Personnel Economics

Academic Year: (2018 / 2019) **Review date: 07-05-2018**

Department assigned to the subject: Business Administration Department

Coordinating teacher: ORTEGA DIEGO, JAIME

Type: Electives ECTS Credits : 5.0

Year : 2 Semester : 1

REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)

Economics for Business I
Economics for Business II
Quantitative Methods I
Quantitative Methods II
Research Methods

OBJECTIVES

1. Analytical skills: modelling and problem solving skills.
2. Communication skills: oral presentation skills and writing skills.

DESCRIPTION OF CONTENTS: PROGRAMME

This course provides an overview of theoretical and empirical research in the area of personnel economics, i.e. the economic analysis of human resources. The course is useful not only for those interested in personnel research, but also for those who intend to focus on other business research areas in which individual incentives play an important role.

The program includes both theoretical and empirical papers. On the theory side, we study several variants of the principal-agent model that are useful to understand how incentives aect the organization of the workplace, particularly the aspects related to pay determination and job assignments. We also study other more recent theoretical models. On the empirical side, we study how the various theoretical predictions have been tested, discussing data and estimation issues. Specifically, the topics covered in the program are:

1. Economics and human resource management
2. Task assignment models with perfect information
3. The multi-task principal-agent model
4. Empirical evidence on performance pay
5. Delegation and incentives
6. Teamwork and social interactions
7. Promotions

LEARNING ACTIVITIES AND METHODOLOGY

There will be three types of sessions in the course:

1. Lectures.

They will cover both theoretical and empirical papers relevant to the field. To support the lectures, students will receive detailed class notes. These class notes are exclusively for the personal use of students registered to the course and cannot therefore be shared with other people by any means. Students will be required to study the class notes corresponding to each lecture and to read the articles that are indicated as required.

2. Workshops.

There will be two workshops to discuss progress made toward the term papers. The aim of the workshops is to ensure that the writing of the research proposals is a guided process. In addition, workshops make it possible for students to share their ideas and help one another.

3. Problem-solving sessions.

In these sessions the professor will solve the problems corresponding to the course and will answer to students' questions about them. Before each of these sessions, students will have to solve the corresponding problems, individually or in teams. Students will not be asked to submit the solutions and therefore the problems will not be graded.

ASSESSMENT SYSTEM

1. Individual research proposal (50%)
2. Final exam (50%)

If a student fails the course and re-takes the exam, the new grade will be given by the weighted average of the research proposal (50%) and the re-take exam (50%). However, if the grade of the re-take exam is higher than the weighted average, the weight of the re-take exam will be 100%.

% end-of-term-examination:	50
% of continuous assessment (assigments, laboratory, practicals…):	50

BASIC BIBLIOGRAPHY

- Gibbons, Robert; Roberts, John (eds.) Handbook of Organizational Economics, Princeton University Press, 2013