



RUTGERS

HRM Financial Decisions

Course Number: 37:533:360:02

Spring 2024

Days and Time: Monday and Wednesday, 2:00 – 3:20 p.m.

Room: B117 Lucy Stone Hall

[Syllabus as of January 1, 2024]

Instructor: Jim Terez
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Office Hours: by appointment
Class Site : On Canvas

Course Description

This course will examine the relationship between corporate finance and human resource management/labor relations. We will cover the connections between business strategy, financial strategy and human resource strategy. In addition, you will learn how to use financial decision-making techniques for assessing and developing HR practices and programs.

School of Management and Labor Relations Learning Objectives

This course is designed to help students attain the following SMLR learning objectives:

II) Quantitative Skills – Apply appropriate quantitative and qualitative methods for researching workplace issues.

- Formulate, evaluate, and communicate conclusions and inferences from quantitative information
- Apply quantitative methods to analyze data for HR decision making including cost-benefit analyses, ROI, etc. (HRM)
- Apply qualitative methods appropriately, alone and in combination with quantitative methods

VI) Application – Demonstrate an understanding of how to apply knowledge necessary for effective work performance

- Apply concepts and substantive institutional knowledge, to understanding contemporary developments related to work
- Understand the legal, regulatory and ethical issues related to their field
- Develop human resource management functional capabilities used to select, motivate, and develop workers (HRM)
- Understand the internal and external alignment and measurement of human resource practices (HRM)

VII) Professional Development – Demonstrate an ability to interact with and influence others in a professional manner, and to effectively present ideas and recommendations

- Develop effective presentation skills appropriate for different settings and audiences
- Develop career management skills to navigate one's career
- Develop capabilities to work and lead in a multicultural and diverse environment
- Work productively in teams, in social networks, and on an individual basis
- Develop cultural agility competencies
- Demonstrate lifelong personal & professional development skills"

Course-specific Learning Outcomes

Upon completing this course, you will be able to:

1. Understand and analyze the alignment between business, financial and HR strategies.
2. Analyze financial statements - income statement, balance sheet and cash flow statement.
3. Understand and analyze how organization financial performance impacts HR activities and vice versa.
4. Understand and analyze how HR activities are shown in the financial statements.
5. Utilize discounted cash flow, capital budgeting, and cost of capital in planning HR projects.
6. Understand and analyze the basic characteristics of stocks and bonds.
7. Understand and analyze the basics of employee equity compensation.
8. Understand the basics of retirement plan financing.

Textbook

Financial Analysis for HR Managers: Tools for Linking HR Strategy to Business Strategy by Steven Director, published by Pearson Education, 2013 (ISBN-13: 978-0133925425)

[Let's discuss the book in class, before you purchase.]

Other Readings

I will provide various other information: articles, etc. Also, available through the Rutgers Library are: *Wall Street Journal*, *New York Times*, *Fortune*, *Forbes*, *Business Week*, *Harvard Business Review*. [Rutgers students can obtain a free subscription to *NY Times* and *Wall Street Journal*.]

Course Methodology

Lectures, discussion, readings, group activities, and student presentations. We will also use supplemental readings on the internet and in the daily press and magazines.

Examinations

Three exams will cover all course material, including lectures, discussions, exercises, and readings. Each exam will cover approximately one-third of the course material. The exams will be non-cumulative.

Team Project/ Presentation

You will be assigned to a team throughout the course. Your team will be asked to prepare a project applying financial concepts to an HR program, and to present your work to the class. Additional details will be discussed in class and posted on Sakai.

Schedule

Week	DATE	SESSION	TOPIC	TEXT
1	Jan 17	1	Business Strategy, Financial Strategy and HR Strategy	Chapter 1
2	Jan 22	2	The Income Statement	Chapter 2
2	Jan 24	3		Chapter 2
3	Jan 29	4	The Balance Sheet	Chapter 3

3	Jan 31	5		Chapter 3
4	Feb 5	6	Cash Flows and Timing	Chapter 4
4	Feb 7	7		Chapter 4
5	Feb 12	8	EXAM I – Chapters 1,2,3 & 4	
5	Feb 14	9	Financial Statements as Windows into Business Strategy	Chapter 5
6	Feb 19	10		Chapter 5
6	Feb 21	11	Stocks, Bonds and Weighted Average Cost of Capital/Capital Budgeting	Chapter 6
7	Feb 26	12		Chapter 6
7	Feb 28	13	Discounted Cash Flow Analysis and Capital Budgeting	Chapter 7
8	March 4	14		Chapter 7
8	March 6	15	Financial Analysis of Human Resource Initiatives	Chapter 8
	March 9 – March 17		Spring Break	
9	March 18	16	Financial Analysis of Human Resource Initiatives	Chapter 8
9	March 20	17	Financial Analysis of Strategic Initiatives	Chapter 9
10	March 25	18	Financial Analysis of Strategic Initiatives	Chapter 9
10	March 27	19	EXAM II – Chapters 5, 6, 7, & 8	
11	April 1	20	Equity-based Compensation: Stock and Stock Options	Chapter 10
11	April 3	21		Chapter 10
12	April 8	22	Pension and Retirement Programs	Chapter 11
12	April 10	23		Chapter 11
13	April 15	24	Creating Value and Rewarding Value Creation	Chapter 12
13	April 17	25		Chapter 12
14	April 22	26	Project Presentations	
14	April 24	27	Project Presentations	
15	April 29	28	EXAM III – Chapters 9,10,11 & 12	
15	[TBD]	29	Wrap Up	

Grading Weights

Exam I	25%
Exam II	25%
Exam III	25%
Team Project/Presentation	20%
Attendance and Participation	5%
Total	100%

