

MHR 7309 (Day Class)
The Strategic Management of Human Assets

The Ohio State University
Fisher College of Business

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Purpose and Course Description

The effective employment and deployment of human assets or resources in organizations is widely recognized as a critical characteristic of successful firms. A firm's ability to respond to changing environments, to "learn," and to be efficient and competitive all depend, to some extent, on the individuals inside the firm. It is the management of those individuals in a way that is consistent with the goals and policies of the firm that will be our focus. This class will explore the content and the process issues surrounding the management of human assets. Because there is a wide variety of ways in which to examine human resource management, a couple of clarifications about the approach in this course:

1. This course will approach personnel and human resource management issues and challenges from the **general manager's perspective**. In most medium-sized and large organizations, personnel or human resource management is a staff function. The efficient and ethical employment of human resource policies and practices, however, is a general management responsibility. In smaller organizations, there may be no human resources staff available and thus every employee is expected to develop and implement policies and practices that relate to managing the human assets in the firm.
2. This course will approach the management of human assets from a **strategic perspective**. As such we will consider the relationship between practices and processes of managing people in firms and the context (e.g., industry, environment, political, social) in which these practices take place. The nexus of this course, however, remains human resource management rather than strategy.

Readings, assignments, and cases will be used to highlight the issues and problems that face organizations as they create and implement policies to strategically manage their human assets. At course completion, you should have:

1. a familiarity with the current theoretical models and topics in strategic human resource management, such as alignment, core competencies, changing social contracts;
2. a familiarity with strategic human resource practices such as selection, development, performance appraisal and compensation, and the role that each can play in an organization;
3. the ability to apply these concepts directly to real world situations;
4. skills to identify, evaluate and resolve a variety of issues relating to the management of human assets.

The first section of this course will introduce the concept of human resources as a strategic choice and a source of competitive advantage for firms. We will address how we measure and evaluate human resource practices and what makes practices “good” practices. We will consider broader corporate strategies, business activities, and competitiveness in an increasingly global marketplace. In the second section of this course, we will address human capital and human competencies. Topics in this section include the recruitment and selection of employees and the changing nature of work and workers. The third section continues the theme of the second section and examines the changing employment relationship—how social contracts between organizations and employees are changing, and ways in which organizations can address such changes and maintain performance. The fourth section examines organizational change. We will examine how the firm can sustain its competencies in the face of large-scale changes such as mergers, acquisitions, and downsizing.

Life in the Classroom

This will not be a lecture course. Classroom discussion is a vital part of your learning experience and is important for your grade (see below). You should come to class prepared to discuss the day’s readings and to respond to the ideas and comments of others. I will facilitate a dialogue among the class participants rather than deliver a monologue. I expect your interactions to be informed, well reasoned, and constructive. I expect classroom etiquette to follow “concert rules.” NOTE: Audio or video recording of the class is not generally allowed (speak with professor to request an exception).

Required Readings

Readings will be made available online. These readings include case studies, short articles from professional and academic journals, and chapters from books. Some will be free and provided directly on our Carmen/Canvas account. Others will be made available for purchase through Harvard Business Publishing. A link for the Harvard readings and cases is on our Carmen/Canvas account.

Not all class materials will be discussed to the same extent. Most classes include a case, which will typically serve as the basis of class discussion. For classes that do not have a case, I will highlight the readings on which to focus.

Course Requirements

Students will be evaluated on class participation, written work and a group presentation.

Class Contributions (25% of your grade)

This course requires a great deal of student involvement. Each class period will include intense discussion of the topics and issues at hand that will require students to be in-class and prepared. Students will be graded on the quality of their comments in class, not the quantity. Quality is judged based on your ability to add substantively to class discussions and your ability to link to others’ comments in the class or to advance the class discussion. Participation grading looks something like this:

- 0 points: not present

- 1 point: in class, but just a warm body
- 2-6: quality of comments (a quantity, not quality, commenter will usually score in the low numbers here)
- negative points: for any disruptions to class including but not limited to regular tardiness, distracting computer use, sidebar conversations, excessive contributions, or “bogus” contributions.

