

ECON 3430 / ILRLE 4430

Compensation, Incentives & Productivity

Spring 2021

Stephanie R. Thomas
263 Ives Hall
607-255-1552
srt82@cornell.edu

Brief Course Description:

Can it be advantageous to make a risky hire? When should firms pay for employee training and development? How can we leverage psychological and economics benefits in job design? What is the optimal way in which to reward performance?

These questions have one thing in common: they can be answered using the tools of personnel economics.

Learning Outcomes:

ANALYZE personnel problems and their proposed solutions using economic theory and quantitative tools;

ASSESS the impact of environmental factors (information, resources, constraints, decisions and incentives) on personnel outcomes;

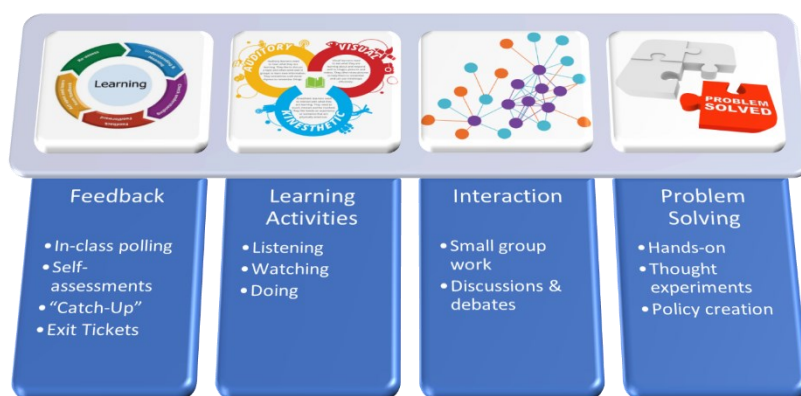
EVALUATE – and appropriately balance – the benefits and costs associated with personnel decisions.

Prerequisites:

Intermediate Microeconomics and/or Economics of Wages & Employment (or equivalent)
Strong quantitative skills recommended.

Achieving the Outcomes:

- Lectures
 - In-class problem solving
 - Case studies
 - Group work
 - Student polling
 - Exit tickets
- ... and other active learning opportunities!



Measuring Our Achievement:

- Application cards
- Ungraded self-assessments
- Ungraded peer assessments
- Ungraded small group problem solving exercises
- Graded homework

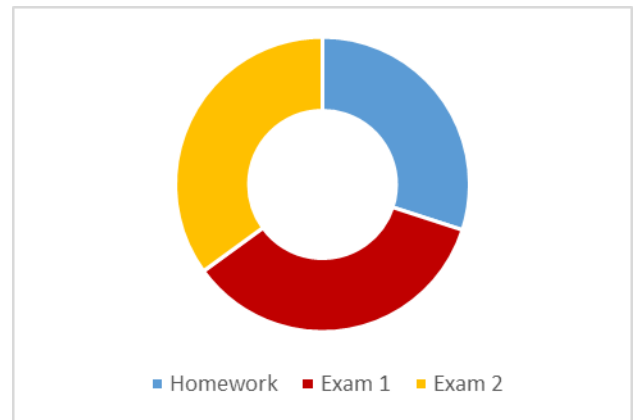
- Preliminary and final exams

Quantifying Our Achievement:

At the end of the semester, your final course grade will be calculated as follows:

- 30% graded homework assignments
- 35% Exam 1
- 35% Exam 2

Letter grades will be assigned based on your overall course grade at the end of the semester. No letter grades will be assigned to the homework assignments, preliminary exam or final exam individually.



Course Delivery Method(s):

During the Spring 2021 semester, this class will be delivered remotely. The class meetings on Tuesdays and Thursdays will be held via Zoom. Our Canvas site contains a link to the recurring Zoom meeting scheduled for our class. If you need technical assistance with Zoom, please visit the [Zoom Help Center](#).



Some students may be working from geographic locations other than Ithaca. To accommodate those students located in time zones that prevent them from attending the classes, all classes will be recorded and class videos will be posted to our Canvas site. Please keep in mind that these recordings are not a replacement for attending live classes and students who are able to attend synchronously are expected to do so.

I recognize that remote delivery poses some unique challenges for all of us. It is important that you maintain the same academic habits for this course as you would for an in-person course: arrive on time, minimize interruptions and distractions during class time, engage with the instructor and your peers as you typically would, ask questions, participate in in-class activities, etc. When scheduling personal activities and travel, please be mindful that this course functions the same as any other course; the remote delivery mechanism does not alter your responsibilities to this course.

Readings, Case Studies and Multimedia Materials

The required textbook for this course is Lazear and Gibbs, *Personnel Economics in Practice*, 3rd Edition (Wiley). If you have questions about purchasing or renting the textbook, please see me as soon as possible.

We will also be using a series of case studies. These case studies are available as a course pack from Harvard Business School. For information about course pack contents and purchasing options, please visit our HBS course pack site at <https://hbsp.harvard.edu/import/781779>. This link will be active on January 1, 2021.

