

LER 565/BADM 512 Human Resources Management and Strategy

University of Illinois at Urbana-Champaign

Fall 2009

(Last updated: August 20, 2009)

Time: Thursday, 9:30 AM – 12:20 PM
Location: 240 Wohlers
Instructor: Taekjin Shin
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Office Hours: Thursday 2:00 – 3:30 PM or 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 partner. In this part, students learn how to apply the knowledge about strategic management to the functions and roles of human resource management in the 21st century's new competitive landscape.

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 the class. You will not be able to successfully complete the course without doing so.

Participation:

Active student participation is essential to the success of the class. Your ability to contribute comments that are relevant and insightful is highly valued in this course. You will be called on, even cold-called, to contribute to the class discussion.

Attendance:

Attendance is required at all class sessions. Attendance includes arriving on time and remaining until the end of the session. Beginning with the second day of class, attendance will be taken at each class session. You are responsible for making sure that you sign in each class period. 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. Attendance will be worth 5% of the total grade.

Case memos:

You are required to submit a 2-page, double-spaced memo at the beginning of each class that has a case reading assignment. Late memos will **not** be accepted. The questions for the memo will be announced one week before the memo is due. Memos will be worth 15% of the total grade.

Midterm & final examinations:

There will be one midterm exam and one final exam. Both exams will be open book, in-class. See course schedule below for exam dates, and 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 documentations must be submitted).

Guidelines for the exams will be announced later. Each exam will be worth 25% of the total grade.

Team project:

In the beginning of the semester, students will be randomly assigned to project teams of 4-5 people each. Each team will jointly conduct a research project, co-author a term paper, and make a presentation to the class on December 10th. In general, all members of the group will receive the same grade. However, members will rate one another's performance on the project, and those ratings will affect your team project grade.

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. In doing this, you should adopt the clinical pose of a management consultant, endeavoring to understand the root causes of the problems in terms of human resource management at the organization, and to propose actions that solve problems.

Specifically, you should do the following.

1. Identify an organization. It 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). For-profit private organizations, as well as 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.
2. Familiarize yourself with the organization. Gather information and data, through appropriate channels such as published documents, reports, websites, interviews with key members, and/or observations at the work place if possible.
3. Select a problem or issue (or a set of related issues). The range of options is large. The most important criteria for problem selection are that it: (a) concerns the role of human

resource management as a source of competitive advantage, and (b) is both relevant and important to the organization you select.

4. Once you have chosen an organization to study and an issue or problem to explore, your analysis should be clear, logical, and based on concepts and methods you learn from the class. Each team will turn in one paper, which should have the following elements:

- A brief description of the organization
- A description of the issue(s) or problem(s)
- A clear analysis of the problem
- A detailed, concrete plan of action or a remedy
- The constraints you might encounter were you actually to implement the changes

On **October 8th**, you will submit a one-page, double-spaced proposal that lists your group's members, the organization you are studying, and a brief description of the issues you wish to study. This proposal will not be graded.

The final team paper should be no longer than 12 pages, double-spaced. It is due on **December 3rd**, at the beginning of the class. The guidelines with more details will be announced later. The team paper will be worth 20% of the total grade. Late papers will **not** be accepted.

Each team will make an oral presentation of the project on **December 10th**. Each presentation will be no longer than 15 minutes, with 3 additional minutes for questions and answers. All members of the team should participate in the presentation. The instructor and the audience will evaluate the presentations and jointly contribute to the assessment. The presentation will be worth 10% of the total grade.

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>
Attendance	5%
Case memos	15%
Midterm examination	25%
Final examination	25%
Team project paper	20%
Team project presentation	10%

Course Materials

The textbook for the course is:

Jay Barney & William S. Hesterly. (2008). *Strategic Management and Competitive Advantage: Concepts and Cases*. 2nd edition. Prentice Hall. (ISBN-10: 0132338238, ISBN-13: 9780132338233)

The textbook and reading packet are available at the Illini Union Bookstore (809 S. Wright Street, Champaign, 217-333-2050).

Course Website

A website for this course (LER 565) is set up at Illinois Compass: <https://compass.illinois.edu>. For your convenience, class announcements, PowerPoint slides, and useful resources will be posted there. Please check frequently for updates.