I will call on students but **VOLUNTARY PARTICIPATION** is what will be most important for your grade. Therefore, it is up to you to make sure your voice is heard. It is also up to you to ask for feedback on your class contributions. I reserve the right to use pop-quizzes, the scores of which will be added to your participation grade.

Besides gathering materials through shared files, you may also be asked to use Carmen/Canvas to participate in conversations or polls prior to coming to class. Your participation in Carmen/Canvas will also be factored into your contribution grade. This system is in place for your benefit so feel free to use it regularly to make comments or queries to me and to your colleagues in the class.

Individual Case Analyses (65% of your grade)

Everyone is required to write *two case analyses*, each roughly four (4) pages in length (1000 words).

- (1) The first will be an analysis of the case “Kimberly-Clark Andean Region” due at the start of class, January 26th (30% of your grade);
- (2) For the second case you have a choice of the following (35% of your grade):
 - a. “Marshall & Gordon due at the start of class February 14th; or,
 - b. “Bancolumbia...” due at the start of class February 16th; or,
 - c. an analysis of strategic human resource management as implemented at a company where you have worked (due date negotiated).

If you pick option (c.) of (2) above, I will want to meet with you to discuss the content and structure of your analysis before February 7th. Questions and details for the case analyses will be provided during the course. Please see below “Case Analyses Suggestions” for ideas about how to approach these assignments.

Current Event: (10% of your grade)

As business students, it is important that you keep up-to-date on business news—both for application of classroom concepts to the business world and to be able to converse intelligently about business issues. For this assignment, I ask that you find a current event and link it to our class in a one-page document (yes, it can be single spaced). Acceptable business periodicals for this assignment are: *The New York Times*, *The Wall Street Journal*, *Financial Times*, *Business Week*, *The Economist*, *Fortune*, and *FastCompany*. The news item must be current (appearing within a week of when you write about it) and business related. I will be especially interested in your ability to make a connection to the class and to apply what you’ve learned (read: NOT “this article talked about hiring, and our class did too!”).

Please hand in a **copy of the article** along with your **one-page analysis**. Depending on our class time, you may be called on to discuss your current event, although I cannot guarantee everyone will have this chance. But to improve my odds that I don't get the majority on the last day of class, I've divided the class into 3 blocks based on last name. Please try to hand in your current event during your assigned "window" or earlier if you find something you want to write about before then.

January 12-26	January 26-Feb 9	Feb 9-23
Last name A-G	Last name H-P	Last name R-Z

Prerequisites

This course is open to MBA and MHRM students. There are no prerequisites for the course. However, it makes sense to have taken (or waived) courses on strategy before you take this course. If you are concerned, contact me to discuss your situation.

Additional Notes

OSU Disability Policy: The University strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on your disability (including mental health, chronic or temporary medical conditions), please let me know immediately so that we can privately discuss options. You are also welcome to register with Student Life Disability Services to establish reasonable accommodations. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. SLDS contact information: slds@osu.edu; 614-292-3307; slds.osu.edu; 098 Baker Hall, 113 W. 12th Avenue.

Academic Misconduct: The Ohio State University's Code of Student Conduct, Section 3335-23-04 defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University, or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an "excuse" for academic misconduct. The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Failure to follow the rules and guidelines established in the University's Code of Student Conduct may constitute "Academic Misconduct." Sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University. For more information, please reference:

<http://oaa.osu.edu/coamfaqs.html#academicmisconductstatement>

CASE ANALYSES SUGGESTIONS (if you want or need them)

Here are some general “dos” and “don’ts” about the case analyses assignments.

- You can get into trouble if you spend too much time/space on case facts and do not provide adequate analysis. Use the facts of the case to back up your conclusions and ideas. Assume I’ve read the case and know the assignment.
- Another problem...Drawing conclusions without the supporting arguments. Here’s an example: “XYZ’s process of [blank] did not support [concept a] and therefore failed to support [concept b].” This will work ONLY if the supporting framework is in place...why doesn’t the process support concept a? Why does not supporting a necessarily mean no support for b? Support comes from both your analysis and the materials (e.g., case, readings).
- A suggestion: Start by identifying the problem/concept and build your arguments from the materials.
- Another suggestion: Put the analysis that is running through your head on to the paper so I can see it.
- Good writing and cogent arguments are a plus.
- Look at both the big picture and the details...try to achieve a balance.
- Careful...try to not look at only one side of the argument and ignore the other. Taking a balanced perspective will aid in how you frame your arguments.
- And be consistent...taking on position in question #1 and then the opposite in question #2 is confusing to me. You cannot have it both ways.

