

Swiss Leading House VPET-ECON

A Research Center on the Economics of Education, Firm Behavior, and Training Policies



University of
Zurich ^{UZH}

Co-Director

Prof. Dr. Dr. h.c. Uschi Backes-Gellner

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Prof. Dr. Stefan C. Wolter

Fall Term 2022

<p style="text-align: center;">Leading House Ph.D. Course “Personnel and Labor Economics for Education Economists” - Syllabus -</p>
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Lecturer:	Prof. Dr. Tor Eriksson (Aarhus University) Prof. Dr. Anders Frederiksen (Aarhus University)
Workshop dates:	September 26 - 30, 2022
Location:	University of Zurich, Room tba
Preliminary Schedule:	The lectures take place in the form of an intensive 5-day course. Monday, Sept 26, 2022: 14:00-17:30 Tuesday, Sept 27, 2022: 08:30-17:30 Wednesday, Sept 28, 2022: 08:30-17:30 Thursday, Sept 29, 2022: 08:30-17:30 Friday, Sept 30, 2022: 08:00-12:30
Module Number; ECTS:	tba; 3 ECTS
Course webpage:	http://www.business.uzh.ch/de/professorships/emap/teaching.html

Course overview

Personnel Economics differs from conventional Labor Economics in that it focuses on what happens *inside* firms and organizations. It deals with employment contracts, wage structures, employer-employee interactions and other issues related to the workplace. A central area of research is concerned with how to structure jobs and incentives inside firms to achieve desirable outcomes for employers as well as employees. This course will present and discuss some of the key topics in Personnel Economics research and the latest developments therein. In addition, the course will also cover selected topics in Labor Economics related to the Personnel Economics literature.

www.economics-of-education.ch

Leading House VPET-ECON

A Research Programme of the State Secretariat for Education, Research and Innovation

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Topics

Incentives:

- Moral hazard; the principal agent problem
- Risk-incentive trade-off
- Performance management
- Performance measurement; multitasking, distortions, subjectivity, and biases
- The role of supervisors
- Incentives and sorting
- Deferred compensation vs. pay-for-performance
- Individual vs. team-based performance pay

Teams and team-based compensation:

- Teams and productivity
- Team based compensation
- Incentives in teams

Monopsony:

- Do firms set wages?
- How?
- Sources of monopsony power

Hiring and recruitment:

- Use of referrals
- Measuring and avoiding biases

Learning and incentives

- Information sharing, incentives and productivity

Contemporary topics in personnel economics

- Management practices
- People and algorithms

Key literature

Basic textbooks:

Lazear, E. and M. Gibbs (2009), *Personnel Economics in Practice*. J Wiley & Sons.
Kuhn, P. (2018), *Personnel Economics*. Oxford University Press.

Three recent, useful surveys:

Lazear, E. and P. Oyer (2013), "Personnel Economics", in R. Gibbons and J. Roberts, eds., *Handbook of Organizational Economics*, Princeton University Press, 479-519.
Oyer, P. and S. Schaefer (2011), "Personnel Economics: Hiring and Incentives", in: D. Card and O. Ashenfelter, eds., *Handbook of Labor Economics*, Volume 4, Part B, Elsevier, Amsterdam, 1769-1823.
Lazear, E. (2018), "Compensation and incentives in the workplace", *Journal of Economic Perspectives* 22(3), 195-214.

Incentives:

Kuhn (2018) Ch. 1-5 & 8
Frederiksen et al. (2020) "Supervisors and Performance Management Systems", *JPE* 128(6), 2123-2187.
Frederiksen et al. (2017) "Subjective Performance Evaluations and Employee Careers", *JEBO* 134, 408-429.
Frederiksen and Manchester (2020) "Personnel Practices and Regulation: How....", *JOLE* 39(4), 1011-1042.
Frederiksen et al. (2022) "Does Group-Based Incentive Pay Lead to Higher Productivity?...", *IZA DP #14986*.
Kendall and Lazear (1992) "Peer Pressure and Partnerships", *JPE* 100(4), 801-817.
Lazear (1979) "Why is There Mandatory Retirement?", *JPE* 87(6), 1261-1284.

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Lazear (2000) "Performance Pay and Productivity", AER 90(5), 1346-1361.
Lazear et al. (2015) "The Value of Bosses", JOLE 33(4), 823-861.

Teams and team-based compensation

Kuhn (2018) Ch. 24-27
Friebel et al. (2017) "Team Incentives and Performance....", AER 107(8), 2168-2203.
Burgess et al (2017) "Incentives in The Public Sector.....", EJ 127(605), F117-F141.
Englmaier et al. (2018) "The Effect of Incentives in Non-routine Analytical Team Tasks-....", CEPR DP #13226.

Monopsony

Kuhn (2018) Ch. 17
Ashenfelter et al. (2022) "Monopsony in Labor Markets....", JHR 57(S), S1-S10.
Card D. (2022) "Who Set Your Wage?", AER 112(4), 1075-1090.

Hiring and recruitment

Kuhn (2018) Ch. 14 and 16
Pallais and Sands (2016) "Why the Referential Treatment?....", JPE 124(6), 1793-1828.

Learning and incentives

Sandvik et al. (2020) "Workplace Knowledge Flows", QJE 135(3), 1635-1680.

Contemporary topics in personnel economics

Scur et al (2021) "The World Management Survey at 18....", Oxford Review of Economic Policy 21(2), 231-258.
Bloom et al (2021), Pay, Productivity and Management, NBER WP #29377.
Hoffman et al (2018) "Discretion in Hiring", QJE 133(2), 765-800.
Bogen (2019) "All the Ways Hiring", <https://hbr.org/2019/05/all-the-ways-hiring-algorithms-can-introduce-bias>.

Target audience and preconditions for participation

The course is particularly designed for doctoral students in economics of education. Doctoral students in economics or business economics with a strong interest in personnel and labor economics for education economists are welcome as well.

Credit requirements and grading

Full course attendance is required to receive ECTS-Points. Students are expected to come prepared to the course. It will facilitate discussions and improve overall learning.

1. Presentation in class.
2. Individual take-home exam.

Application

The number of participants is limited. Course registration until **August 26, 2022**, is mandatory. Please send your application (including a one- page CV) to fabienne.kiener@business.uzh.ch.

WWF Statutory Course Policies

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According to WWF study regulations, all exam dates are final as published in the VVZ and syllabus. This means that the final exam date is not negotiable. It will not be possible to take any exams on different dates.

Academic dishonesty in any form will not be tolerated. Anyone caught cheating or engaging in unethical behavior will be reported to the Dean's office according to the guidelines on academic dishonesty set forth by the University of Zurich.

The information in this syllabus supports the official information in the electronic university registration tool (VVZ–Vorlesungsverzeichnis). In cases of doubt, the official information at the VVZ is decisive.

For UZH students: Don't forget to officially register using the registration tool of the University of Zurich.