



בית הספר למוסמכים במינהל עסקים ע"ש ליאון רקנאטי

## MBA and M.Sc. Courses

### 1231.3564– Human Resource Management & Employee Relations

(Prerequisites: Organizational Behavior – Micro AND Macro)

Fall Semester 2<sup>nd</sup> half – 2021/22

Section	Day	Hour	Exam date	Lecturer	Email	Telephone
01	Wednesday	15:30-18:45	No exam	Prof. Bamberger Peter	<a href="mailto:peterb@tauex.tau.ac.il">peterb@tauex.tau.ac.il</a>	

**Teaching Assistant (TA):** Aya Zeiger <ayushze@gmail.com>

**Office Hours:** By appointment

### Course Units

1 course unit = 4 ECTS units

The ECTS (European Credit Transfer and Accumulation System) is a framework defined by the European Commission to allow for unified recognition of student academic achievements from different countries.

### Course Description

This course is designed as an introduction to human resource managers for general managers. The intent of the course is not to provide technical skills in human resource management, but rather to provide a strategic framework for understanding human resource management.

### Course Objectives

The course seeks to present human resource management as a strategic issue no less significant than the management of any other organizational strategic asset. Day-to-day human resource quandaries are discussed in the context of mainstream economic, psychological and sociological theory. By the end of the course, students should have a good understanding of the contingencies that need to be considered in the design of human resource systems that are congruent with and supportive of particular business strategies.

## Evaluation of Student and Composition of Grade

Percentage	Assignment	Submission Date	Group Size
30	One individual case reports – to be assigned at random		INDIVIDUAL
70	Final Project (assignment detailed below)		3-4 students per team

\* Students must attend ALL class sessions. Students failing to attend a session without receiving permission from the instructor risk failing the course. (Students remain financially liable for the course even if they are removed.)

## Course Assignments

Part (1): Individual Case Report (30% of final grade)

Each student will be assigned two case studies to analyze in detail, with the grade based on the quality of the responses to the case-specific questions. Each report is worth a maximum of 20 points. **Case reports must be submitted before discussion in class.** Each case analysis should be no longer than 3 pages in length (double spaced, 12 point, Times-New Roman). **Questions to address in specific case reports are given below.**

Part (2): Final Project (70% of final grade)

To be done IN TEAMS of 3-4 students. **You must present a 1 paragraph summary of your proposed project by the 3rd week of the course for approval.** This proposal should: (a) specify the organization you intend to study, (b) highlight the problem to be addressed, and (c) specify at least 2 main articles that will be used as a basis for the paper.

Your report should be *no longer than 12 pages long* (double spaced, 12 point, Times-New Roman type, 1 inch margins on all sides). The first four pages should present the general HR context. The remaining 8 pages should present the analysis of the problem and your proposed, evidence-based solution.

As a research project, your grade will be strongly influenced by the degree to which you ground each of your interpretations and suggestions on the relevant research literature (as cited in the text). **Papers that fail to ground their ideas, interpretations and conclusions on the basis of theory and empirical research literature will be penalized up to 30 points.**

**The final project is due three weeks following the last class session. For each week delay, 5 points will be deducted from the project grade.**

**The project (worth 70 percent of the final grade) requires that you do the following:**

- BRIEFLY (up to 4 pages – worth **30 points**) describe each of the following HR subsystems following the approach covered in class:
  - Talent Management Subsystem (staffing, training & development)

- Performance Evaluation and Management Subsystem
- Reward/Compensation Subsystem
- Identify ***one*** and analyze core HR problem such as high turnover of key talent, employee absenteeism, longer than expected ramp-up times (**worth 40 points**).
  - Explain the nature of this problem (symptoms) and its impact (why the concern). Use the required and recommended readings to reinforce your arguments as to potential impact (10 of 40 points).
  - Using the required and recommended readings (and using an approach similar to that which we used in analyzing the Merck case), each team member should diagnose the problem and identify its root elements and causes (10 of 40 points).
  - Again using the required and recommended readings, present one or two alternative strategies for addressing this problem. Be sure to defend the advantages of your proposed solution on the basis of theory and/or empirical findings. Additionally, be sure to highlight the limitations of (and risks inherent to) your proposed solution, again defending your arguments on the basis of theory and/or empirical findings included in the required and recommended readings (20 of 40 points).

## Grading Policy

In the 2008/9 academic year the Faculty instituted a grading policy for all graduate level courses that aims to maintain a certain level of the final course grade. Accordingly, the final average grade for this course (which is a core course) will be in the range 78-82%.

Additional information regarding this policy can be found on the Faculty website - <https://coller.tau.ac.il/MBA-students/programs/2020-21/MBA/regulations/exams>

## Evaluation of the Course by Student

Following completion of the course students will participate in a teaching survey to evaluate the instructor and the course, to provide feedback for the benefit of the students, the teachers and the university.