January 10: Course Overview

Case: AGE, Handout in class.

*******SECTION I: SHRM, WHAT IT IS AND WHAT IT ISN'T*******

**January 12: SHRM
Myth Busting: Not Your Typical HR**

Readings:

- (1) Schuler, R. and Jackson, S. (1987). "Linking competitive strategies with human resource management practices," Academy of Management Executive, 1(3), pp. 207-219.
- (2) Case: Rogers, G. (1996). "TRW's Information Services Division: Strategic human resources management," HBS Case #9-496-003.

Questions:

- What do you think of Sproule's SHRM process?
- What assumptions do you have about how SHRM should be done?
- What problem(s) does the IS division face?
- What now?

**January 17: SHRM
Sustained Competitive Advantage and HRM: Let's be Unique**

Readings:

- (3) Pfeffer, J. (1995). "Producing sustainable competitive advantage through the effective management of people," Academy of Management Executive, 9(1), pp. 55-72
- (4) Maister, D. (1985). "The one-firm firm: What makes it successful," Sloan Management Review, Fall, 1985, pp. 3-13
- (5) Case: O'Reilly, C. & Pfeffer, J. "Southwest Airlines: Using Human Resources for Competitive Advantage," Stanford University, Case #HR1A.

Questions:

- What is Southwest Airlines' competitive advantage? How sustainable is it?
- What is the role of human assets?

**January 19: SHRM
Sustained Competitive Advantage and HRM: Let's be Unique**

Readings:

- (6) Cappelli, P. and Crocker-Hefter, A. (1996). "Distinctive human resources are firms' core competencies," Organizational Dynamics, 24(3), pp. 7-22.
- (7) Case: Hoffer Gittell, J. and O'Reilly, C. (2001). "JetBlue Airways: Starting from Scratch,"

HBS Case #9-801-354.

Background/Optional: Prahalad, CK and Hamel, G. (1990). "The core competence of the corporation," HBR, May-June, pp. 79-91. (You can find this on the Business Source Complete database from the library.)

Questions:

- What are JetBlue's core competencies? Strategy? Is it a "good" strategy? Is it implemented well?
- Compare/contrast JetBlue and Southwest Airlines. What advice would you give JetBlue?

**January 24: SHRM
Strategy and HRM: Let's Fit (Internally)**

Readings:

- (8) Miller, D. and Whitney, J.O. (1999). "Beyond Strategy: Configuration as a Pillar of Competitive Advantage," Business Horizons, May-June .
- (9) Case: "Cypress Semiconductor (A): Vision, values, and killer software," Stanford Case #HR8A.

Questions:

- Evaluate the alignment (or configuration) of the HRM system at Cypress Semiconductor (strategy/goals/mission vs. practices, e.g., "killer software").

**January 26: SHRM
Does it Matter? Putting it together**

Readings:

- (10) Pfeffer, J. (1998). "The business case for managing people right," from The Human Equation: Building Profits by Putting People First, Chapter 2, Boston, MA: Harvard Business School Press, pp. 31-63.
- (11) Case: Anderson, M. and Pfeffer, J. (2009). "Kimberly-Clark Andean Region: Creating a Winning Culture," Stanford Case #OB-72.

Assignment: First Case Assignment Due at Beginning of Class (see Carmen/Canvas for Assignment Questions).

*****SECTION II: HUMAN CAPITAL*****

**January 31: Human Capital
Organizational Demand: Work Match or Organization Match?**

Readings:

- (12) Bowen, D., and Ledford, G., Jr., and Nathan, B. (1991). "Hiring for the organization, not the job," Academy of Management Executive, 5(4), pp. 35-51.
- (13) Case: Roberts, M. (1993). "Kronos (A and B Condensed)," HBS Case, #9-393-122.

Background/Optional: Schneider, B., Goldstein, H. and Smith, D. (1995). "The ASA framework: An update," Personnel Psychology, 48, pp. 747-773. (You can find this on the PsychLit database from the library.)

