

The Effects of Human Resource Management Decisions: An Experiential Exercise

Smriti Anand* & Elizabeth Durango-Cohen
Illinois Institute of Technology Stuart School of Business

We draw on theories of human resource management (HRM) and team literature to show the long-term costs and benefits of using employee specific customized work arrangements (i-deals), hiring, and firing decisions and their implications for the entire workgroup. Through excel-based analyses we attempt to explain the effects of human resource management decisions on employees and the organization. We believe our analytical approach will leave a lasting impression on the students and shape their management style in future.

Keywords: HRM, i-deals, hiring, teams

**Please direct all correspondence to smriti.anand@stuart.iit.edu*

1) Format

- ☒ Activity or exercise
☐ Roundtable discussion (60 minute only)
☐ General discussion session

2a) For activities and exercises only, is yours best suited for

- ☒ A traditional classroom
☐ An online class
☐ Either

2b) For activities and exercises only, is yours best suited for

- ☐ Undergraduate students
☐ Graduate students
☒ Either

2) Time Requested:

- ☐ 30 Minutes
☒ 60 Minutes (*Roundtables must select 60 minutes*)
☐ 90 Minutes

3) Planning Details:

Each room contains a white board with markers, computer (PC) with DVD capability and computer projector. Does your session require any other equipment?

No

4) Teaching Implications:

What is the contribution of your session to management pedagogy/andragogy? Specifically, please include your learning objectives, and describe what management and/or teaching topics are relevant to your session, and why. Also, include theoretical, disciplinary, or theoretical foundations that will help reviewers understand how your ideas fit within the broader field of management.

Management educators usually draw on various theories of organizational behavior and HRM to explain the employee-organization relationship. In this exercise we aim to bring those theories to life through excel analyses. We believe our analytical approach is a powerful addition to the theoretical approaches to demonstrate the long term effects of HRM decisions to the students, who are the managers of future.

Learning Objectives:

- 1) Challenge the assumptions held by many practicing managers that employees with standardized work arrangements (i.e., following traditional work schedules) are more beneficial to the organization.*
- 2) Teach our students that carefully designed non-traditional work arrangements such as job sharing can be very beneficial to the organization, as these can be used to attract, retain, and motivate desirable talent at a lower cost.*
- 3) Demonstrate that human resource management decisions (i.e., hiring and firing) have implications for the entire team. Short term cost savings can be very expensive in the long term.*

Theoretical Background:

This activity focuses on a number of HRM topics, such as customized work arrangements, hiring, and firing. We draw on HRM literature (e.g., Huselid, 1995; Jiang, Lepak, Hu, & Baer, 2012; Tsui, Pearce, Porter, & Tripoli, 1997) with particular emphasis on employee-specific customized work arrangements known as idiosyncratic deals (e.g., Anand, Vidyarthi, Liden, & Rousseau, 2010; Rousseau, 2005). In this activity we use “job sharing” as an example of idiosyncratic deals (i-deals), created to meet the unique work-schedule flexibility related needs of two employees. We demonstrate the hidden costs of HRM decisions such as hiring and firing to the organization over the long term. To do this we draw on team literature (e.g., Hackman, 1990; Shea & Guzzo, 1987; Stajkovic, Lee, & Nyberg, 2009) to show that the effects of HRM decisions go beyond the focal parties to damage team cohesion and team efficacy, which in turn hurt organizational performance.

5) Session Description and Plan:

What will you actually do in this session? If appropriate, please include a timeline estimating the activities will you facilitate: how long will they take, and how will participants be involved? Please remember that reviewers will be evaluating how well the time request matches the activities you'd like to do, and the extent you can reasonably accomplish the session's goals. Reviewers will also be looking for how you are engaging the participants in the session.

We expect the activity and debriefing session to last about 45 minutes. During this experiential activity participants will first be asked to make decisions about replacing two experienced employees who are sharing one job with two new employees with similar qualifications but less experience. We will prime the participants so their thought process will be similar to many practicing managers that (a) employees with traditional work arrangements are more effective, (b) employees with less experience are cheaper, (c) the learning curve is not that steep, and (d) the work team is not too much affected by hiring/firing decisions.

Next, we will utilize an excel spreadsheet based application to challenge participants' assumptions about the costs and benefits associated with their HRM decisions. We will take the participants through different scenarios (e.g., new employees with no experience vs. some experience, and other manipulations of the assumptions) and discuss the associated cost savings. Our excel analyses will cover 3 time periods so that the participants can understand long-term effects of HR decisions. By walking through the different conditions participants will learn how hiring and firing decisions can damage team spirit, lower morale, and potentially result in increased rather than decreased costs to the organization. At the end of the activity the instructors will reiterate the not-so-easily-observed benefits of employee specific customized work arrangements such as job sharing.

6) Application to Conference theme:

How does your session fit with the overall OBTC theme of *United in Service*?

Our session explains the benefits of employee specific customized work arrangements such as job sharing that can fulfill employees' unique needs and enrich their lives. By focusing on the effects of management practices on employee welfare our session ties with the "service" theme.

7) Unique Contribution to OBTC:

Have you presented the work in this proposal before? If so, how will it be different? Is this proposal under current review somewhere else? If so, please explain. How will your proposal be different for the OBTC conference?

This work has not been presented anywhere, nor is it under review anywhere else.

References:

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