

## **Personnel Economics (ECONM905)**

- 5 credits
- 30h
- 2nd quarter 2014/15

Professor: Hungerbuhler Mathias

### **Learning outcomes**

1. Identify the pertinent question, synthesize the essential elements to understand the question; Identify why and in which context a particular model is useful, particularly by identifying the role of the model's assumptions; Be able to have a clear and rigorous reasoning
2. Be aware of the interactions between economics and other social sciences, also by having a critical view; Be able to use the tools of economics in a innovative way
3. Acquire specific knowledge in the domain of human resource economics
4. Express both orally and in writing a message in a clear and structured way

### **Content**

The first part concentrates on pay and compensation. Theories include piece rates, incentive contracts, tournaments, career concerns, etc. Theories of moral hazard play an important role here. In a more dynamic perspective, efficiency wages will be discussed as well. While going through the theories, we will also focus on the problems induced by the different incentive schemes. Finally, a part will also cover behavioral theories. The next part of the course starts with the recruiting process: How do managers recruit workers? Adverse selection and signaling models will be discussed. Different hiring and (firms') search strategies will be examined in more detail. Also aspects of retention, turnover and displacement might be included in this part of the course. A last part of the course looks at job design. Teamwork will be discussed, and the question how firms can provide incentives for effort in teams. If time permits, a last part concentrates on authority and hierarchies.

### **Teaching methods**

Teaching includes analytical theories, but also empirical evidence, and case studies. Case studies are evaluated for the final grade.



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## **Evaluations**

The final grade depends on the case studies and an oral exam.