## Course Site (Moodle)

The course site will be the primary tool to communicate messages and material to students. You should check the course site regularly for information on classes, assignments and exams, at the end of the course as well.

Course material will be available on the course site.

Please note that topics that are not covered in the course material but are discussed in class are considered integral to the course and may be tested in examinations.

## Course Outline\*

Week	Date	Topic(s)	Required Reading (Those highlighted in Yellow should be read prior to the class session)	Submissions
1		HR Strategy	<ul style="list-style-type: none"> <li>• BB&amp;M Chaps. 1 and 7</li> </ul>	JetBlue Airways

			<ul style="list-style-type: none"> <li>• Jiang, K., Lepak, D.P., Hu, J. &amp; Baer, J.C. (2012). How does human resource management influence organizational outcomes? A meta-analytic investigation of mediating mechanisms. <i>Academy of Management Journal</i>, 55, 1264-1294.</li> <li>• Park, T.-Y., &amp; Shaw, J. D. (2013). Turnover Rates and Organizational Performance: A Meta-Analysis. <i>Journal of Applied Psychology</i>, 98, 268-309. doi: 10.1037/a003072325</li> <li>• Hammonds K. H. (2005). Why We Hate HR. <i>Fast Company</i>, 97: 40</li> <li>• <i>JetBlue Airways: Starting From Scratch</i>" HBS 9-801-354</li> </ul>	
2-3		People Flow Subsystem	<ul style="list-style-type: none"> <li>• Kulik - Chapters 3-5 (pages 29-82)</li> <li>• Menkes, J. (2005). Hiring for smarts. <i>Harvard Business Review</i>, 83(11): 100–109.</li> <li>• Allen, D.G., Bryant, P.C., &amp; Vardaman, J. M. (2010). Retaining Talent: Replacing misconceptions with evidence-based strategies. <i>Academy of Management Perspectives</i>, 24, 48-64.</li> <li>• DeOrtentiis, P. S., Van Iddekinge, C. H., Ployhart, R. E., &amp; Heetderks, T. D. (2018,). Build or Buy? The Individual and Unit-Level Performance of Internally Versus Externally Selected Managers Over Time. <i>Journal of Applied Psychology</i>. 103(8), 916-928.</li> <li>• Gladwell, M. (2009). "Most Likely to Succeed: How Do We Hire When We Can't Tell Who's Right for the Job??" in <i>What the Dog Saw</i>. New York: Little Brown.</li> <li>• Gladwell, M. (2009). "The Talent Myth: Are Smart People Overrated?" in <i>What the Dog Saw</i>. New York: Little Brown.</li> <li>• Gladwell, M. (2009). "The New-Boy Network: What Do Job Interviews Really Tell Us?" in <i>What the Dog Saw</i>. New York: Little Brown.</li> <li>• Fernandez-Araoz, C., Groysberg, B., &amp; Nohria, N. (2009, May). The Definitive Guide to Recruiting in Good Times and Bad. <i>Harvard Business Review</i>, 87 (5)</li> <li>• <i>Box: The Evolution of Management Practices in a Startup</i>" Stanford Case HR43</li> </ul>	Box
4		Performance Management	<ul style="list-style-type: none"> <li>• Levy, PE, Tseng, ST, Rosen, CC &amp; Lueke, SB. (2017). Performance Management: A Marriage between Practice and Science – Just Say "I do. <i>Research in Personnel and Human Resources Management</i>. 2017; 155-213. <a href="https://doi.org/10.1108/S0742-730120170000035005">https://doi.org/10.1108/S0742-730120170000035005</a></li> </ul>	Merck & Co., Inc.

