). Due **Dec 11th** (Week 16). Late papers will not be accepted.

The deadlines and guidelines with more details will be announced later. Throughout the project, you are encouraged to consult your instructor regarding any methodological, conceptual, or analytical issues.

Below is the summary of the assignments along with the percentage of the total grade.

<u>ASSINGMENTS</u>	<u>PERCENTAGE OF THE TOTAL GRADE</u>
Midterm examination	30%
Final examination	30%
Participation	10%
Team project	30%
<i>1st team project report</i>	5%
<i>2nd team project report</i>	5%
<i>Oral presentation</i>	10%
<i>Final project paper</i>	10%

When all assignments have been completed, each assignment will be weighted by the above percentages and added to calculate the total score. The final letter grade will be based on the following scale:

LETTER GRADE	TOTAL SCORE
A	93-100
A-	90-92.9
B+	87-89.9
B	83-86.9
B-	80-82.9
C+	77-79.9
C	73-76.9

Course Materials

1. **Compass.** Some readings in PDF are available on the Illinois **Compass 2g** website for this course.
2. **Harvard Business Publishing website.** Some readings are available for purchase on the Harvard Business Publishing website (<http://cb.hbsp.harvard.edu/cbmp/access/66661176>).
3. When you first visit the website, you will be asked to register. Then, you will be able to view the cases assigned to this course and purchase them online.

On the course schedule below, each reading has its source noted in the brackets (e.g., [Compass]).

Course Website

A website for this course (LER 565) will be set up at Illinois **Compass 2g**: <https://compass2g.illinois.edu/>. Required readings, PowerPoint slides and useful resources will be posted there. Please check frequently for updates. You will submit team project assignments through Compass (using the SafeAssign feature). When the level of class attendance declines, the instructor may reduce the amount of information contained in the PowerPoint slides posted on Compass in order to encourage attendance.

Course Policies

- Cell phones and any other communication devices must be turned off during the class.
- Laptop use in the classroom is strictly limited to note taking. Personal emails, instant messaging, social network websites, Internet browsing, or any other use unrelated to the class are highly distracting for other students and thus is not allowed. If such an incidence occurs, you will lose the privilege to use a laptop in the classroom.
- If you violate these policies, you may be asked to leave.

Academic Integrity

In order to maintain a vigorous and healthy learning environment in the classroom, it is critical that no member of the class engage in or tolerate academic fraud, such as cheating or plagiarism. We believe strongly in giving certain liberties to students, and in return we expect honest and

honorable conduct, including compliance with the University of Illinois' Student Code (see <http://admin.illinois.edu/policy/code> for details).

Since our reading materials and discussion topics include examples from well-known companies, it is often the case that relevant information can be found in the sources other than designated course materials (for example, the Internet, magazines, newspaper, etc.). Whereas referring to external sources is fine and encouraged, it may be tempting to use or copy information from such sources in your course assignment *without proper acknowledgement of the sources*. Such action is considered **plagiarism** and strictly prohibited. Brief guidelines about what constitutes plagiarism and how to avoid it will be provided during the class, but it is ultimately the students' responsibility to educate themselves about the risk of plagiarism and avoid committing it. Carefully review the University policy governing academic integrity and plagiarism, including the Student Code Article 1, Part 4, §1-402 "Infractions of Academic Integrity" (http://admin.illinois.edu/policy/code/article1_part4_1-402.html). Not knowing the policy is not an excuse.

This policy applies to **all** written assignments of this course, including team project reports, final paper, and exam answers. Any incidence of plagiarism will be handled according to the official University policies and reported to the University administration.

To discourage plagiarism, all assignments will be submitted through **SafeAssign**, a plagiarism prevention service offered through Illinois Compass 2g. SafeAssign automatically scans all submitted texts, checks them against various databases, and flags unoriginal contents in student papers. Detailed instructions about how to submit papers through SafeAssign will be provided later.

How to Contact Me

If you have any questions or concerns about the subject matter or your performance in this course, I urge you to contact me; sooner is better than later, but anytime is better than no time. One of the easiest ways to communicate with me is by email at shinjae@illinois.edu.

