

Proposal
Online Masters of Science
in
Human Resource Management



Krannert School of Management

April 23, 2020

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Proposal

Online Masters of Science in Human Resource Management

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Program Overview

- Purdue University’s Online Masters of Science in Human Resource Management program is targeted toward working professionals seeking to advance their careers by developing HR knowledge, skills and abilities. The program is ideal for individuals seeking to switch careers from non-HR to HR-related careers. It is also well-suited for those individuals in the HR field that seek to strengthen their credentials in HR with a professional Masters degree and position themselves for senior level HR Management careers. Finally, it is a program that will be attractive to military veterans seeking a second career.
- This program complements our 16-month MSHRM degree and our two-year MBA (with HR option) in our in-residence programs; moreover, the proposed Online Masters of Science in Human Resource Management program targets a different market, professional working adults with 4+ years of experience (See Figure 1).
- Highlights of the program include:
 - A flexible, 30 credit, modular program, with high sequence flexibility.
 - Global, asynchronous—students complete classes from anywhere, at any time, on their time.
 - A strong core of HR content in areas such as HR Strategy, Talent Acquisition, Talent Management, Total Rewards, and Organizational Behavior.
 - A complementary set of ‘selective’ courses in areas such as: Leadership, Negotiations, Change Management, and Human Capital Consulting.
 - The ability to supplement HR specific course work with online electives from our other online master’s programs (e.g., Online MBA, Online Business Analytics)
 - Courses developed by faculty from our top-ranked in-residence MSHRM program.
- The proposal is to create a new online program with a new major (Human Resource Management) within the existing Masters of Science in Management degree.

Rationale for Offering this Program

Market-Demand

Human Resource Management is a critical function in organizations. Career prospects in the field of HR are strong. Anecdotally, our own HR Executive/Corporate Leadership Council has strongly advocated for producing more (not less) candidates to fill HR positions in their companies. Glassdoor.com ranks “HR Manager” one of its top 10 best career options. This is based off of Glassdoor’s 50 Best Jobs in America report. The Glassdoor Job Score is determined by weighing three factors equally: earning potential (median annual base salary), overall job satisfaction rating and number of job openings. For a job title to be considered, it must receive at least 100 salary reports and at least 100 job satisfaction ratings shared by U.S.-based employees over the past year (1/2/18-1/1/19). The number of job openings per job title represents active job listings on Glassdoor as of 1/2/19. This report takes into account job title normalization that groups similar job titles. (Information retrieved December 8 2019 from https://www.glassdoor.com/List/Best-Jobs-in-America-LST_KQ0,20.htm).

Similarly, in a 2016 study, Careerbuilder.com ranked “HR Manager” in the top 20 list of ‘in demand’ careers, noting a gap in filling HR manager positions of 23,231 openings versus 5,916 hires. This suggests a talent shortfall in the HR education market.

The Bureau of Labor Statistics forecasts strong growth for Human Resource Managers-- 7% through 2028 (faster than average growth relative to other career paths; see <http://www.bls.gov/ooh/management/human-resources-managers.htm>)

The Society of Human Resource Management is the leading HR professional society and oversees professional certification. To renew certification, HR professionals must complete 60 Professional Development Units. Graduate level courses count toward Professional Development Units.

Demand for HR expertise will likely continue as organizations increasingly see the importance of talent acquisition and development, employee engagement, and organizational culture in driving firms’ bottom lines.

Despite the positive outlook for careers in HR, traditional in-residence university programs, both HR specific and general MBA, remain flat or in contraction as education demand shifts to more flexible, more affordable online programs. The worldwide pandemic (COVID-19) has temporarily driven much of the education market online, which may shift societal attitudes toward a greater acceptance of or even preference for online education (e.g., some of that market may remaining online).

Target Market

This program is designed for individuals with 4+ years of professional work experience. This includes individuals wanting to switch from non-HR functions to HR functions, HR professionals who seek the credentials to advance up to senior level HR positions, and retired military seeking a new career.