Graded Homeworks:

Throughout the semester, we will be completing four (4) graded homework assignments. These assignments will be distributed electronically via the online learning management system for this course. Assignments are to be submitted electronically via LMS by the due dates indicated below:

Homework #1: due by 5:00 PM on Thursday, March 16, 2021

Homework #2: due by 5:00 PM on Tuesday, March 30, 2021

Homework #3: due by 5:00 PM on Tuesday, April 27, 2021

Homework #4: due by 5:00 PM on Tuesday, May 11, 2021



No late homework assignments will be accepted, and no makeup assignments will be available.

Examinations:

All students are expected to sit for two examinations. **The first examination will take place on Thursday, April 1 during the scheduled class period. The second examination will take place on Thursday, May 13 during the scheduled class period.**

If you have an examination conflict or a health, personal or other issue, please let me know as soon as you learn of this issue. Unexcused absences from any exam will result in a grade of zero (0) for that exam.

Classroom / Community Responsibilities:

A large part of the academic experience is the challenging of viewpoints and exploring issues from differing perspectives. You are encouraged to express differences of opinion and challenge viewpoints in a mutually respectful manner that opens dialogue and does not threaten any member of the learning community. Our classroom environment will be a safe place for the open exchange of ideas by all participants. Each participant is responsible for ensuring that his or her own behavior promotes this.

There are five ground rules for my classroom. Each student is expected to understand and abide by these rules:

1. Arrive on time, prepared for class
2. Ask for clarification if you are confused
3. Take responsibility for the quality of the discussion
4. Challenge one another, but do so respectfully
5. Keep an open mind – enter with the expectation of learning something new.



Additionally, it is important that we take care of ourselves and each other. I have an open-door policy – please see me if you want to talk about the course or anything else.

Students with Disabilities:

Your access in this course is important. Please provide me with your Student Disability Services (SDS) accommodation letter as early in the semester as possible so that I have adequate time to arrange your approved academic accommodations. If you need immediate accommodation for equal access, please speak

with me after class or send an email message to me (with a cc to sds_cu@cornell.edu). If the need arises for additional accommodations during the semester, please contact SDS.

Religious Accommodation:

If you will be absent from class or have a conflict with a scheduled assignment or exam because of your observance of a holy day, please let me know during the first week of class so that we can make alternative arrangements.

Student Athletes:

Students represent Cornell in 35 intercollegiate sports. If you are a student athlete, please provide me with your travel schedule as early in the semester as possible. You are responsible for contacting me regarding any conflicts, and we will work together to identify a reasonable resolution.



Academic Integrity:

You are expected to abide by the [Cornell University Code of Academic Integrity](#) and the [Campus Code of Conduct](#). Please read and understand these policies.



Any work submitted by a student in this course will be the student's own. You are permitted – and encouraged – to discuss course materials with your fellow students and work together to develop your understanding of concepts and applications. However, all graded assignments are to be completed by each student independently.

All course materials – including but not limited to readings, lecture slides and handouts, review sheets, problem sets, and examinations – are intellectual property belonging to the author(s). The buying, selling or (re)posting of any course materials or video or audio recordings of lectures is expressly prohibited; engaging in such behavior constitutes academic misconduct with serious consequences. If you have any questions, please let me know.

FEBRUARY 2021

subj

ECON 3430/ILRLE 4430

per

SP 21

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
WEEK	1	2	3	4	5	6/7
WEEK 1	8	9 What is Personnel Economics?	10	11 Setting Hiring Standards	12	13/14
WEEK 2	15	16 Case Study: UPS	17	18 Recruitment	19	20/21
WEEK 3	22	23 Investment in Skills	24	25 Managing Turnover	26	27/28

MARCH 2021

subj

ECON 3430/ILRLE 4430

per

SP 21

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
WEEK 4	1	2 Case Study: Webster Industries	3	4 Decision Making	5	6/7
WEEK 5	8	9 NO CLASS – WELLNESS DAY	10	11 Case Study: JPL	12	13/14
WEEK 6	15	16 Organizational Design HW #1 Due	17	18 Job Design	19	20/21
WEEK 7	22	23 Case Study: Sedalia	24	25 Advanced Job Design	26	27/28
WEEK 8	29	30 Review Class HW #2 Due	31			
WEEK						

APRIL 2021

subj ECON 3430/ILRLE 4430 per SP 21

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
WEEK 8				1 Exam #1	2	3/4
WEEK 9	5	6 Performance Management	7	8 Case Study: Merck	9	10/11
WEEK 10	12	13 Rewarding Performance	14	15 Case Study: Lincoln Electric	16	17/18
WEEK 11	19	20 Career Based Incentives	21	22 Case Study: Chung and Dasgupta	23	24/25
WEEK 12	26	27 Options and Executive Pay HW #3 Due	28	29 Case Study: Disney	30	

MAY2021

subj

ECON 3430/ILRLE 4430

per

SP 21

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT/SUN
WEEK 12						1/2
WEEK 13	3	4 Entrepreneur. and Intrapreneur.	5	6 Case Study: Polaroid	7	8/9
WEEK 14	10	11 Review Class HW #4 Due	12	13 Exam #2	14	15/16
WEEK 15	17	18	19	20	21	22/23
WEEK 16	24	25	26	27	28	29/30