

Darren Grant
ECO 5351, Labor Seminar, Fall 2011
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Section 01: 6-8:50 pm Wednesday
Office Hours: 9-11, M, W on campus;
5-6 pm Wednesday at the University Center.
<http://www.shsu.edu/~dpg006/>

Welcome! Labor economics is interesting because it is about people, and particularly relevant to MBA students because so much of management is dealing with people. This MBA class is designed for students who already possess basic (principles-level) knowledge of economics, statistics, and finance. Please speak to me if you feel you may not have the necessary background for this class.

Learning Objectives: In this course, the student will learn the basic theory of labor market operation and firm compensation policy. In particular, we will discuss:

- how each of the components of pay (time, skill, unpleasant working conditions, and effort) are evaluated;
- how labor markets try to match workers to jobs in accordance with their skills and preferences; and
- how managers can use these insights to design appropriate HRM policies.

In addition, through readings and assignments, we will see how these ideas play out in the real world.

Getting Help: My office hours are listed above. If you call or e-mail me by noon that day, I will meet you in an office at the University Center for up to one hour before each class.

By the Book: Kaufman and Hotchkiss, *The Economics of Labor Markets*. I will use the 7th edition, but earlier editions are virtually identical and are acceptable by me. Both new and used copies of this book can be purchased fairly inexpensively online. Please get a book and please read it—assigned chapters are listed on the schedule below. In addition to this book, there is a small supplement that we will use in October that you can order directly from University Readers, <https://students.universityreaders.com/store/>

Attendance: Attendance and punctuality are expected and are incorporated into your professionalism grade, but you are allowed to miss one class without penalty. A student who more than three classes without an appropriate, appropriately documented excuse (severe illness or death in the family) will receive an F in the class. Being tardy to class equals half an absence; missing one hour or more of a class equals one absence.

Making Up: Since assignments are assigned well in advance, I cannot accept these late except in the most exceptional and unexpected circumstances. In those instances, I will ask for acceptable documentation. If possible, contact me ahead of time to see if I will accept your excuse. The same policy applies for make-ups to your final exam.

Begraded: Our seminar-style class features lots of outside reading, application, and discussion, and the grading follows accordingly. Your numerical grade will be based on your

performance on applied data assignments, a presentation, and an in-class, essay-style final exam, but I allow generous leeway to round grades up for good class participation.

Conscientious work on the assignments and presentation should earn a B, and exemplary or inspired work an A. For each, you are encouraged to speak with me, ask questions, or invite me to review your work (please give me at least a full day to respond) before you turn it in. The final exam is integrative and reflects technical skills developed in the homeworks, factual material from the notes, and class discussion of assigned readings.

Each of these items will be graded on the following scale: A+ = 20; A = 19; A- = 18; B+ = 17; B = 16; B- = 15; C+ = 14; C = 13; C- = 12; D = 10; F = 5. I will add up the points achieved from the best *two* of the three assignments, the presentation, and your final exam, which counts double, and assign grades in the following way:

A	90+
Fuzzy Region	85-89
B	75-84
Fuzzy Region	70-74
C	60-69
D	50-59
F	0-49

Please note, to be assured of an A for the class, you need an A- on each assignment and test, or its equivalent. A mix of A-'s and B+'s will put you in the fuzzy region. The same is true of the B/C borderline.

In the fuzzy region I can round you up or down at my discretion. This will depend on your total points, your class participation, and the distribution of your grades over the course of the semester. (This latter permits me to make some allowance for an upward trend in grades over the course of the semester.) Class participation includes verbal participation, reading quizzes, attendance, tardiness, homework completion, homework presentations, etc.

In order to give me a more objective basis on which to make this decision, I will give very short multiple choice quizzes on each outside (non-textbook) reading, and will ask for a photocopy of your work on each homework, not to make sure it's all correct, but to see if you completed it thoughtfully.

The grade on your worst assignment, which is dropped in computing your total numerical score, will not be used in rounding up or down in the fuzzy region. That way, you can simply omit one assignment without penalty.

E-Mail Policy: E-Mail is an acceptable form of communication for all class matters. I will sometimes send messages out through the Blackboard system to your SHSU e-mail address.

ADA Compliance: It is my obligation and my pleasure to provide reasonable accommodation to students with disabilities, so as not to discriminate on the basis of that disability. Student responsibility primarily rests with informing me at the beginning of the semester and in

providing authorized documentation through designated administrative channels. Disabled students may request help with academically related problems stemming from individual disabilities from their instructors, department/division chairs, or by contacting the chair of the Committee for Continuing Assistance for Disabled Students by visiting the Director of the Counseling Center in the Lee Drain Building or by calling (936) 294-1720.