Channel (Online) Opportunity

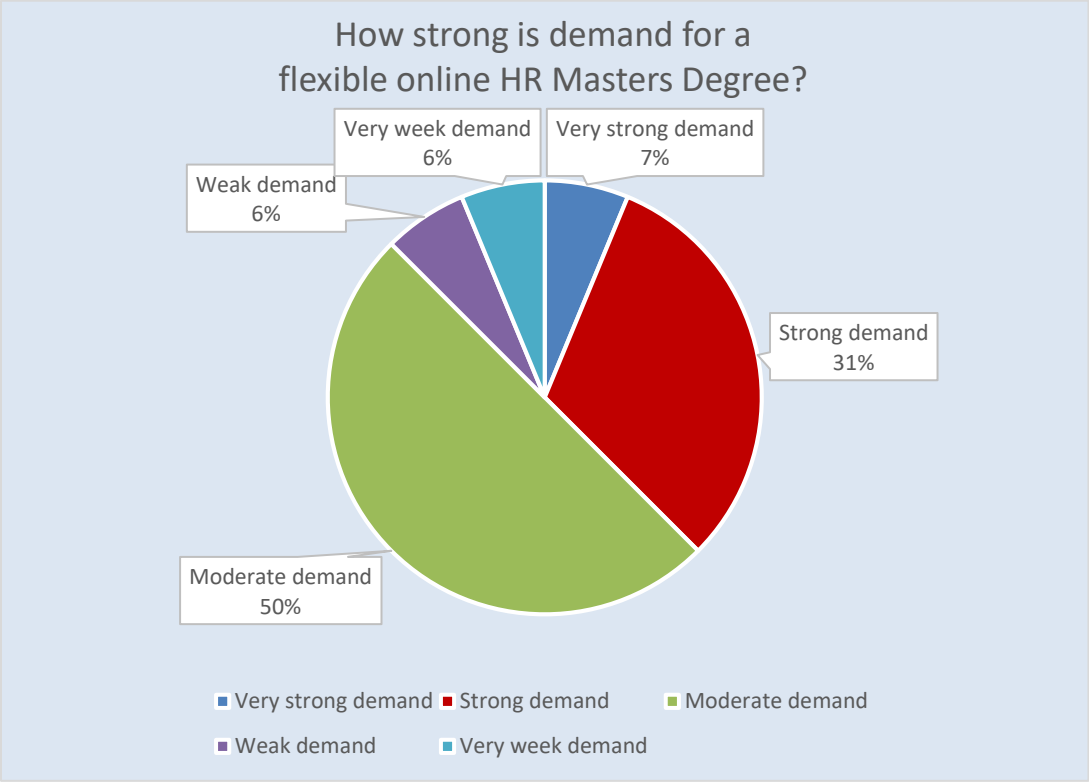
The Krannert HR brand is strong. The Krannert School is a leader in HR education with an internationally recognized Masters of Science in Human Resource Management program, and an active SHRM chapter. Our HR programs are supported by an HR Executive Leadership (Advisory) Council consisting of leading firms that recruit Krannert students for HR as well as other managerial positions.

It is unclear what the future of in-residence business school programs and enrollments will look like in the next 10 years. Enrollments in full-time, in-residence programs are flat or on the decline nationwide. We have seen this in our own programs and in peer programs. Indeed, the pressure has led some well-established MBA programs, such as the University of Iowa and Virginia Tech, to no longer offer in-residence degrees.

Despite the challenges facing in-residence programs, we believe there will be a strong market for HR education. However, the manner and method to meet that demand is shifting. As mentioned, growth in traditional in-residence programs remains flat. Opportunity to expand our HR footprint by serving the professional marketplace through flexible online channels is strong, and will serve as a nice complement (and hedge) for our in-residence MSHRM program. This professional, online marketplace is where we believe growth in HR training (i.e., demand) is the strongest. Providing an Online Masters of Science in Human Resource Management enables Krannert and Purdue to expand our reach and continue to provide leading HR education to the marketplace.

In 2017, the Krannert Masters Program Office surveyed 76 working HR professionals regarding their attitudes toward earning a Masters in HR. Results showed that 91% prefer a distance-based (online or hybrid) program over an in-residence program, with 80% preferring a program that can be completed in 18 months or less. Our proposed program meets both of those criteria.

