

University of Pennsylvania
The Wharton School

MANAGEMENT 104
Industrial Relations and Human Resource Management

Professor Valery Yakubovich
2023 Steinberg - Dietrich Hall
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Office Hours:
Tue and Thu 4:30 – 5:30pm
or by appointment.

Teaching Assistants

Section 1 (10:30 am): Jessica Gould, jessiepgould@gmail.com

Section 2 (1:30 pm): Matthew Stevens, mstev@wharton.upenn.edu

Section 3 (3:00 pm): Amanda Liberatore, amandali@wharton.upenn.edu

Course Overview:

This is an introductory management course in which we will learn the general principles and explore specific policies and practices of *effective industrial relations and human resource management that make the aggregate performance of a firm as a whole greater than the sum of the individual performances of the same workers employed elsewhere*. Such policies and practices contribute to the success of the firm and enhance the career prospects of its employees under conditions of increasing labor market uncertainty.

Since you are more likely to be an employee, rather than an employer, at least in the proximate future, the course pays closer attention to the employee's perspective on the processes of recruitment, training and development, evaluation, compensation, and career progress.

The course material consists of two parts. The first part presents theoretical perspectives on the employment relationship which account for competitive markets for labor and products, internal labor markets, employment law and regulations, labor unions, and social relationships in the workplace. The second part is devoted to everyday facets of managing the employment relationship, such as recruitment and retention, training, evaluation, compensation, and collective bargaining.

The presentation of each topic includes reading materials, cases, video clips, and practical exercises. The proportions and order in which they are introduced will vary from topic to topic to help you get a grasp, at both a theoretical and practical level, of the interdependencies among ideologies, policies, and practices for managing people as they relate to wages, benefits, working conditions, and ways of organizing work, among other things. We refer to such interdependent ideologies, policies, and practices as *human resource systems* and explore historical and international differences among them.

The course is a survey course and has no prerequisites.

Required Readings

The required reading materials are available from three sources (the source is indicated in parentheses at the end of each reading assignment below):

1. Bulkpack from www.Study.net where you can order a hardcopy as well.
2. The EBSCO MegaFile, searchable databases of academic and other publications. The hyperlinks for the readings from EBSCO are embedded in the syllabus and should work from any Penn-affiliated computer. Alternatively, follow these four steps:
 - a) Go to <http://www.library.upenn.edu> .
 - b) Type the name of the database, 'EBSCO,' on the search line and click 'GO'.
 - c) Under E-Resources, click on the name of the database 'EBSCO MegaFILE.'
 - d) Search the database by the name of the journal and then by the issue and page numbers or the author and title of the article.
3. Blackboard site <http://courseweb.library.upenn.edu/>

The readings include academic research articles, excerpts from longer works in industrial relations and human resource management, short articles from the popular and business press, and case studies. The goal of the readings is two-fold: (1) to introduce the terminology and concepts, and (2) to frame a problem for in-class discussion. I do not rebroadcast the assigned material in class, but rather build on it to develop further the session's key themes. Therefore, it is critical that you come to class fully prepared.

Additional handouts may be distributed throughout the course; these will be billed at the end of the term by the bursar. For your benefit, I reserve the right to replace some materials during the course at no extra cost to you.

Course Requirements and Grading

Grading is based on six components: two short papers, mid-term exam, team project, class participation, and team evaluation. I grade all the three sections together on a curve with B+ as the average grade target. The aggregate class participation and team evaluation scores are determined first on a section-specific curve, since the opportunities for class participation and the pool of possible teammates vary across sections.

Two Short Team Papers

You are required to turn in two papers on the topics assigned by the instructor one week prior to the submission deadline. The papers are prepared in teams. Your electronic submission on Blackboard will be due at the beginning of the class on the date of the deadline.

The papers should be double-spaced in 12-point font, with margins of 1.25 inches. Late submissions are not accepted.

Each paper constitutes **10%** of the final grade.

Midterm Exam

The midterm exam will be administered in class at 6-8 pm on March 15th and will cover the first half of the course material. The exam will consist of short essays, open-ended questions, and multiple choice questions.

The exam counts for **25%** of the final grade.

