

Economics 136
Human Resources
Spring 2022
Version A00 T/Th 11-12:20
Version B00 T/TH 12:30-1:50
Professor Julian Betts

This course covers the economics of hiring, setting wages and worker incentives, with an emphasis on the economics of education and training.

Prerequisites: *Economics 100B*. (We will frequently use calculus during the course to solve for optimal solutions to various problems managers face.)

Textbook: *Personnel Economics*, Peter Kuhn, Oxford University Press.

Our textbook is an excellent hands-on book designed to help students think about personnel management in the real world. We will cover both the informal approach in the textbook as well as the more mathematical proofs that are included. One of the most exciting aspects of the textbook is that it incorporates evidence both from econometric analyses of real-world situations as well as more recent experimental evidence from laboratory experiments about how people respond to incentives and other aspects of simulated workplaces.

The bookstore is making an electronic version of the textbook available for rent. You will find a link to get the textbook on the class webpage on Canvas.

Chapters to be covered (subject to change).

Part of Book	Chapter(s)	Topics
1 Principal-Agent Models	1-4	The Basic Principal-Agent Model
	5	Extensions
2 Employee Motivation	7	Empirical Methods
	8	Performance Pay in the Real World
3 Employee Selection and Training	12	Qualifications
	13	Hiring Risky versus Safe Workers
	14	Recruitment
	15	Testing, Discretion and Self-Selection
	18	Using Pay to Reduce Shirking
	19	Training
4 Competition in the Workplace	20	Tournaments
	21	Some Problems with Tournaments
5 Economics of Teams	24	Incentives in Teams and the Free-Rider Problem
	25	Team Production in Practice (if we have time)

Grading:

Test 1 (Week 4, Thursday April 21 in class)	25%
Test 2 (Week 7, Thursday May 12 in class)	25%
Final exam (covering entire course, with roughly a 60:40 weight on new material and material already tested in tests 1 and 2)	50%

Note: The two versions of this course have exams on different days and times. Consult the online schedule of classes for location and to double check timing– you need to attend the final exam for your course to get credit. For version A00 that meets during the quarter at 11:00, the final is on Tuesday June 7 11:30-2:29. For version B00 that meets during the quarter at 12:30, the final is on Monday June 6 11:30-2:29.

Note: There will be no class on Thursday April 28.

I will podcast the 12:30 lectures.

Letter Grades

Letter grades will be determined by final % in the course, as follows: 90-100=A+, 85-89=A, 80-84=A-, 75-79=B+, 70-74=B, 66-69=B-, 62-65=C+, 58-61=C, 54-57=C-, 50-53=D, <50% = F.

Teaching Assistants and Office Hours

My office hours are:

Betts: Tuesdays 3:00-4:30 in Sequoyah Hall 245C, Department of Economics.
(The door to the suite will tell you that this is the San Diego Education Research Alliance. You are in the right place. When you come in, you will find my office is in the far left corner. Also, given what we have learned during the pandemic I will set up a recurring Zoom meeting for my office hours. That way you can come in person or ask questions online. See the class webpage for the link.

You can also reach me at jbetts@ucsd.edu. *If you do use email, please make sure that “136” is in the message title so that I can organize my course-related email easily. This will also reduce the chances that your email gets lost among the spam.*

There will be a teaching assistant assigned to each version of this course. They will hold weekly office hours, as well as additional office hours before midterms and the final.

Hannah Bae	Economics Room 126	Wednesdays 9:30-11:30
Frances Lu	Sequoyah 208	Wednesdays 1:30-3:30

Class Web Page and Class Notes

The class web page is on Canvas at canvas.ucsd.edu. You will find partial notes, sample questions, and I will also post announcements as needed. On Canvas you can do some review in week 1 by studying a useful mathematical appendix by Emeritus Professor Mark Machina. I will also post sample questions, a few with suggested answers. Working through these is a great way to learn the material and prepare for tests.

You are responsible for going to the class web page and printing out notes before class. In class you will be able to complete your notes based on my lecture. Attendance at lecture is extremely important, both to ensure that you have a complete set of notes and to ensure that you have a chance to take in and learn how to use the concepts taught in class. We will have frequent in-class reviews and mini-reviews based on old test questions and practice assignments, all available on the class web page. Being in class for these frequent reviews is really key to doing well in the course.

Policy on Regrading Midterms

Students who believe that their midterm has been misgraded must appeal with a **written statement** of what is wrong with the grading, either by contacting the relevant grader (TA) within one lecture of the lecture in which the midterm is handed back or if that TA misses class that day, by the TA's next available office hour. The TA will regrade the question. The grade could rise, stay the same, or fall, as a result of regrading.

Policy on Regrading Final Exams

1. Students who are unhappy with their final letter grade in a course cannot simply request that their final exam be regraded. If you want a regrade, you must submit the exam plus a written explanation of why you think you deserve extra points, and on which question(s).
2. If a student submits the final exam for regrading, here is what will happen:
 - a) The *entire* exam, not just the question(s) indicated by the student, will be regraded.
 - b) The final letter grade in the course will be recalculated based on the final exam score after the regrading. **The student's letter grade could rise, remain unchanged, or fall.**
3. Students who want a final regraded must submit a written explanation of the basis for the regrade by no later than Wednesday a week and a half after exams end.
5. Sometimes students who are disappointed with their grade ask whether they can do additional work to increase their grade. The answer is no, because to do so would be completely unfair to other students in the class.

Policy on Missed Midterms/Exams and Cheating

Exam dates are not negotiable. If you miss a midterm because of documented illness or sports, the weight of the missed midterm will be added to the weight of the final exam. Unexcused missed exams will receive scores of 0. There are no acceptable excuses for missing the final (apart from documented illness) -- if you miss the final, you will receive a failing grade for the course. Any student caught cheating will receive a failing grade for the course. In addition to this academic sanction, the Council of Deans of Student Affairs will impose a disciplinary penalty.