

Employment Contracts (14202411) Winter semester 2023/24

1. Organisational Issues

Intended audience:	Master BWL PO 2015: Specialisation: Human Resource Management and Personnel Economics Master BWL PO 2021: Specialisation: Personnel and Organization
Module:	PO 2015: Organizing Work and Employment Contracts PO 2021: Human Resource Management, Personnel Economics, and Organization A Please note that the lecture on 'Employment Contracts' is one part of the above modules. The remaining part (s) is (are) taught by Prof. Muehlfeld (and Prof. Semrau).
Credit points:	10 ECTS for the entire module The lecture 'Employment Contracts' contributes 50% to the overall mark. The maximum number of points for the entire exam is 90. Therefore, the maximum number of points for the part of the exam covering the course 'Employment Contracts' is 45.
Contact hours:	2 hours lecture each week.
Lecture:	Wednesday, 12.00 – 13.30, Room N 2
Starting date of lecture:	Wednesday, 08.11.2023
Extra lectures:	None scheduled as of now.
Registration:	Please register via PORTA using the course number 14202411. The registration is a prerequisite for downloading the course material via Stud.IP.
Office hours:	Please send an email to goerke@uni-trier.de to arrange an appointment.
Questions:	Please send an email to goerke@uni-trier.de or approach me after the lecture.

Final exam: February 21, 2024.
The exam contains questions relating to all courses comprising the module. The questions concerning the material of two courses have to be answered.

2. Content and Objectives

In the course, we will analyse employment contracts from an economic perspective. Thereby, we aim to provide in-depth knowledge of selected fields from personnel and organisational economics. We will pursue a teaching approach consisting of three steps. First, we outline a problem that a manager in a personnel department may face, highlighting the economic dimension of the challenge. Second, we will use economic theory to develop solutions to the issues at hand. Third, we will confront the theoretical predictions with empirical evidence and attempt to derive instructions for managerial actions. The lecture will be supplemented by exercises for some of the topics covered. The exercises will enable participants to deepen their knowledge of the analytical approaches and to transfer concepts and findings to concrete problems. Thereby, the course provides participants with the knowledge and analytical abilities to understand and solve personnel-related problems.

3. Course Outline

1. Foundations
2. Screening & Signalling
3. Risk-sharing
4. Pay for Performance
5. Monitoring
6. Social Preferences
7. Teamwork
8. Promotions

4. Bonus Points

Students will be given the opportunity to submit the solutions for a maximum of two exercise sheets before the assignments are discussed. If desired, the work will be evaluated and can improve the grade of the written exam (if it is passed).

Each assessed exercise sheet increases the number of points allocated to the part covering the material of the lecture on 'Employment Contracts' in the written exam according to the formula " $4 - \text{'grade'}$ ". Only the grades 1 (very good), 2 (good), 3 (satisfactory) and 4 (sufficient) will be awarded. If, for example, two exercise sheets are graded as 'very good',

the score increases by $2 \times (4 - 1) = 6$. A credit for the winter semester 2023/24 is possible only in this or the subsequent semester, as part of the repeat exam.

5. References

The lecture is primarily based on selected chapters of the subsequent books:

Cahuc, P., Carcillo, S., & Zylberberg, A. (2014). *Labor Economics*, 2nd ed.. The MIT Press.

Greenberg, J. (2011). *Behavior in Organizations*, 10th ed.. Pearson.

Lazear, E. P. (1998). *Personnel Economics for Managers*. Wiley.

Lazear, E. P. & Gibbs, M. (2014). *Personnel Economics in Practice*, 3rd ed.. Wiley.

Robbins, S. P. & Judge, T. A. (2023). *Organizational Behavior*, 19th global ed.. Pearson.

Further references are provided in the lecture slides which will be made available via Stud.IP.