

Strategic Human Capital

Course Lead: Prof. Mario Macis

Course description:

Developing and managing human capital is vital for the success of any organization. In this course, students will apply tools from microeconomics to examine ways in which human resources management can be used to enhance organizations' competitive capabilities. The goal of this course will be to understand how an organization can select, train and retain the "right" employees, and how it can effectively motivate them to make decisions that will allow the organization to successfully implement its overall strategy, while taking into account the interests of other relevant stakeholders and the constraints posed by the outside market and institutional forces. The tools that you will learn in this course will be broadly applicable to a wide range of organizations.

The course consists of a blend of case discussions and traditional lecturing. Specifically, each topic will be introduced by a class discussion of a real-world HBS-style case. Then, the challenge will be to understand what can be taken away from the case and generalized more broadly. We will emphasize the costs and benefits associated with each practice, tool or approach that we will analyze. Once we have identified the key goal(s) of the organization and the trade-offs associated with the tools at the organization's disposal, we will be in a position to explore how, why and under what circumstances various approaches work or do not work in practice.

By the end of the course, students will have explored and mastered the answers to questions as diverse as: How can an organization hire, fire and retain the "right" people? Should firms pay for their employees' MBAs? Should they offer on-the-job training? What is the optimal level of worker turnover? How should pay and promotions be structured across jobs to induce best effort from employees? Should incentive systems be solely based on objective performance measures or should they include elements of subjective evaluation? Why do firms use teams and how are teams used most effectively? Why are CEOs and other top executives so highly paid and why does their pay take the form that it does? How do incentives interact with employees' intrinsic motivation to do their job? Why are effective HR systems so difficult to imitate? What role do trust and fairness play in modern organizations, and how do they interact with formal incentive schemes?