Further, in developing this proposal, we reached out to Krannert MSHRM alumni and other HR stakeholders. We surveyed 50 HR stakeholders to gauge their impressions of offering an online HR program. As seen below, results show that 88% of those responding felt an online masters in HR would be in moderate to very high demand.



See Appendix A for a complete summary of the survey findings.

Appendix B shows a list of some of our competitors in the Online HR masters space. The duration and cost of our program appears to be reasonably competitive, enabling us to attract students.

Our overall market assessment is that there is demand and that the Krannert School of Management will be able to compete for a profitable share of the market.

On the pages that follow we highlight the proposed structure of the proposed Online Masters of Science in Human Resource Management.

Program Features

- 30 credit hour program consisting of 10 core credits, at least 6 ‘selective’ credits in areas strongly aligned with human resource management, and 14 free electives. Students have great flexibility in that free electives to be taken from any of our online masters programs including MBA, Business Analytics, Economics, and HR.
- Target program start is January 2021.
- We anticipate multiple start dates will be available but plan to initially offer one start per year before scaling up.
- The program ensures that students develop skills to work in cross-disciplinary teams and across functional boundaries. Students will be prepared to pursue a variety of career paths including HR, Organizational Effectiveness, Organizational Design, and Change Management.
- There is a high degree of flexibility in sequencing of courses. Although we do recommend HR Strategy and Organizational Behavior be among the first courses taken, there are no ‘hard’ pre-requisites on OB/HR related courses.
- As part of our overall design of the online program, the modular nature of the courses will enable the packaging of specialized certificates that can be taken as a non-degree option. We believe this will be particularly attractive to organizations who don’t have the training bandwidth in-house to provide human resource management or organizational behavior training.
 - Certificate Example: Fundamentals of HR (packaged from proposed courses)
 - Certificate Example: Leading People, Leading Change (packaged from proposed courses)
 - Certificate Example: Leadership and Management for Technical/STEM Employees (future)
 - Certificate Example: Front-line Supervision (future)
 - Certificate Example: Managing from the Middle (future)

Curriculum Outline

Courses	Credits
HR Core	10
HR/OB-related Selectives	6
Free electives	14
Total Credits	30

Summary of Core and Selective Courses:

HR Core (10 credits)	HR/OB Selectives (choose at least 6 credits)
HR Strategy (2 credits)	Leadership (2 credits)*
Organizational Behavior (2 credits)*	Negotiation (2 credits)*
Talent Acquisition (2 credits)	Organizational Change (2 credits)*
Talent Management (2 credits)	HR Analytics (2 credits)
Total Rewards (2 credits)	Human Capital Consulting (up to 4 credits)*
	Future HR offerings
TOTAL = 10 credits	TOTAL = 6 credits

*Courses already being offered as part of online MBA

Example Plan of Study

	Credit Hours
Semester 1, Mod 1:	
HR Strategy (core)	2
Semester 1, Mod 2:	
Organizational Behavior (core)	2
Talent Acquisition (core)	2
Semester 2, Mod 1:	
Talent Management (core)	2
Negotiation	2
Semester 2, Mod2:	
Total Rewards (core)	2
Leadership	2
Semester 3, Mod1:	
Change Management	2
Free Elective	2
Semester 3, Mod2:	
OBHR 69000 Organizational Change (restricted elective)	2
Free electives	3
Semester 4, Mod 1:	
Human Capital Consulting	2
Free electives	3
Semester 4, Mod2:	
Human Capital Consulting	2
Total Program Credit Hours:	<u>30</u>

Note, in the example plan above, Human Capital Consulting falls into the ‘free elective’ bucket because the minimum six credits of selective courses has already been satisfied.

Cost/Benefit Analysis

In planning this proposal, we have assumed tuition to be approximately \$30,000 per student or about \$1,000 per credit hour.