			<ul style="list-style-type: none"> <li>• Kim, K. Y., Atwater, L., Patel, P. C., &amp; Smither, J. W. (2016). Multisource Feedback, Human Capital, and the Financial Performance of Organizations. <i>Journal of Applied Psychology</i>. Advance online publication. <a href="http://dx.doi.org/10.1037/apl0000125">http://dx.doi.org/10.1037/apl0000125</a></li> <li>• DeNisi, A.S. &amp; Sonesh, S. (2011). The appraisal and management of performance at work . Pp. 255-279 in <i>The APA Handbook of Industrial and Organizational Psychology, Vol 2: Selecting and Developing Members for the Organization</i>. Washington, DC, US: American Psychological Association.</li> <li>• Buckingham, M., &amp; Goodall, A. (2019). The Feedback Fallacy. <i>Harvard Business Review</i>, March-April, 2019</li> <li>• GE Re-engineers Performance Reviews, Pay Practices (WSJ article)</li> <li>• “Merck &amp; Co., Inc. - A” HBS 9-491-005</li> </ul>	
5-6		Compensation Basics	<ul style="list-style-type: none"> <li>• BB&amp;M Chap. 5</li> <li>• Shaw, J. D. (2014). Pay dispersion. <i>Annual Rev. Organ. Psychol. Organ. Behav.</i>, 1(1), 521-544.</li> <li>• Park, S. (2018). Pay for Performance in Modern Compensation Practices. <i>Compensation &amp; Benefits Review</i>, 50, 1: 21-35.</li> <li>• Camp, Dresser &amp; McGee: Getting Incentives Right” HBS 9-902-122</li> </ul>	Camp, Dresser & McGee
7		Pay for Performance	<ul style="list-style-type: none"> <li>• Gerhart, B., Rynes, S., &amp; Fulmer, I. (2009). Pay and Performance: Individuals, Groups, and Executives. <i>Academy of Management Annals</i> (3), 251-315.</li> </ul> <p>GUEST LECTURE ON PAY FOR PERFORMANCE</p>	TBA

\*Subject to change

**Yellow-highlighted** readings are required and should be read prior to the specified class session and before reading the assigned case study for that session.

BB&M readings come from:

Bamberger, P.A., Biron, M. and Meshulam, I. (2014) Human Resource Strategy: Formulation, Implementation and Impact. New York: Routledge.

## Additional Recommended Reading

### On HR Strategy and the Employment Relationship

Recommended Readings:

1. Datta, D.K, Guthrie, J.P. & Wright, P.M. (2005). Human resource management and labor productivity: Does industry matter? *Academy of Management Journal*. Vol.48, Iss. 1; pg. 135
2. Collins, C.J. & Clark, K.D. (2003) Strategic human resource practices, top management team social networks, and firm performance: The role of human resource practices in creating organizational competitive advantage. *Academy of Management Journal*. Vol.46, Iss. 6; pg. 740
3. Guest, D.E. (2004). The psychology of the employment relationship: An analysis based on the psychological contract. *Journal of Applied Psychology*. Volume 53, 4, pp. 541-555(15)
4. Lepak, D.P. & Snell, S.A. (2001) "The human resource architecture: toward a theory of human capital allocation and development" *The Academy of Management Journal*, vol.24, iss. 1. p.31
5. Pfeffer, J. (2005). Producing sustainable competitive advantage through the effective management of people. *Academy of Management Perspectives*, 19(4), 95-106.

### **On People-Flow Subsystem**

Recommended readings:

1. Anderson, N., Lievens, F., Van Dam, K. & Ryan, A.M. (2004). Future perspectives on employee selection: Key directions from future research and practice. *Journal of Applied Psychology* Volume 53, Number 4, pp. 487-501(15)
2. Tam, P.A, Murphy, K.R & Lyall, J.T. (2004). Can changes in differential dropout rates reduce adverse impact? A computer simulation study of a multi-wave selection system. *Personnel Psychology*. Vol.57, Iss. 4; pg. 905, 30 pgs
3. Hausknecht, J.P., Day, D.V.& Thomas, S.C. (2004). Applicant reactions to selection procedures: An updated model and meta-analysis. *Personnel Psychology*. Vol.57, Iss. 3; pg. 639, 45 pgs
4. Collins, C.J.& Han, J. (2004). Exploring applicant pool quantity and quality: the effects of early recruitment practice strategies corporate advertising, and firm reputation. *Personnel Psychology*, Vol.57, Iss. 3; pg. 685, 33 pgs
5. Allen. D.G., Van Scotter, J.R, Otondo, R.F. (2004). Recruitment communication medial: Impact on prehire outcomes. *Personnel Psychology*. Vol.57, Iss. 1; pg. 143, 29 pgs
6. Allen. D.G., Biggane, J.E. & Pitts, M. (2013). Reactions to Recruitment Web Sites: Visual and Verbal Attention, Attraction, and Intentions to Pursue Employment, *Journal of Business and Psychology*, 28, 263-285.
7. Earnest, D. R., Allen, D. G. and Landis, R. S. (2011), Mechanisms linking realistic job preview with turnover: A meta-analytic path analysis. *Personnel Psychology*, 64: 865–897.

