# HR Decision Making: Financial Decisions
## [38:533:540:01]
## Fall 2021
[Syllabus as of August 08, 2021]

**Thursdays, 4:30 pm to 7:10 pm**
**Room 103 Janice Levin Building**

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| **Instructor** | Jim Terez |
| **Office** | Levin Building, [217-A] |
| **Email** | jim.terez@rutgers.edu |
| **Phone** | c: 732-995-1737 |
| **Webex:** | https://rutgers.webex.com/join/jet84 |
| **Office Hours** | By Appointment –office 217-A Levin Bldg., phone or Webex |
| **Class Site :** | https://canvas.rutgers.edu/ |

This course is an introduction to corporate financial decision making. We will examine the relationships between corporate finance and human resource management and labor relations. We will analyze how financial performance measurement impacts HR management, and vice-versa.  In addition, you will learn how to use financial decision-making techniques to assess and develop HR practices and programs.

The intersection of HR management and financial decision-making is a critical area for HR.  I think it will become even more important in the future, as competition in the market continues to increase and organizations become even more global.

I look forward to working with you to help you develop analytical financial tools to address HR challenges.

## Course Format – In-Person

We will meet together in Levin Room 103, as scheduled.  We will use Canvas as our learning management system platform.

## SMLR Course Learning Objectives (Summary)

This course helps you to 1.) Develop quantitative and qualitative analytical skills related to HRM; and 2.) Develop the ability to apply those skills to realistic "business case" situations.  Further detail on these SMLR Learning Objectives can be found at the end of this syllabus.

## Text

Higgins, Robert C., et al. *Analysis for Financial Management,* McGraw Hill Education, 12th edition Paperback, 2019.  ISBN 978-1-259-91896-4
Or
Robert C. Higgins, *Analysis for Financial Management*, McGraw Hill/Irwin, 11th edition, 2015
Or
Robert C. Higgins, *Analysis for Financial Management*, McGraw-Hill/Irwin, 10th edition, 2012

[The 12th edition is most recent; the 11th or 10th edition can work as well. If you can, hold off on buying the book. I will discuss on the first day of class.]

Please have a calculator (or similar resource) available for each class session, including the three exams. (A simple one, that does basic math, will be fine.)

## Course Exams and Project

| First Exam – Financial Statement Construction and Analysis<br>Chapters 1 and 2 | 25% |
|---|---|
| Second Exam - Financial Markets and Instruments,<br>Chapters 5 and 6 | 25% |
| Third Exam -Investment and Restructuring Decisions,<br>Chapters 7, 8 and 9 | 25% |
| Cost Benefit Analysis/ROI Project - Human Resources<br>Applications of Investment Principles | 25% |
| Total | 100% |

## Grading Scale

A       90 – 100
B+      88 – 89
B       80 – 87
C+      78 – 79
C       70 – 77
F       60 – 69

## Attendance and Participation

At the instructor's discretion, perfect attendance (attending all classes in full) and consistent contributions to class discussions and homework review may Improve your final grade by up to a half grade (e.g., from B to B+).

## Cost Benefit Analysis/Return on Investment Project

You will work in teams to:
1. Select an HR project or program, e.g. launching a new Human Resource Information System, developing a new training program, outsourcing an HR function.
2. Prepare a detailed list of all the direct and indirect costs and benefits, with supporting analysis.
3. Conduct an in-depth cost-benefit analysis using a Net Present Value model.
4. Calculate Internal Rate of Return of the proposed project or program.
5. Write a report describing your analysis and rationale for your decision.

Your team will prepare this report for the Senior Vice President of Human Resources. The report should state your recommendations and summarize all analysis. Also, your team will prepare and deliver a PowerPoint presentation to the HR executive committee (instructor and class participants) explaining your recommendation and analyses. Grades will be based on the quality of the:

   I.   Analysis
  II.   Written Report
 III.   Presentation

## Schedule

| Date | | Session | Topic | Reading / Deliverable* |
|---|---|---|---|---|
| 9/2 | | 1 | Introduction | Chapter 1 |
| 9/9 | | 2 | Financial Statements | Chapter 1 |
| 9/16 | | 3 | Evaluating Performance | Chapter 2 |
| 9/23 | | 4 | Evaluating Performance | Chapter 2 |
| 9/30 | | 5 | Financial Instruments | Chapter 5 |
| 10/7 | | 6 | **First Exam (Chapters 1and 2)** | Exam |
| | | | Financial Instruments | Chapter5 |
| | | | The Financing Decision | Chapter 6 |
| 10/14 | | 7 | The Financing Decision | Chapter 6 |
| 10/21 | | 8 | The Financing Decision | Chapter 6 |
| 10/28 | | 9 | Discounted Cash Flow | Chapter 7 |
| 11/4 | | 10 | **Second Exam (Chapters 5 and 6)** | Exam |
| | | | Discounted Cash Flow | Chapter 7 |
| | | | Risk Management | Chapter 8 |
| 11/11 | | 11 | Risk Management | Chapter 8 |
| 11/18 | | 12 | Business Valuations | Chapter 9 |
| 12/2 | | 13 | Business Valuations | Chapter 9 |
| 12/9 | | 14 | **Cost-Benefit Analysis Project Review** | Team Presentations All Papers Due |
| 12/16 | | 15 | **Third Exam (Chapters 7, 8 and 9)** | Exam |

*Including articles as assigned.

## SMLR Course Learning Objectives (Detail)

One goal for SMLR programs is to help students develop skills central to lifelong learning and participation in society and the workplace. One particular area is analytical skills:

**Quantitative Skills – Apply appropriate quantitative and qualitative methods for research 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

Another goal for SMLR programs is to ensure that students learn the key theoretical and foundation areas of study in their domains and also realize opportunities to apply that knowledge to practice situations. One particular area is the application of knowledge to actual work situations:

**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)

**Academic Integrity**

The University's academic integrity policy is important to this class. Please pursue knowledge with integrity and abide by the Academic Integrity Policy. Please refer to the Academic Integrity Policy for more detail: http://academicintegrity.rutgers.edu/

**Students with a need for accommodations**

If you need to request accommodations for disabilities, please contact the Office of Disability Services to determine. The ODS Coordinator will provide documentation to you. Upon review and approval, you will 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/

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I look forward to working with you this semester!