Several of our traditional peer competitors offer an online degree. A price comparison with these other peer online HR programs:

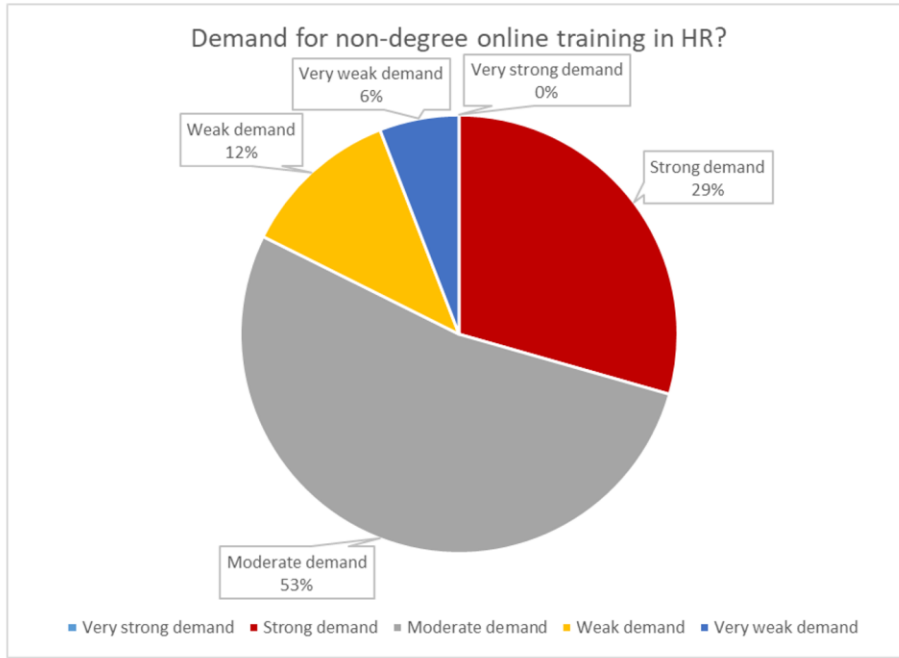
Cornell online	\$56,000.00 (15 month program)
Illinois online	\$35,520 (48 credits)
Rutgers online	\$38,000 (36 credits)

As part of the online MBA program, the OBHR area will offer five classes (12 credit hours; organizational behavior, negotiations, leadership, organizational change, human capital consulting). Thus, 47% of the proposed program is already planned offerings in our MBA program. This proposal only calls for the creation of four new online classes totaling 8 credit hours (HR Strategy, Talent Acquisition, Talent Management, and Total Rewards).

Preliminary cost/benefit analysis suggests a breakeven within two years of program launch and an ongoing positive NPV in year 3 and beyond. These projections are based on 20 new students per year, and do not include revenues from certification/non-degree opportunities.