Team Project “The Workplace of the Future”

Your project team is invited to play the role of consultants in developing an original vision of the future HR policies and practices of an existing company of your choice, taking into account the company’s traditions, current organization and corporate culture, and new challenges.

Project Objectives:

1. Learn about the company’s business, corporate history, structure, and culture from open sources, your own experiences and in-depth research, and interactions with the company’s executives if possible.
2. Identify long-term HR challenges in the company’s specific organizational and cultural context.
3. Choose relevant frameworks from the course to address these challenges, propose new frameworks if the available ones do not work.
4. Develop a vision of the company’s future workplace.
5. Consider the following questions as part of the project:
 - General characteristics of the company’s workplace:
 - What is unique about the company’s organization, culture, and personnel practices? What should the company preserve/change in the future?
 - Selective recruitment and retention
 - What is unique about the company’s recruitment and retention strategy?
 - How will your recommendations drive recruiting and retention in the future?
 - What is the salary/compensation strategy?
 - How should the company think differently about employee benefits?
 - Vacation
 - Leave policy
 - Health benefits
 - Retirement benefits
 - Other benefits
 - How should the company train and develop its managers?
 - What should the performance evaluation process look like?

- To summarize, what should the company’s workplace look like twenty years from now? How will we know if our “Workplace of the Future” proves successful?
- 6. Bring your personal and your peers’ considerations and aspirations into the project:
 - Career needs
 - What are your career expectations?
 - How patient will you be to “wait your turn” for job expansion and promotions?
 - What are your attitudes toward job mobility?
 - What's the most important thing the company needs to do to attract and retain you?
 - Boss needs
 - What is your ideal boss? Why?
 - How important are for you on-boarding coaching and mentoring?
 - Do you see/care about glass ceilings?
 - Culture
 - How do you work now?
 - What role does technology play?
 - What role does being "green" play?
 - What is your attitude to volunteerism?
 - What really excites you? Why?

Project timetable and deliverables:

Students are randomly assigned to project teams	February 1
Project teams decide on the company they will study and submit a two-page proposal to me for approval.	March 1
Submission of the final project reports (a paper 1,900-2,100 words in length in Word format, references don’t count, and a PowerPoint presentation)	April 19
Project presentations	April 19 - 21

The project will count for **25%** of the final grade.

Class Participation

Participation includes class attendance, informed involvement in class discussions, quizzes, and group exercises. I will provide preliminary class participation feedback to those who are interested after the midterm.

Late arrival is disruptive to the learning environment and promptness is expected. The use of laptops, mobile phones, and other electronic devices is strictly prohibited unless you receive my permission in advance.

To help you prepare for class participation, each session is accompanied by discussion questions and exercises which you can always find on the last page of the handout for the previous session.

Because our learning so critically depends on the quality of in-class discussions, I would like to lay out in a little detail what I believe are important dimensions of class participation:

1. The participant is a good listener.
2. Comments and questions are relevant to the discussion.
3. Comments and questions add to the level of knowledge in the class.
4. The participant demonstrates willingness to take risk by bringing a well-argued counterintuitive perspective on the topic.
5. The participant is able to build on the prior contributions of other class members and, more generally, interacts with them.

I expect everyone to be prepared each week and will call on students in class. If for some (good) reason you are not adequately prepared for class, please let me know beforehand, so I will not call on you.

Class participation counts toward 20% of the final grade.

Team Evaluations

As a major fixture of the modern workplace, teamwork occupies a special place in our classroom. There are five assignments that you will complete in three randomly assigned teams: a play team for the simulation PeopleExpress and staffing exercise; a writing team for the two short papers; and a project team for the final course project. You will be assigned to a play team in class on January 20th; the assignments to writing and project teams will take place two weeks into the semester when the class roster is finalized. Your ability to work effectively within a team is a critical prerequisite for the successful completion of the course.

To assess a student's individual performance on a team assignment, I will ask team members to evaluate each other on a 4-point scale: 0 – no participation, 1 – insignificant contribution, 2 - adequate contribution, 3 – excellent contribution. A non-response will automatically mean the maximum 3 points given to all the teammates. Your evaluations are strictly confidential and have to be submitted within 24 hours after a team exercise or the assignment due date. The evaluation criteria should include the quantity and quality of a person's intellectual involvement, the degree of commitment to getting the assignment done, the extent to which the person works constructively and collaboratively with others. At the end of the semester, all the evaluations will be aggregated into a team participation score.