Course Policies

- Cell phones, Blackberries, iPhones, or any other communication devices must be turned off during the class. No text messaging please.
- 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 is not allowed.
- Please do not bring food to the classroom. It may distract other students. Drinks are okay.

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).

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 tshin@illinois.edu.

Schedule

Week 1	Aug 27	<p>Course Introduction</p> <ul style="list-style-type: none"> - Case: Alaska Gold Mine (not in course packet; distributed in class)
Week 2	Sep 3	<p>What is Strategy?</p> <ul style="list-style-type: none"> - Michael E. Porter. 1996. "What is Strategy?" <i>Harvard Business Review</i>, November/December: 61-78. - Raymond E. Miles and Charles C. Snow. 1984. "Designing Strategic Human Resources Systems." <i>Organizational Dynamics</i> 13(1): 36-52. - Case: Matching Dell (Harvard Business School case #9-799-158)

Week 3	Sep 10	Strategic Management Process - Barney and Hesterly, Chapter 1 - Case: Netflix (Harvard Business School case #9-607-138)
Week 4	Sep 17	External Analysis - Barney and Hesterly, Chapter 2 - Case: Yahoo!: Business on Internet Time (Harvard Business School case #9-700-013)
Week 5	Sep 24	Internal Analysis - Barney and Hesterly, Chapter 3 - Case: Southwest Airlines (A) (Stanford Graduate School of Business case HR-1A)
Week 6	Oct 1	Cost Leadership - Barney and Hesterly, Chapter 4 - Case: Wal-Mart Stores in 2003 (Harvard Business School case #9-704-430)
Week 7	Oct 8	Product Differentiation - Barney and Hesterly, Chapter 5 - Case: Bang & Olufsen: Design Driven Innovation (Harvard Business School case #9-607-016) - <u>Team project proposal due</u>
Week 8	Oct 15	Midterm Exam
Week 9	Oct 22	HR System - Jeffrey Pfeffer. 1996. <i>The Human Equation: Building Profits by Putting People First</i> . Boston, MA: Harvard Business School Press. Chapters 2 & 3, pp. 31-98. - Case: SAS Institute (A): A Different Approach to Incentives and People Management Practices in the Software Industry (Stanford Graduate School of Business case HR-6)
Week 10	Oct 29	HR Interventions - Keith H. Hammonds. 2007. "Why We Hate HR." <i>Fast Company</i> , December 2007. http://www.fastcompany.com/magazine/97/open_hr.html - Case: Yahoo! A New HR Challenge (A) (Stanford Graduate School of Business case HR-25A)
Week 11	Nov 5	HR Function - Dave Ulrich. 1998. "A New Mandate for Human Resources." <i>Harvard Business Review</i> . January/February: 124-134.

- Case: Human Resources at the AES Corporation: The Case of the Missing Department (Stanford Graduate School of Business case HR-3)

Week 12 Nov 12

Workforce Analysis

- Brian E. Becker, Mark A. Huselid, and Dave Ulrich. 2001. *The HR Scorecard: Linking People, Strategy, and Performance*. Boston, MA: Harvard Business School Press. Chapters 2 & 3, pp. 27-77.
 - Case: Siebel Systems: Culture as a Pillar of Success (Stanford Graduate School of Business case HR-14)

Week 13 Nov 19

High Performance Work Systems

- David A. Garvin and Norman Klein. 1993. "Note on High Commitment Work Systems." Harvard Business School note #9-693-080
 - Case: PPG: Developing a Self-Motivated Work Force (A) (Harvard Business School case #9-693-020)

(Nov 26: Thanksgiving— No Class)

Week 14 Dec 3

HRM and Firm Performance

- Mark A. Huselid. 1995. "The Impact of Human Resource Management Practices on Turnover, Productivity, and Corporate Financial Performance." *Academy of Management Journal* 38(3): 635-672.
 - Case: People Express (A) (Harvard Business School case #9-483-103)
 - Team project final paper due

Week 15 Dec 10

Team Presentations

Week 16 Dec 17

Final Exam