### **On Performance Evaluation & Management**

Recommended readings:

1. Van Dijk, D., & Kluger, A. N. (2011). Task type as a moderator of positive/negative feedback effects on motivation and performance: A regulatory focus perspective. *Journal of Organizational Behavior*, 32(8), 1084-1105. doi: 10.1002/job.725
2. Bamberger, P. (2007) Competitive appraising: A social dilemma perspective on the conditions in which multi-round peer evaluation may result in counter-productive team dynamics." *Human Resource Management Review*, 17, 1-18.
3. Smither, J.W, London, M.& Reilly, R.R. (2005). Does performance improve following multi source feedback? A theoretical model, meta-analysis, and review of empirical findings. *Personnel Psychology*, Vol.58, Iss. 1; pg. 33, 34 pgs
4. Scullem, S.E., Bergey, P.K. & Aiman-Smith, L. (2005). Forced distribution rating systems and the improvement of workforce potential: A baseline simulation. *Personnel Psychology*. Vol.58, Iss. 1; pg. 1, 32 pgs
5. Bono, J.E. & Colbert, A.E. (2005). Understanding responses to mutli-source feedback: the role of core self-evaluations. *Personnel Psychology*. Vol.58, Iss. 1; pg. 171, 33 pgs
6. Den Hartog, D.N, Boselie, P. & Paauwe, J. (2004). Performance Management: A Model and Research Agenda. *Journal of Applied Psychology*. Volume 53, Number 4, pp. 556-569(14)

### **On Compensation and Pay for Performance**

Recommended reading:

1. Brown, M. P., Sturman, M. C., & Simmering, M. J. (2003). Compensation policy and organizational performance: The efficiency, operational, and financial implications of pay levels and pay structure. *Academy of Management Journal*, 46(6), 752-762.
2. Blue, G. & Bordia, P. (2003). Moderating Effect of Allocentrism on the Pay Referent Comparison–Pay Level Satisfaction Relationship. *Applied psychology*. Volume 52, Number 4, pp. 499-514(16)
3. Currall, S.C., Towler, A.J., Judge, T.A. & Kohn, L. (2005). Pay satisfaction and organizational outcomes. *Personnel psychology*. Vol.58, Iss. 3; pg. 613, 28 pgs
4. Belogolovsky, E., & Bamberger, P. A. (2014). Signaling in secret: Pay for performance and the incentive and sorting effects of pay secrecy. *Academy of Management Journal*, 57(6), 1706-1733.
5. Judge, T. A., Piccolo, R. F., Podsakoff, N. P., Shaw, J. C., & Rich, B. L. (2010). The relationship between pay and job satisfaction: A meta-analysis of the literature. *Journal of Vocational Behavior*, 77(2), 157-167.
6. Park, S., & Sturman, M. C. (2015). Evaluating Form and Functionality of Pay-for-Performance Plans: The Relative Incentive and Sorting Effects of Merit Pay, Bonuses, and Long-Term Incentives. *Human Resource Management*.

## Case Report Questions to Address

### JetBlue Airlines

1. What are the key success factors for JetBlue to survive and continue to grow, and what will it take to execute on these factors?
2. This case was written at the beginning of 2001. With 9/11, all airlines experienced a drastic cut in passenger traffic. 9/11 occurred just after JetBlue hired some 1000 new employees. What should JetBlue do in order to handle this cut in projected demand?
3. With a growing organization came two problems: (a) Passenger complaints about poor/inconsistent service, (b) employee interest in being represented by a union. How should JetBlue respond to these challenges? (Hint: See any of the readings listed for Meeting 1).

### Box

1. BOX has to choose when it hires more senior managers, selecting them either from within its current workforce, or hiring from the external labor market. What are the tradeoffs (i.e., advantages/disadvantages) of these two alternative recruitment sources (internal vs. external labor market)? Which strategy would you recommend to Box's management? (HINT: See the article by DeOrtentiis et al)
2. How might the managers at Box get a better sense as to whether their recruitment, selection and promotion practices are truly effective?
3. Box currently relies on interviews as the primary mechanism of selection. Present at least two other selection mechanisms that might be used (e.g., references, tests, Psychometric/IQ score; simulation) and for each, specify strengths and weaknesses. (HINT: See the article by Gladwell in Readings for Module 2).

### Merck A

1. Who is covered by Merck's Performance Appraisal System? Why are some workforces covered and others not?
2. What are the major problems with Merck's Performance Appraisal System? Are these problems evident from Exhibit A2? Why or why not?

3. What is a compa-ratio, and how might performance scores influence an employee's compa-ratio?
4. To what degree is pay (or change in pay) related to performance under the existing system? What would you recommend doing to strengthen the relationship? (HINT: See (1) DeNisi, & Sonesh, Kim et al., and (2) Levy et al.).

#### Camp Dresser & McKee

1. In what ways does the BIPS system fit with and contribute to CDM's human resource strategy? In what way does the BIPS process provide a response to the firm's current business environment?
2. What are some of the problems that you can identify with the CDM's approach for pay for performance for titled employees? (HINT: See Gerhart, Rynes, & Fulmer article in Required Reading).
3. What, if anything, may be done to solve the problems with the BIPS process noted on pp. 7-9 of the case? (HINT: See the article by Park).