Student Absences on Religious Holidays: Section 51.911(b) of the Texas Education Code requires that an institution of higher education excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. A student who is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment from which the student is excused within a reasonable time after the absence. Refer to the Academic Calendar for the date by which students should notify faculty their intent to be absent on religious holy days.

Research Component: This course, as a graduate class, has a required research component. We do two things to meet this requirement. First, graded assignments require you to gather and analyze labor market information with elementary statistical methods using a spreadsheet program such as Excel. These assignments are intended to give you practice applying elementary economic principles of labor market operation to actual labor markets. Second, we will read and discuss a couple of relatively non-technical academic articles that do the same thing. I think research is interesting—I hope you will find this to be one of the most intriguing aspects of this course.

High Fidelity: We at Sam Houston expect you to conduct your studies with integrity. Please see SHSU's "Academic Policy Statement 810213," available on Sam Houston's Web Site, for a discussion of what constitutes academic misconduct, including cheating and plagiarism, and for a discussion of the procedures utilized in adjudicating such cases. If I catch you cheating I will, in all but the most minor circumstances, turn you in to academic authorities. In these circumstances, my minimum penalty for cheating is a grade of 0 on that assignment.

Much of your grade comes from assignments that are to be completed outside of class. Unless otherwise stated, you must not communicate with anyone except me about these. Please don't cheat—I will catch you. It is acceptable to work in groups on the homeworks, which are checked for completion but not graded for accuracy.

Policy on Electronics: SHSU requires that each course syllabus have a policy regarding electronic equipment, such as cellphones, that can be used for communications purposes. I believe that the use of these devices during class is deleterious to the classroom environment and to that student's comprehension of the material being discussed. Therefore my policy is absolute. Except as required for ADA accommodation or in the event of an emergency, in-class use of all electronic devices of this type, including cellphones and smart phones, is wholly prohibited.

Violations of this policy are acts of commission, not omission. Accordingly, the penalties are harsh. One violation: your participation grade (used in rounding grades in the fuzzy region) is substantially diminished. Second violation: your participation grade goes to

zero. Third violation or higher: I reserve the right to expel you from that class meeting or to dock your final grade by as much as one letter grade for each violation. Use of any such device during a test is, by university policy, de facto evidence of cheating.

Cell phones and smart phones should be stored out of sight. If I can see it, I assume you are using it. And if you are using it, I will see it, trust me.

Class Format: The class uses the following format. There are four units, each of three or four weeks' duration. Each unit begins with a discussion of a particular labor market, featuring a combination of readings from academia and from the popular press. It continues with one or two lectures, and is capped with a day when we go over homework problems and discuss the assignment you were given for that unit. Here is the schedule:

The Value of Time

Aug. 24 Introduction: Key Features of Labor Markets
Aug. 31 Reading: Moneyball
Sept. 7 Lecture: The Value of Time to Workers and to Employers (parts of *Ch. 2, 4, 5*)
Sept. 14 Go over Homework 1; turn in and discuss Player Valuation Assignment

Market Wage and Employment Outcomes

Sept. 21 Readings: Priests & Pastors
Sept. 28 Lecture: Equilibrium, Unemployment, and Compensating Wage Differentials (parts of *Ch. 6, 8, 13*)
Oct. 5 Go over Homework 2; turn in and discuss Teachers Assignment

Human Capital

Oct. 12 Reading: Gang Leader for a Day
Oct. 19 Lecture: Human Capital (*Ch. 7*)
Oct. 26 Lecture: Internal Labor Markets (*Supplement, Ch. 10*)
Nov. 2 Go over Homework 3; turn in and discuss Data Analysis Assignment

Personnel Economics

Nov. 9 Reading: Pirates!
Nov. 16 Lecture: Basic Theory of Incentives (*Supplement, Ch. 11*)
Nov. 30 Go over Homework 4
Dec. 7 Market Analysis Presentations
Dec. 14 In-class Final Exam

Please give me a photocopy of your homework on each homework day, which I will review for completion, and be prepared for a short reading quiz on each reading day. Multiple pages of homeworks and assignments that are turned in must be stapled or paper-clipped together. Reading quizzes and the turning in of homeworks / assignments occur at the very beginning of class.