Team evaluations count toward 10% of the final grade.

Academic Integrity

All students are expected to abide by the Code of Academic Integrity, which can be found online at http://www.upenn.edu/provost/PennBook/academic_integrity_code_of. Students who violate this code will receive a failing grade in the course and will be reported to the Office of Student Conduct.

I encourage you to consult the resources provided by the Office of Student Conduct: www.upenn.edu/academicintegrity.

Contact Information

During the Spring semester, I am available in my office (2023 Steinberg Hall – Dietrich Hall) on Tuesdays and Thursdays from 4.30 to 5.30 p.m. Also, I am available at other times by appointment and can be reached by phone at (215) 746-3132 and by e-mail at Valery.Yakubovich@wharton.upenn.edu. I encourage you to talk to me about any questions or concerns you might have about the course. We all benefit when the lines of communication are kept open.

Class Schedule

Date		Week	Session	Comments
Thursday	13-Jan-2010	1	Rescheduled	An evening session on February 16 th
Tuesday	18-Jan-2010	2	1	
Thursday	20-Jan-2010	2	2	Team exercise: PeopleExpress
Tuesday	25-Jan-2010	3	3	
Thursday	27-Jan-2010	3	4	
Tuesday	01-Feb-2010	4	5	
Thursday	03-Feb-2010	4	6	
Tuesday	08-Feb-2010	5	7	
Thursday	10-Feb-2010	5	8	
Tuesday	15-Feb-2010	6	9	Team paper 1 is due
Wednesday	16-Feb-2010	6	10	6-8 pm, guest speaker
Thursday	17-Feb-2010	6	11	
Tuesday	22-Feb-2010	7	12	Team exercise: Staffing
Thursday	24-Feb-2010	7	13	
Tuesday	01-Mar-2010	8	14	
Thursday	03-Mar-2010	8	15	
Tuesday	08-Mar-2010	9	Break	
Thursday	10-Mar-2010	9	Break	
Tuesday	15-Mar-2010	10	16	Collective Bargaining Game
Tuesday	15-Mar-2010	10	17	6-8 pm, midterm in F85,F90,F95
Thursday	17-Mar-2010	10	18	
Tuesday	22-Mar-2010	11	19	
Thursday	24-Mar-2010	11	20	
Tuesday	29-Mar-2010	12	21	
Thursday	31-Mar-2010	12	22	Team paper 2 is due
Tuesday	05-Apr-2010	13	23	
Thursday	07-Apr-2010	13	24	
Tuesday	12-Apr-2010	14	25	
Thursday	14-Apr-2010	14	26	
Tuesday	19-Apr-2010	15	27	Team project reports are due Project presentations
Thursday	21-Apr-2010	15	28	Project presentations, course wrapup
Tuesday	26-Apr-2010	16	Rescheduled	An evening session on March 15 th

Session 1 Introduction and Course OverviewTue, Jan 18th

Readings: Hammonds, K. H. (2005). “Why we hate HR.” *Fast Company*, 97, 40-48. (WebCafe)

Session 2 HR Management and Economic PerformanceThu, Jan 20th

Readings: [Ichniowski, C and K Shaw \(2003\), “Beyond incentive pay: Insiders’ estimates of the value of complementary human resource management practices,” *Journal of Economic Perspectives*, 17\(1\), 155–180.](#) (EBSCO)

Simulation: People Express

Session 3 High Involvement Employment SystemsTue, Jan 25th

Readings: O’Reilly, Charles A. and Jeffrey Pfeffer. 1995 (rev’d 2006). “Southwest Airlines(A)” Stanford HR-1A. (Study.Net)

“Suggestions for Preparing a Case.” Memo. (WebCafe)

Session 4 The Employment RelationshipThu, Jan 27th

Readings: Cappelli, Peter. 1999. Chapter 1 from *The New Deal at Work*: 17-48. (Study.Net)

Session 5 The Structure of the Labor MarketTue, Feb 1st

Readings: Ehrenberg, Ronald G. and Robert S. Smith. 2006. “Overview of the Labor Market.” From Chapter 2 in *Modern Labor Economics*: 25-47. (Study.Net)