Grading Scale

90-100%	A
85-89.9	B+
80-84.9	B
75-79.9	C+
70-74.9	C
65-69.9	D
<64.9	F

Attendance and Participation

For each class session, please read in advance the assigned reading for that particular session, as well as be prepared to discuss topics in class. **Attendance at every class is required.** **Your contributions to the class are valuable.**

Professionalism Policy

- **Phones and similar electronic devices should generally not be used in class.** No email, texting, tweeting, etc., or web surfing will be allowed in this class, unless you are looking up course-related information or materials.
- **Students arrive on time.** Arriving on time ensures that classes are able to start and finish at the scheduled time. On time arrival shows respect for your colleagues and faculty and it enhances learning by reducing avoidable distractions.
- **Students are fully prepared for each class.** Much of the learning takes place during classroom discussions. When students are not prepared, they cannot contribute to the overall learning process. This affects not only the individual, but their peers who count on them, as well.
- **You are responsible for all administrative announcements.**
- **No ad hoc “extra-credit” projects will be given at any time during the semester.**

Academic Integrity

The University’s honesty policy on cheating and use of copyrighted materials will be enforced in this class. Students are expected to pursue knowledge with integrity and abide by the Academic Integrity Policy. Please refer to the Academic Integrity Policy for more detail:

<https://academicintegrity.rutgers.edu/>

Students requesting accommodations

Students requesting accommodations for special needs should contact the Office of Disability Services to determine his/her Coordinator. The Coordinator will then provide documentation to the student. Upon review and approval, the student must then provide this documentation to the instructor. Please refer to the Office of Disability Services for Students for more detail regarding this policy: <https://ods.rutgers.edu/>

Make-up policy

The dates of the exams are noted on the course agenda. An exam grade of zero (0) will be assigned to any student who is absent without a legitimate excuse on the date of a regularly scheduled test. Legitimate excuses include illness (verified with a note from a doctor), inclement weather (only when the Rutgers indicates that the University is closed -- <https://newbrunswick.rutgers.edu/operating-status>), when I as the instructor email the class announcing that class is suspended, or other critical circumstances such as a death in the family. A make-up exam will be held at a time that is convenient. An officially cancelled examination will be held at the next regularly scheduled class period.

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I look forward to working with you this semester!

Academic Integrity Contract
(To be signed and turned in at the first class)

All members of the Rutgers University community are expected to behave in an ethical and moral fashion, respecting the human dignity of all members of the community and resisting behavior that may cause danger or harm to others through violence, theft, or bigotry. All members of the Rutgers University community are expected to adhere to the civil and criminal laws of the local community, state, and nation, and to regulations promulgated by the University. All members of the Rutgers University community are expected to observe established standards of scholarship and academic freedom by respecting the intellectual property of others and by honoring the right of all students to pursue their education in an environment free from harassment and intimidation. Please see <https://studentconduct.rutgers.edu/processes/university-code-student-conduct> for details regarding the Student Code of Conduct. Please see <https://academicintegrity.rutgers.edu/> for details regarding the Academic Integrity Policy.

Similarly, all students and faculty members of the academic community at the School of Management and Labor Relations should uphold high standards for personal conduct, ethical behavior, and professional integrity. In the area of academic integrity, students are expected to refrain from cheating, fabricating information, plagiarizing, inappropriately denying others access to material, and facilitating others in academic dishonesty.

Any of the following acts, when committed by a student, is an act of academic dishonesty and decreases the genuine achievements of other students and scholars. Academic dishonesty includes, but is not limited to, any of the following:

Plagiarism/False Representation of Work

- Quoting directly or paraphrasing portions of someone else's work without acknowledging the source.
- Submitting the same work, or major portions thereof, including presentations, to satisfy the requirements of more than one course without permission from the instructor.
- Using data or interpretative material for a report or presentation without acknowledging the sources or the collaborators.
- Failing to acknowledge assistance from others, such as help with research, statistical analysis, or field data collection, in a paper, examination, or project report.
- Submitting purchased materials such as a term paper as your own work.
- Copying or presenting material verbatim from any source without using quotation marks.
- Copying from any source and altering a few words to avoid exact quotation, without the appropriate documentation or by using improper documentation of the source.
- Rewording the major concept found in a source but then omitting documentation or improperly citing the source.
- Submitting as one's own any work created by someone else (e.g., paper, project, speech, video, exercise, etc.) without crediting them. Large duplication of someone else's work should be avoided unless you obtain express permission from both the instructor and originator of the work.
- Fabricating or misrepresenting data or information

- Forging signatures

Cheating

- Copying work on examinations.
- Acting to facilitate copying during an exam.
- Sharing answers through technology or in written or verbal form when such interactions are prohibited
- Using prohibited materials, such as books, notes, phones, or calculators during an examination.
- Working with another student on an assignment when such collaboration is prohibited.
- Stealing or having in one's possession without permission any materials, or property belonging to or having been generated by faculty, staff, or another student for the course.
- Willfully offering to do another student's work so they may represent it as their own
- Assisting another student in cheating or plagiarizing
- Doing another student's work, excluding collaborative learning assignments or joint assignments approved by the instructor.

Engaging in any of the above behaviors can result in an F on the examination or project, an F in the course, denial of access to internships, suspension for one or more semesters, or permanent expulsion from the School of Management and Labor Relations at Rutgers University.

I, _____ understand the Policies on Academic Integrity and the Student Code of Conduct at Rutgers University and the School of Management and Labor Relations. Furthermore, I understand the consequences of unethical behavior.

We all share a responsibility in creating an ethical environment. I resolve to uphold and support high standards for ethics and integrity at Rutgers University. If I see, hear, or observe violations of ethics and integrity I will report them to my instructor, Department Chair, or Dean.

Student Signature: _____ Date: _____

Student Name (Please Print):

Rutgers University ID:
