Personnel Economics

Course Code & Title : HE4015 Personnel Economics
Academic Unit : 4 AU
Pre-requisite : HE 2001 Intermediate Microeconomics
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Course Description

HE4023 Personnel Economics
[Lectures: 26 hrs; Turotial: 26 hrs; Pre-requisite: HE2001; Academic Unit: 4.0]

Personnel Economics is the application of economic and mathematical approaches and econometric and statistical methods to traditional topics in the study of human resources management. Compared to the standard labor economics courses, this course focuses more on the internal labor market within firms. This includes topics such as compensation, turnover, incentives, and compensation that are inherently economic, as well as those that do not at first appear to be economic topics, such as norms, teamwork, worker empowerment, and peer relationships. It has become a rapid developing research field since its birth and, as a course, has been taught in many top universities and MBA programs. The current course is a general introduction to this emerging field of researches and the human resource management in practice. We analyze the efficient allocation and motivation of employees as well as their development of skills within a company. We discuss recruiting mechanisms, training strategies and efficient compensation schemes. The course also has a focus on recent empirical evidences and applications in the practice of human resource management.

Learning Objective

Students will learn and apply ideas from microeconomics, such as incentive theory, optimization, externality etc. to analyze the internal labor market behavior within firm. They will understand the principles in human resource management both in theory and in practice. They will know how to use the math and economic theories to analyze real problems, also use basic econometric methods to understand the patterns in the data.

Course Outline

This course introduces all the basic topics related with personnel management practice. There are three core sections, followed by a section with applications and advanced discussions.

1. Hiring and Training: Sorting and Investing in Employees
2. Organizational and Job Design
3. Compensation: Paying for Performance
4. Applications and Discussions
Content of Topics

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<td>Managing Turnover</td>
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<td>Decision Making in Organization</td>
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<td>Career-Based Incentives</td>
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<td>Further Discussion and Review</td>
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Learning Outcome

Students will learn the basic theories and facts about how personnel are managed in practice and understand the economic intuitions behind them. They should know how to use the theoretical and empirical strategies to analyze real world problems in personnel management.

Assessment (it is subjected to change)

10%: Participation. Students will be encouraged to actively participate in class discussion, case studies, paper presentations, etc.

40%: Assignments. Problem sets, referee reports, project proposals and case studies will be assigned to students to practice the principles they learn in the class.

50%: Final examination. The final exam is a cumulative and comprehensive assessment of students’ understanding of class materials.

Textbook & References


Reference Articles (incomplete, to be continued):


