Instructor Information:
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Course D2L site:
This course has a D2L site that will be the primary means of communicating outside of the weekly lectures. The site will be updated frequently with background material on the lectures, articles for additional reading as well as weekly reading assignments. You should check the site on a regular basis.

Course Description:
This course is designed to teach students how to use economics to solve practical personnel problems. The course uses various economic models to examine personnel practices. It discusses compensation schemes and the use of incentive packages such as bonuses and stock options to reduce labor turnover and encourage worker productivity. It shows how the basic economic approach of evaluating various models can be used to address issues regarding job attributes, fringe benefit packages, team building and corporate culture.

Course Objectives:
Provide an analytical framework from which to evaluate the impact of various employment practices. Use the framework to enhance critical thinking and writing skills by discovering the assumptions underlying personnel decisions, researching the evidence that support the decision and determining alternative choices that could have been made. Ultimately, we will use this process to evaluate the impact the personnel decisions had on the firm and its employees.

Exams in this class will be designed to test how well students evaluate a business situation, present possible solutions and evaluate the impact on the firm.

Readings and Required Text:

Two copies of the 2nd edition of the text will be on 2 hour reserve in the library.

Other readings will be made available throughout the semester. Be sure to check the course D2L site on a regular basis.

Class Preparation:
Before each class you should read and prepare to discuss the materials for that class. This course will require students to work in groups and individually to analyze various personnel questions. Attendance at every class is expected as class discussion is an essential part of the learning for this course.
Grade Determination:

Class Participation (25% of the total) - Participation grades will be based on two components, in class assignments and 5 homework assignments based on readings assigned outside of class.

One half of your participation grade (50 points) will be based on the in class assignments. These will be questions based on that night’s lecture or an article distributed in class. The goal of these questions is to provide feedback on how well the class concepts are understood and to encourage attendance. There will be an in class assignment distributed each week for a total of 12 separate assignments, however only 10 assignments will count towards your participation grade. For this reason, if you miss class you will not be able to make-up for the lost assignments.

One half of your participation grade (50 points) will be from 5 homework assignments based on readings that are too long to be assigned in class. The readings and homework questions will be available on D2L the week before they are due. To receive credit, your answers to the homework questions must be submitted to the D2L dropbox by the start of class the day the homework assignment is due. The readings will also be used in that night’s lecture as a basis for discussion.

Midterm Exam (25% of the total) - There will be a mid-term exam during the regular class time.

Final Exam (25% of the total) - The final exam will be during the regular class time during final exams week.

Paper (25% of the total) – You will be required to write a 5-7 page paper. The paper is due in early November. Graded papers will be handed back one week later November 23\textsuperscript{rd} to the D2L dropbox. You will be allowed to revise your paper to improve your grade by incorporating any comments/suggestions. The revised papers are due on the second to last class of the semester. This is to ensure graded papers are handed back before the final exam.

If you turn in your paper after the first draft deadline, you will not be allowed to revise your paper. No papers will be accepted after final papers deadline. If you have not turned in any paper by December 7\textsuperscript{th}, you will receive a total of 0/100 points for the assignment.

Details on paper topics and requirements will be handed out before the mid-term exam.

Your grade will be based on how many points out of a possible 400 that you receive. The points will be allocated as follows:

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<tr>
<th>Component</th>
<th>Points</th>
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<tr>
<td>Mid-Term Exam</td>
<td>100</td>
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<tr>
<td>Final Exam</td>
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<tr>
<td>Paper</td>
<td>100</td>
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<td>Participation</td>
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Graduate Students:
In addition to the grading assignments for the undergraduate students, you will be assigned questions on four (4) journal articles related to the topics discussed in class. Details of the assignments will be handed out in class.

Each assignment will be worth 25 points for a total of 100 points. Your grade for the course will be based on how many points out of a possible 500 that you receive.

Research Requirement: If you are an Economics major and wish to fulfill your research requirement in this class you must notify me of your intent by emailing me no later than before the first draft of the paper is due. **All students completing the research requirement must submit a first draft of their paper.** In order to assist you in learning how to conduct research, you will be allowed to revise your paper based on comments to achieve an improved grade. In addition, you will be required to make a short, no more than 5 minutes, presentation of your paper on the last day of class.

Note: For information on the University’s policies for religious observances, incompletes, grade appeal procedures, final examination policy, students called to military service, discriminatory conduct, and complaint procedures, please access the following link: [http://www4.uwm.edu/secu/SyllabusLinks.pdf](http://www4.uwm.edu/secu/SyllabusLinks.pdf).

Participation by Students with Disabilities: If you need special accommodations in order to meet any of the requirements of this course, please contact me as soon as possible.

Academic Misconduct: The University has a responsibility to promote academic honesty and integrity and to develop procedures to deal effectively with instances of academic dishonesty. Students are responsible for the honest completion and representation of their work, for the appropriate citation of sources, and for respect of others' academic endeavors. Student academic misconduct information can be found at: [http://www4.uwm.edu/acad_aff/policy/academicmisconduct.cfm](http://www4.uwm.edu/acad_aff/policy/academicmisconduct.cfm).

Workload Requirements
The estimated workload for this class for an average students is as follows:
Class meets one night a week for 2 hours and 40 minutes, for a total of 37.3 hours of required lecture time. You should expect to take at least 42 hours over the course of the semester reading the textbook and other required texts. There are 5 homework assignments which you should expect to require at least 2 hours each for a total of 10 hours. You should reserve at least 10 hours to study for and take the mid-term exam. You should plan on spending at least 30 hours working on the required paper and an additional 10 hours working on the revision. You should reserve at least 10 hours to study for and take the final exam. All told this class is likely to take 149 hours of your time.
Tentative Schedule
This is a preliminary outline and is subject to change during the course of the semester. Be sure to check the D2L class site each week for any updates.

Compensating/Motivating Workers
Labor Economics Review
Principal Agent Model

Formal Principal Agent Model
Impact of introducing performance pay into workplace
Lazear text, Part Three Introduction, pp. 201-206

How does a firm know how well its workers are performing – Objective Measures
Lazear text, Chapter 10

How does a firm know how well its workers are performing – Subjective Measures
Lazear text, Chapter 9

Alternative methods of paying workers when it is difficult to measure performance - compensation for middle managers
Lazear text, Chapter 11

First Graduate Student’s assignment due

Alternative methods of paying workers when it is difficult to measure performance - compensation for middle managers
Lazear text, Chapter 11

How should a CEO be compensated – what is the role of incentives?
The role of benefits in compensating employees
Lazear text, Chapter 12 & 13

Second Graduate Student’s assignment due

Mid-Term Exam
Details on paper requirements handed out

Hiring Workers
Who should a firm hire?
Selecting and recruiting workers – getting the “right” workers to apply
Lazear text, Chapters 1 & 2

How does a potential employee get noticed?
Lazear text, Chapter 2, cont.
Third Graduate Student’s assignment due
Educating and Training a Workforce - should a firm invest in its employees?
Lazear text, Chapter 3

Papers due

No Class – Thanksgiving Break
Graded Papers returned

Managing turnover – how does a firm manage turnover?
Lazear text, Chapter 4

Organizational and Job Design - What is the “right” amount of decision making authority for employees?
Lazear text, Chapters 5 & 6

Revised paper due – No papers will be accepted after this date.

Should the job be narrow and specialized or broad and engaging?
Lazear text, Chapters 7 & 8

Revised papers returned
Research Requirement Presentations
Fourth Graduate Student’s assignment due

Final Exam