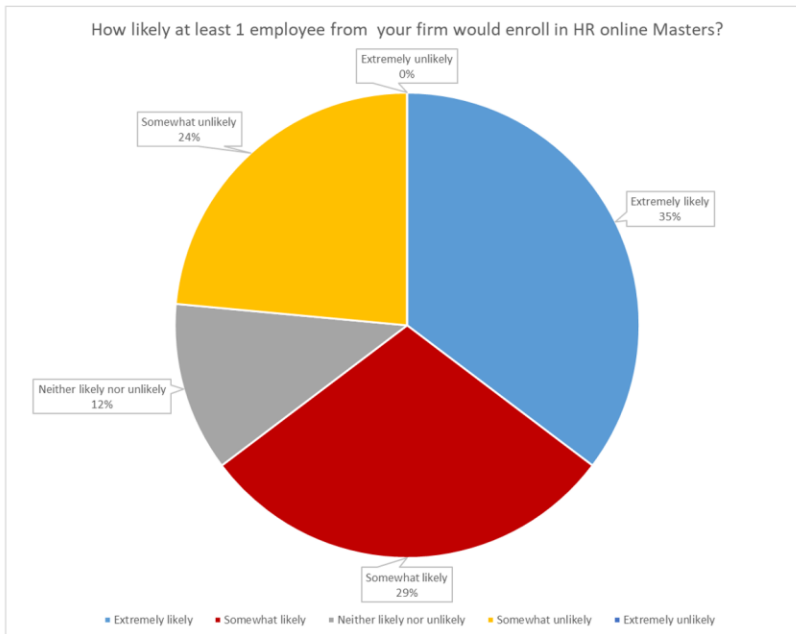
Appendix A

OBHR Survey of Working HR Professionals



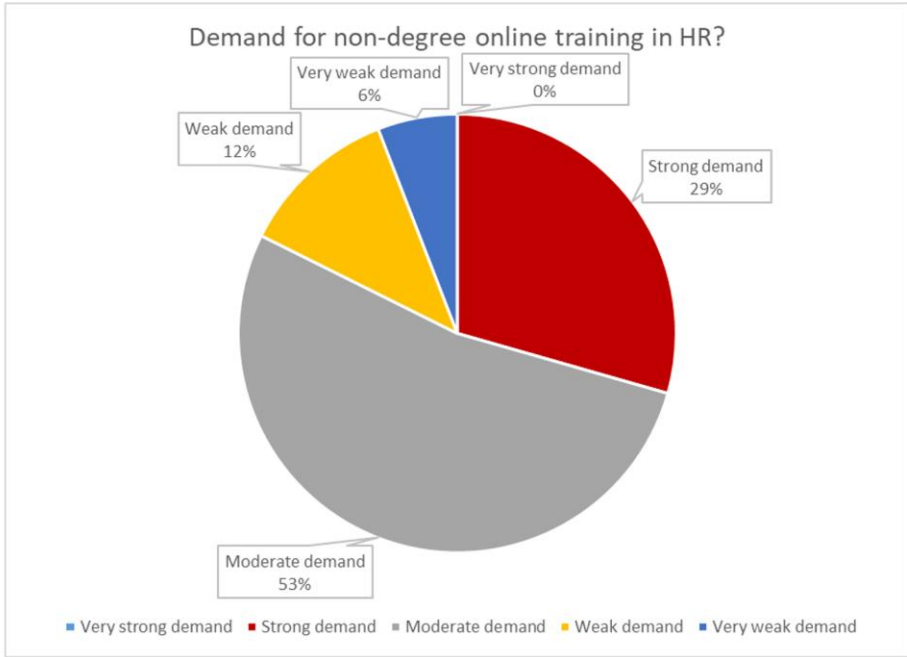
82%

Demand (moderate or strong)



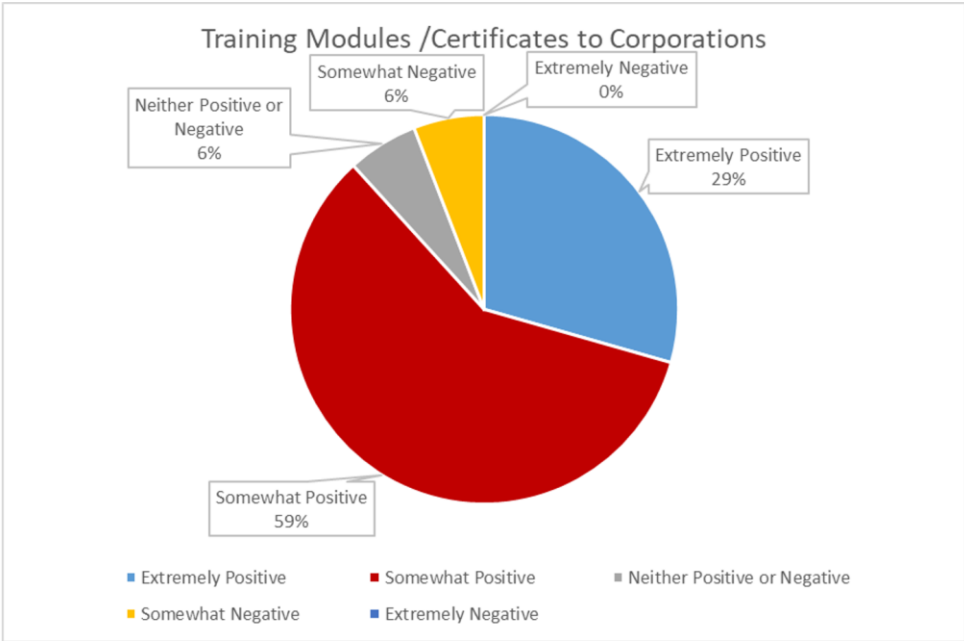
64%

Likely (somewhat or extremely)