Schedule

Week 1	Aug 28	Course Introduction <ul style="list-style-type: none">- David J. Collis & Michael G. Rukstad. 2008. "Can you say what your strategy is?" <i>Harvard Business Review</i>, 86(4): 82–90. [Compass]- Ram Charan, Dominic Barton, and Dennis Carey. 2015. "People Before Strategy: A New Role for the CHRO" <i>Harvard Business Review</i>, July/August. [Compass]
Week 2	Sep 4	External Analysis <ul style="list-style-type: none">- Michael E. Porter. 1979 [2008]. "The Five Competitive Forces that Shape Strategy." <i>Harvard Business Review</i>, March-April 1979 [Reprinted in January 2008]. [Compass]- Case: Cola Wars Continue: Coke and Pepsi in 2010 (Harvard Business School case #9-711-462) [Harvard Business Publishing]
Week 3	Sep 11	Generic Strategies <ul style="list-style-type: none">- Michael E. Porter. 1980. <i>Competitive Strategy</i>. New York: Free Press. Chapter 2, "Generic Competitive Strategies," pp. 34-46. [Compass]- Pankaj Ghemawat & Jan Rivkin. 1998. "Creating Competitive Advantage." Harvard Business School note #9-798-062 [Harvard Business Publishing]- Case: Bang & Olufsen: Design Driven Innovation (Harvard Business School case #9-607-016) [Harvard Business Publishing]
Week 4	Sep 18	Vertical Integration <ul style="list-style-type: none">- Mikolaj Jan Piskorski. 2005. "Note on Corporate Strategy." Harvard Business School note #9-705-449. [Harvard Business Publishing]- Jay Barney. 1999. "How a Firm's Capabilities Affect Boundary Decisions." <i>Sloan Management Review</i> 40(3): 137-145. [Compass]- Case: The Walt Disney Company and Pixar Inc.: To Acquire or Not to Acquire? (Harvard Business School case #9-709-462) [Harvard Business Publishing]
Week 5	Sep 25	Diversification <ul style="list-style-type: none">- Michael E. Porter. 1987. "From Competitive Advantage to Corporate Strategy." <i>Harvard Business Review</i>, May-June. [Compass]- Cynthia A. Montgomery. 1994. "Corporate Diversification." <i>Journal of Economic Perspectives</i> 8(3): 163-178. [Compass]

		- Case: Newell Company: Corporate Strategy (Harvard Business School case #9-799-139) [Harvard Business Publishing]
Week 6	Oct 2	<p>Internal Analysis</p> <p>- Jay Barney. 1991. "Firm Resources and Sustained Competitive Advantage." <i>Journal of Management</i> 17(1): 99-120. [Compass]</p> <p>- Case: Southwest Airlines (Thunderbird School of Global Management case #TB0333) [Harvard Business Publishing]</p>
Week 7	Oct 9	<p>Value-based business strategy</p> <p>- Adam M. Brandenburger and Harborne W. Stuart, 1996. "Value-based business strategy." <i>Journal of Economics & Management Strategy</i>, 5(1), pp.5-24. [Compass]</p> <p>- In-class activity: Build-a-tower challenge</p>
Week 8	Oct 16	Midterm Exam (in class)
Week 9	Oct 23	<p>Strategic HR Management</p> <p>- Patrick M. Wright, Gary C. McMahan, and Abigail McWilliams. 1994. "Human Resources and Sustained Competitive Advantage: A Resource-based Perspective." <i>International Journal of Human Resource Management</i> 5(2): 301-326. [Compass]</p> <p>- Case: ARISE: A Destination-for-a-Day Spa (Harvard Business School case #9-913-521) [Harvard Business Publishing]</p>
Week 10	Oct 30	<p>High Performance Work Systems</p> <p>- Jeffrey Pfeffer. 1998. <i>The Human Equation: Building Profits by Putting People First</i>. Boston, MA: Harvard Business School Press. Chapter 3 "Seven Practices of Successful Organizations," pp.64-98. [Compass]</p> <p>- Mark A. Huselid. 1995. "The Impact of Human Resource Management Practices on Turnover, Productivity, and Corporate Financial Performance." <i>Academy of Management Journal</i> 38(3): 635-672. [Compass]</p> <p>- Case: The Aberdeen Experiment (University of Virginia Darden Business Publishing case #UV4297) [Harvard Business Publishing]</p>
Week 11	Nov 6	<p>Employee Empowerment</p> <p>- Gretchen M. Spreitzer and David Doneson. 2005. "Musings on the Past and Future of Employee Empowerment." <i>Handbook of Organizational Development. Thousand Oaks: Sage</i> [Compass]</p> <p>- Case: RL Wolfe: Implementing Self-Directed Teams (Harvard Business School case #4063; audio version is not necessary) [Harvard Business Publishing]</p>

