

Darren Grant
ECON 5351, Labor Seminar, Spring 2020
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Section 01: 6-8:50 pm every second Thursday
Office Hours: 9:30-11:00 am T, Th, and 5-6 pm in
The Woodlands Center by request.
<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 the level of pay and each of its components (time, skill, unpleasant working conditions, and effort) are evaluated;
- how firms and labor markets achieve acceptable staffing levels, encourage skill development, motivate workers appropriately, and 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. Feel free to call or stop by to get help. If you contact me before Wednesday afternoon, I can generally commit to meet you at The Woodlands Center by 5:00 pm on Thursday to answer questions.

By the Book: Kaufman and Hotchkiss, *The Economics of Labor Markets*, any edition. This book is out of print so you'll have to get a used copy. Alternatively, you are welcome to use any edition of Ehrenberg and Smith's *Modern Labor Markets*. Please get a book and please read it—I'll mention the relevant chapters (from each book) for each topic in class.

Attendance: Attendance and punctuality are expected and are incorporated into your professionalism grade. Beyond the final exam period, there are eight in-class meetings. You are allowed to miss one class without penalty, but a student who misses three classes without an appropriate, appropriately documented excuse (severe illness or death in the family) will have their final average reduced by one letter grade, and a student who misses four or more class meetings 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 homeworks are assigned well in advance, I can only take these late in exceptional, unexpected circumstances, and then only with 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. If you miss class, you can e-mail homework to me *ahead of time* (not late).

Begraded: Our seminar-style class features lots of outside reading, application, and discussion, and the grading follows accordingly. Your grade will be based on four things, each weighted equally: 1) class participation, which includes your scores on six reading quizzes (your best six of seven) and presentation of homework problems, 2) your performance on six homework sets (your best six of seven), 3) a market analysis presentation assignment, and 4) an in-class, free-response-style final exam that is in the style of the homeworks.

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.

These four items will each be graded on the following scale: A+ = 20; A = 19; A- = 18; B+ = 17; B = 16; B- = 15; C+ = 14; C = 13; D = 10; F = 5. (The final exam will be graded directly on a scale of 0-20.) Then I add up the points achieved and assign grades as follows: A = 70+, B = 60-69, C = 52-59, F = 0-51. Please note: to receive a B for the class, you need a B- on each item or its point equivalent. The same is true for a C. To pass the course you need the equivalent of all C's.

Note that you can drop one reading quiz and homework assignment. Furthermore, you can miss one question (out of seven) on each reading quiz without penalty. Furthermore, homework is graded partly on completion and partly on correctness. If you do a thoughtful job on the homework, you will still do OK, even if you miss some parts of the questions.

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.

Research Component: This course, as a graduate class, has a required research component. Our labor market presentation assignment is intended to meet this requirement.

High Fidelity: We at Sam Houston expect you to conduct your studies with integrity. If I catch you cheating, my minimum penalty for cheating is a grade of 0 on that assignment.

It is acceptable to briefly discuss homework questions with classmates, but I would ask you not to look at each others' answers or work in pairs or groups or have any sort of GroupMe or message chain about them. These are to be substantively your own work.

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. Please turn off cell phones and smart phones and store them out of sight. Even one violation will adversely affect your participation grade and multiple violations can lead to more severe penalties, such as your final grade being lowered. Use of a cell phone during an exam is, by university policy, de facto evidence of cheating.

And More: For policies regarding students with disabilities and student absences on religious holy days, and university policy regarding academic honesty, see www.shsu.edu/syllabus.

Class Format: The class swaps back and forth between a week of online lecture and an in-class meeting in which we review homework on the lecture material and discuss a reading that sets up the next topic. Here is the schedule:

Hi There

Jan. 16 What's the Problem?; Discuss Priests Articles

Matching Supply and Demand

Jan. 23 Online Lecture about Equilibrium in Competitive Labor Markets

Jan. 30 Review Homework; Discuss *Moneyball* and *Ball Four* excerpts

What Work Is Worth

Feb. 6 Online Lecture about Labor Demand

Feb. 13 Review Homework; Discuss "The Ship"

Putting Competition to Work: Sorting Employees into Jobs

Feb. 20 Online Lecture about Compensating Wage Differentials

Feb. 27 Review Homework; Discuss Pirates Article; My "Sample" Market Analysis Presentation

Worker Motivation

Mar. 5 Online Lecture about the Theory of Incentives

Mar. 19 Review Homework; Discuss the Tennis and "Sell Stakes" Articles

Human Capital: Market-Guided Investment

Mar. 26 Online Lecture about General Human Capital

Apr. 2 Review Homework; Discuss Excerpt from *Gang Leader for a Day*

Human Capital: Firm-Guided Investment

Apr. 9 Online Lecture about Specific Human Capital and Internal Labor Markets

Apr. 16 Review Homework; Discuss "How Much Shall We Pay the Pastor?"

Solving the Problem: Human Resource Management Systems

Apr. 23 Online Lecture about HRM Systems

Apr. 30 Review Homework; Last Chance to Do Market Analysis Presentations

See Ya

May 7 In-class Final Exam

Please give me a photocopy of your homework and be prepared for a short reading quiz for each in-class meeting (through Apr. 16). Multiple pages of homeworks and assignments that are turned in must be stapled or paper-clipped together. Reading quizzes and homework collection occurs at the very beginning of class.