82%

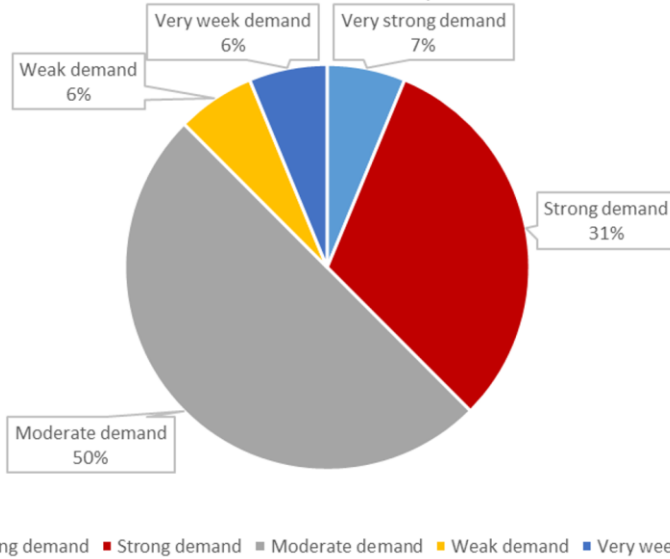
Demand (moderate or strong)



88%

Positive (somewhat or Extremely)

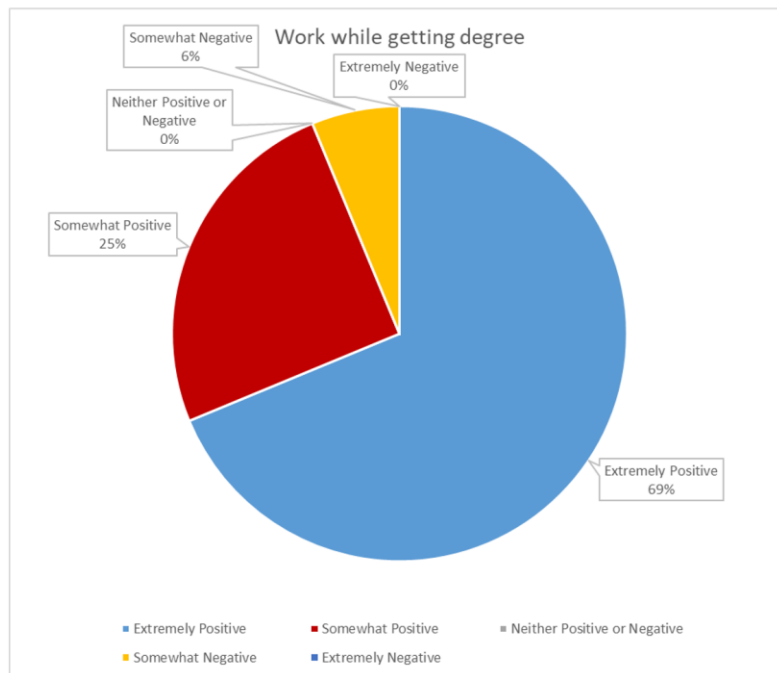
Believe there is demand for flexible, online HR Masters