Week 12	Nov 13	<p>Flexible Employment System</p> <ul style="list-style-type: none"> - Gerry Rodgers. 2007. "Labour Market Flexibility and Decent Work" DESA Working Paper No. 47 [Compass] - E. Jeffrey Hill, Joseph G. Grzywacz, Sarah Allena, Victoria L. Blancharda, Christina Matz-Costac, Sandee Shulkinc, and Marcie Pitt-Catsouphe. 2008. "Defining and Conceptualizing Workplace Flexibility." <i>Community, Work & Family</i> 11(2): 149-163 [Compass] - Case: AT&T Resource Link: Revisioning the Managerial Workforce (Harvard Business School case #9-497-004) [Harvard Business Publishing]
Week 13	Nov 20	Thanksgiving break
Week 14	Nov 27	<p>HR Scorecard</p> <ul style="list-style-type: none"> - Brian E. Becker, Mark A. Huselid, and Dave Ulrich. 2001. <i>The HR Scorecard: Linking People, Strategy, and Performance</i>. Boston, MA: Harvard Business School Press. Chapters 2 "Clarifying and Measuring HR's Strategic Influence" & Chapter 3 "Creating an HR Scorecard", pp. 27-77. [Compass] - Case: Verizon Communications, Inc.: Implementing a Human Resources Balanced Scorecard. (Harvard Business School case #9-101-102) [Harvard Business Publishing]
Week 15	Dec 4	Team presentations
Week 16	Dec 11	Course review

CLASS ATTENDANCE AND PARTICIPATION
SAMPLE

Name: _____

Date: _____

You can earn up to 10 points for each of our class sessions based on your attendance and level of participation. Use the below statements to reflect on your contribution to today's class and determine how many points you feel you deserve for this session. I reserve the right to change your score if I do not believe that your assessment coincides with my observations *so please be honest!* However, I will discuss any alterations I make to your score with you.

ATTENDANCE

(Circle One)

- 0 I missed more than 1 hour of class.
- 1 I missed 31 – 45 minutes of class.
- 2 I missed 21 – 30 minutes of class.
- 3 I missed 11 – 20 minutes of class.
- 4 I missed 5 – 10 minutes of class.
- 5 I was in class on time and ready to learn.

PARTICIPATION

Rate your level of participation in today's class on a scale of 0 – 5 with "0" being low and meaning "I did not participate in class discussions or group activities" and "5" being high and meaning "I was active in class discussions, listened to what others had to say, stayed on topic, did not dominate conversation, asked questions, and was fully attentive. I contributed in a positive and respectful manner to our class experience". *(Circle One)*

0 1 2 3 4 5

TOTAL: _____

What is the most important thing you learned in class today? _____

What is the main, unanswered question you leave class with today? _____

Team Project Peer Evaluation

SAMPLE

Use this form to evaluate the contributions that your team members made to the overall performance of your group, including oral presentation and the final paper. The results will be used to adjust the group portion of each person's grade. As such, individual grades of group work can be either above or below the actual group.

Please complete and return this form via email to the instructor. Alternatively, type your response in the email.

The peer evaluation ratings are strictly confidential.

Note that you are **not** evaluating your own contributions, but the contributions of the others in your group.

In the section below, list the names of group members (other than yourself). Next to that, allocate points to each member, based on their contribution. You have a total number of 10 points per team member (other than yourself). If you assign 10 points to each member, you are saying that each person contributed equally.

Use the space below to add any comments, if necessary.

<u>Names</u>	<u>Points</u>
1.	
2.	
3.	
4.	

Your comments (optional):

Team Presentation Grading Form

SAMPLE

		Teams								
	Grading rubric	Maximum	1	2	3	4	5	6	7	8
A	Does the presentation provide clear information about the organization and its competitive environment ? Is this information relevant to the subsequent analysis?	10								
B	Do the HR-related issues that the presentation focuses on have a strategic impact on the organization? Does the presentation explain why and how the HR-related issues have an impact on the organization's competitive advantage and performance?	20								
C	Does the presentation provide original analysis that highlights cause-and-effect relationship? Does the presentation investigate the issues deep enough to discover the root causes?	20								
D	Does the presentation correctly use appropriate concepts and theories that we learn in this course?	20								
E	Does the presentation provide concrete recommendations that are feasible to implement? If a top manager listens to this presentation, would he or she approve this plan?	20								
F	Did the team communicate effectively given the time limit? Is there anything that distracts the audience from focusing on its contents?	10								
TOTAL		100								

Note: Do **not** grade your own team!