Reynolds, Lloyd G., Stanley H. Masters, and Colletta H. Moser. 1998. “Internal Labor Markets.” From Chapter 12 in *Labor Economics and Labor Relations*: 346-360. (Study.Net)

Exercise: Access and explore the following Web sites:

1. The U.S. Bureau of Labor Statistics. Go to <http://stats.bls.gov>. Here, the “Get Detailed Statistics” is especially important. In particular, review “Overall Most Requested BLS Statistics” from the Current Population Survey and Current Employment Statistics.
2. The U.S. Department of Labor. Go to <http://www.dol.gov/>
3. Census Bureau and FedStats: Go to <http://www.census.gov/econ/census02/> and look at the data for “Businesses with paid employees” and “Businesses with/without paid employees.”
4. Also, visit <http://www.fedstats.gov>.

Session 6 Labor Unions and BusinessThu, Feb 3rd

Readings: Katz, Harry & Thomas Kochan. 2004. Chapter 2 from *An Introduction to Collective Bargaining and Industrial Relations* (3rd edition): 17-46. (Study.Net)

Session 7 Human and Social CapitalTue, Feb 8thReadings:

Reynolds, Lloyd G., Stanley H. Masters, and Colletta H. Moser. 1998. "Human Capital: Education and Job Training." From Chapter 5 in *Labor Economics and Labor Relations*: 105-120. (Study.Net)

Baker, Wayne. 2000. "What Is Social Capital and Why Should You Care About It?" Chapter 1 from *Achieving Success Through Social Capital: Tapping Hidden Resources in Your Personal and Business Networks*, pp: 1-15. (WebCafe)

Session 8 The Firm as a NetworkThu, Feb 10thReadings:

[Cross, Robert and Prusak, Laurence. 2002. "The People Who Make Organizations Go – or Stop." *Harvard Business Review*, 80\(6\): 104-111. \(EBSCO\)](#)

Case:

Hill, Linda A. 1995. "Slade Plating Department." HBS 9-496-018:11p. (Study.Net)

Session 9 The Firm as a Collaborative CommunityTue, Feb 15thCase:

Heckscher, Charles. 2007. "Citibank e-Solutions." Pp. 85-107 in *The Collaborative Enterprise: Managing Speed and Complexity in Knowledge-Based Businesses*. Yale University Press. (Study.Net)

Session 10 Guest SpeakerWed, Feb 16th

Tan Moorthy, the Head of Education and Training, Infosys Technologies

Session 11 Talent DevelopmentThu, Feb 17thCase:

Dynamic Capability Development through Human Capital Upgrading at Infosys Technologies. Wharton Case: 16p. (WebCafe)

Session 12 Selective Recruitment and Retention ITue, Feb 22ndReadings:

[Jenks, James M. & Briand L.P. Zevnik. 1989. "ABCs of Job Interviewing." *Harvard Business Review*, 67\(4\): 38-42. \(EBSCO\)](#)

Gladwell, Malcolm. 2000. "The New-Boy Network" *The New Yorker*, May 29:68-86. (WebCafe)

Exercise: Staffing exercise

Session 13 Selective Recruitment and Retention IIThu, Feb 24thReadings:

[Allen, David G., Phillip C. Bryant, James M. Vardaman. 2010. "Retaining Talent: Replacing Misconceptions With Evidence-Based Strategies." *Academy of Management Perspectives*, 24\(2\): 48-64. \(EBSCO\)](#)

Gladwell, Malcolm. 2004. "Personality Plus." *The New Yorker*, September 20:42-48. (WebCafe)

Exercise: Personality test, interview questions

Session 14 Mentorship

Tue, Mar 1st

Readings: Hill, Linda & Nancy Kamprath. 1991. “Beyond the Myth of the Perfect Mentor: Building a Network of Developmental Relationships.” HBS 9-491-096: 17p. (Study.Net)

Case: Joline Godfrey and the Polaroid Corp (A). HBS 9-492-037: 15p. (Study.Net)

Session 15 Performance Evaluation

Thu, Mar 3rd

Readings: Meyer, Marshall W. 2002. “Introduction” from *Rethinking Performance Measurement*: 1-8. (Study.Net)
[Peiperl, Maury A. 2001. “Getting 360 Feedback Right.” *Harvard Business Review* 79\(1\): 142-147.](#) (EBSCO)