Questions:

- What's the problem at Kronos?
- Is PI nonsense? If so why?
- Or, is PI necessary? If so why?
- What are the costs and benefits?

**February 2: Human Capital
Staffing and Strategy (Make vs. Buy)**

Readings:

- (14) Sonnenfeld, J. and Peiperl, M. (1988). "Staffing policy as a strategic response: A typology of career systems," Academy of Management Review, 13(4), pp. 558-600.
- (15) Chauduri, S., & Tabrizi, B. (1999). "Capturing the Real Value in High Tech Acquisitions," Harvard Business Review, September-October.
- (16) Case: Yatsko, P. and Rao, H. (2009). "Scaling: How China-based VanceInfo Grows Big Fast," Stanford Case #HR-34.

Background/Optional: Miles, R. and Snow, C. (1984). Designing strategic human resources systems. Organizational Dynamics, 13, pp. 36-52. (You can find this on the Business Source Complete database from the library.)

Questions:

- What are the tradeoffs of hiring inside or outside the firm?
- Are there different tradeoffs of hiring people or acquiring companies? How are these similar or different?

*****SECTION III: THE EMPLOYMENT RELATIONSHIP*****

**February 7: The Employment Relationship
Changing Nature of Workers**

Readings:

(17) Gallagher, D. and McLean Parks, J. (2001). "I pledge thee my troth...contingently: Commitment and the contingent work relationship," Human Resource Management Review, 11, 181-208.

(18) Case: Sackley, N. and Bradach, J. (1996). "MacTemps: Building commitment in the interim workforce," HBS Case #9-497-005.

Questions:

- Why is MacTemps successful? What is its source of competitive advantage?
- Should MacTemps develop greater loyalty with temporary workers? What is the value? The costs?
- Think about...where do contingent workers come from? What reasons do firms have for using them?

**February 9: The Employment Relationship
Changing Contracts**

Readings:

(19) Rousseau, D. (1996). "Changing the deal while keeping the people," Academy of Management Executive, 10(1), pp. 50-58.

(20) Cappelli, P. (2000). "Managing without commitment," Organizational Dynamics, 28, p. 11-24.

(21) Case: Yokoi, G. & O'Reilly, C. 2001. "Building the culture at Agilent Technologies: Back to the Future," Stanford Case #HR-20.

Questions:

- From a contract perspective, do you think this is a successful change effort? What about from an SHRM perspective?
- Which part of the SHRM system is most critical for maintaining commitment in this setting?

**February 14:
Compensation & SHRM—A Silver Bullet?**

Readings:

- (22) Pfeffer, J. (1998). "Six dangerous myths about pay," Harvard Business Review, May-June, pp. 109-119.
- (23) Case: Gardner, H. & Herman, K. (2013). "Marshall & Gordon: Designing an Effective Compensation System (A)." HBS Case #9-411-038.

Assignment: Second Case Assignment (Option A) Due at Beginning of Class (see Carmen/Canvas for Assignment Questions).

*****SECTION IV: ORGANIZATIONAL CHANGE*****

**February 16: Organizational Change
Acquisitions & SHRM—How combine?**

Readings:

- (24) Bower, J. (2001). "Not All M&As are alike – and That Matters," Harvard Business Review, March.
- (25) Case: Cajiao, J. (2011). "Bancolumbia: Talent, Culture and Value Creation Management in Mergers," Ivey Case #W11579.

Assignment: Second Case Assignment (Option B) Due at Beginning of Class (see Carmen/Canvas for Assignment Questions).

**February 21: Organizational Change
Downsizing & SHRM—How Sustain?**

Readings:

- (26) Cascio, W. (2005). "Strategies for Responsible Restructuring" Academy of Management Executive, 19(4), pp. 39-50.
- (27) Case: Perlow, L. and Ager, D. (2004). "The cat is out of the bag: KANA and the layoff gone awry (A)" HBS Case 9-403-117.

Questions:

- How well do you think the downsizing process (so far) has been handled? From what perspective?
- What suggestions would you give them for the remainder of their restructuring?
- How can a company balance downsizing and increased performance (productivity and quality)?

February 23: Course Overview