88%

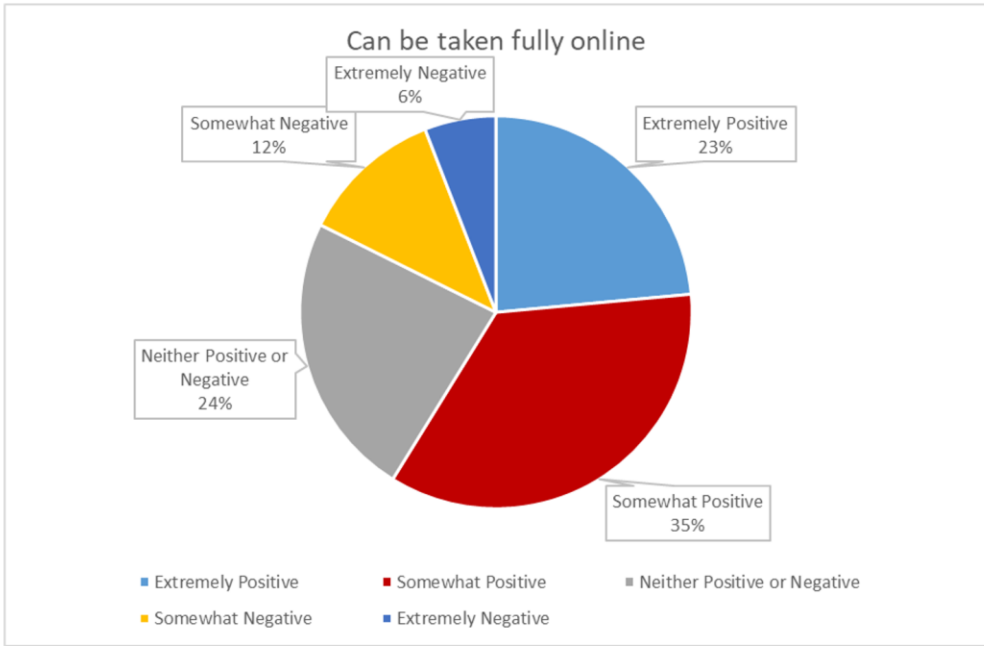
Demand (moderate to very strong)

ABLE TO COMPLETE MASTERS WHILE WORKING FULL TIME?



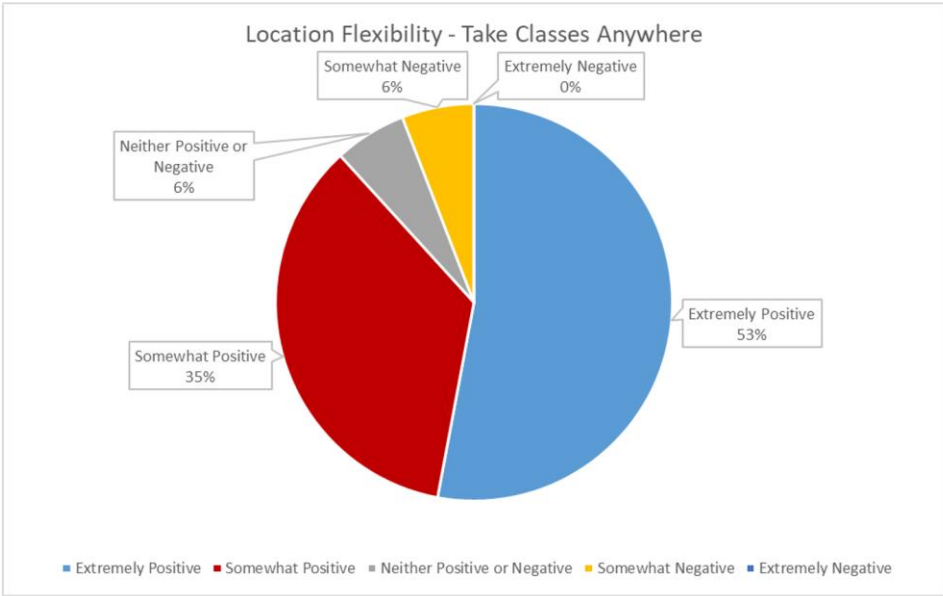
94%

Positive (somewhat to extremely)



58%

Positive (somewhat to extremely)



88%

Positive (somewhat to extremely)

Appendix B

Key Competitors

School	Name	Credits	Duration	Tuition	Notes
Cornell	Online Executive Master		15 months	\$56,500	8+ years experience
Illinois	MHRIR Online	48	2 yrs	\$35,520 (\$740/cr)	*Biggest competitor
Georgetown	Masters in HR	33	2-5 yrs	\$47,500	
GWU	Master HRM	30	18mo-48mo	\$56,700	
USC	MHRM Online	24 units	1-2 years	\$48,072	
NYU	MS HRM & Development	42	3 semesters or longer	>\$60,000 (22k per semester)	
Penn State Global	MPS HR/Emp. Relations	33	3 semesters	\$33,000	
Rutgers	MHRM	36		\$38,000+	24 HR credits core; 4+ yrs experience; \$1058/credit
Krannert	Online MSHRM	30	2-5 yrs	~ \$30,000	Business school/AACSB

FIGURE 1

HR Portfolio Comparison