Case: Burton, M. Diane. 1998. “Rob Parson at Morgan Stanley.” HBS 9-498-054: 16p. (Study.Net)

Session 16 Collective Bargaining Game

Tue, Mar 15th

Readings: David A. Lax & James K. Sebenius. 1986. “The Negotiator’s Dilemma: Creating and Claiming Value.” Chapter 2 from *The Manager as Negotiator*: 29-45. (Study.Net)

Session 17 Midterm Exam

Tue, Mar 15th

Session 18 The Law and Practice of Collective Bargaining: Bargaining Game Debrief

Thu, Mar 17th

Readings: Katz, Harry & Thomas Kochan. 2004. “The Legal Regulation of Unions and Collective Bargaining.” Chapter 3 from *An Introduction to Collective Bargaining and Industrial Relations* (3rd edition): 52-61. (Study.Net)

Session 19 Self – Managing Teams

Tue, Mar 22nd

Readings: [Ruth Wageman. 1997. “Critical Success Factors for Creating Superb Self-Managing Teams.” *Organizational Dynamics* 26\(1\): 49-61.](#) (EBSCO)

Exercise: Team assessment

Session 20 Motivation

Thu, Mar 24th

Readings: [Kerr, Steven. 1975. “On the Folly of Rewarding A While Hoping for B.” *Academy of Management Journal*, 18\(4\): 769-783.](#) (EBSCO)

Case: Björkman Ingmar, and Charles Galunic. *Lincoln Electric in China*. INSEAD, 1999. European Case Clearing House Case No. 499-021-1. (Study.Net)

Session 21 Pay Systems

Tue, Mar 29th

Readings: [Pfeffer, Jeffrey. 1998. "Six Dangerous Myths about Pay." *Harvard Business Review*, 76\(3\): 109-119.](#) (EBSCO)

Case: Andrew Burtis (1996). "Brainard, Bennis & Farrell." HBS 9-495-037: 12pp. (Study.Net)

Session 22

Thu, Mar 31st

Readings: Dychtwald, Ken, Tamara J. Erickson, Robert Morison. 2007. "Flexible Compensation and Benefits." *Workforce Crisis: How to Beat the Coming Shortage of Skills and Talent*. Boston, MA: Harvard Business Press: 179-206. (Study.Net)

Case: Pfeffer, Jeffrey. 1998. "SAS Institute (A): A Different Approach to Incentives and People Management Practices in the Software Industry." Stanford HR6: 16p. (Study.Net)

Session 23

Tue, Apr 5th

Readings: [Hackman, J. Richard, Greg Oldham, Robert Janson, and Kenneth Purdy. 1975. "A New Strategy for Job Enrichment," *California Management Review*, 17\(4\): 57-71.](#) (EBSCO)

Case: Webber, Ross A. "Trustworthy Trust Company. Wharton: 13p. (Study.Net)

Session 24

Thu, Apr 7th

Readings: Blau, Francine D., Marianne A. Ferber, Ann E. Winkler. 2006. "Differences in Occupations and Earnings: the Role of Labor Market Discrimination." Chapter 7 from *The Economics of Women, Men, and Work* (5th edition):202-249. (Study.Net)

Session 25

Tue, Apr 12th

Readings: Klein, Katherine J. and David A. Harrison. "On the Diversity of Diversity: Tidy Logic, Messier Realities." *Academy of Management Perspectives*, 26-33. (EBSCO)
Orey, Michael. 2006. "White Men Can't Help It." *Business Week*, May 15, p.54. (WebCafe)

Session 26

Thu, Apr 14th

[Oyer, Paul. 2008. "The Making of an Investment Banker: Stock Market Shocks, Career Choices, and Lifetime Income." *The Journal of Finance*: LXIII\(6\): 2601-2628.](#) (EBSCO)

Murray, Sara. "The Curse of the Class of 2009." *The Wall Street Journal*: May 9, 2009: 3p. (WebCafe)

Session 27

Tue, Apr 19th

Session 28

Thu, Apr 21st

Final Project Presentations
Course Wrap-Up