

**University of Illinois at Urbana-Champaign**  
**Department of Economics**

**ECON 490 Economics of the Workplace**

**Fall 2017**  
**Credit: 3 hours**

**Tue & Thurs 2:00-3:20pm**  
**209 David Kinley Hall**

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**Instructor:** Yuanyuan Sun  
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**Office Hours:** Tue, 11am-12:30pm; Thurs 3:30-5:00pm; or by appointment

### **COURSE DESCRIPTION**

The course focuses on the application of economic theory to solve practical personnel issues at workplace. We will apply basic and important economic concepts and models to analyze a range of issues which are of particular relevance to managing workforce at the organizational level, including recruitment, personnel selection, employee training, managing turnover, job design, performance evaluation and incentive compensation. You are expected to develop ability to apply economic theories and analysis for managerial decision making at workplace. The lectures and various class activities including in-class exercises and discussions are designed to achieve the learning goals.

### **PREREQUISITES**

Basic and intermediate-level microeconomics (ECON 302), and basic-level statistic course (ECON 202) are the prerequisites for this class.

### **READINGS**

1. Edward P. Lazear & Michael Gibbs (2014). *Personnel Economics in Practice* (3<sup>rd</sup> Edition).  
The textbook can be obtained from the campus book store, or from the publisher (WILEY):  
<http://www.wiley.com/WileyCDA/WileyTitle/productCd-EHEP003219.html>  
The [Student Companion Site](#) contains useful resources that supplement the textbook.
2. Other required readings will be distributed electronically on course Compass website.

## COURSE WEBSITE

This course uses Illinois Compass2g as the course website. Students registered for the course may log in at <https://compass2g.illinois.edu/>. This website will contain lecture notes, supplementary readings, and other useful resources. Please check the course website regularly.

## ATTENDANCE POLICY

This course requires your regular attendance. Lectures and in-class activities will help you understand the course material and achieve the course learning objectives.

## EXAMINATION INFORMATION

1<sup>st</sup> midterm exam: Thursday, Oct. 5, 9:30-10:50am

2<sup>nd</sup> midterm exam: Thursday, Nov. 9, 9:30-10:50am

Final exam (University scheduled): see final exam schedule at: <https://registrar.illinois.edu/final-exam-schedule-public>

## GRADING

Your course grade is the total points that you earn from the following components, as a percentage of the total course grades (400 points). Each component contains different points and thus they are of different percentages in the total points of the course.

Component	Scores	Percentage of Total Points
Quizzes	40	10%
In-class Exercises	40	10%
Exam 1	100	25%
Exam 2	100	25%
Final Exam	120	30%
<b>Total</b>	<b>400</b>	<b>100%</b>

*Letter grades will be assigned as follows:*

A+	97-100%	B+	87-89.9%	C+	77-79.9%	D+	67-69.9%
A	93-96.9%	B	83-86.9%	C	73-76.9%	D	63-66.9%
A-	90-92.9%	B-	80-82.9%	C-	70-72.9%	D-	60-62.9%
						F	Below 59.9%

The grading components are described below:

**Quizzes:** In many classes there will be a short quiz. This is to provide a small incentive for you to adequately prepare for each class and keep up with the course content. You are allowed to

drop ONE lowest quiz score. You will receive a score of zero for any quiz that you miss without a University excused and documented reason. If your absence is due to a University excused reason, you can be given a chance to make up the quiz within 7 calendar days if you notify me before the class and provide supporting evidence.

**In-class Exercises:** In many lectures we will have in-class exercises which are NOT announced in advance. You are allowed to drop ONE in-class exercise score. You will receive a score of zero for any in-class exercise that you miss without a University excused and documented reason. If your absence is due to a University excused reason, you can be given a chance to make up the exercise within 7 calendar days if you notify me before the class and provide supporting evidence.

**Exams:** There are three exams for the class, including the final exam. The final exam is comprehensive and worth more points than the first two exams.

- Each exam will include all the contents of the topics to be tested, including lectures, textbook chapters, assigned readings, in-class exercises & discussions, videos, etc. More information about the specific content and format of the exams will be provided before each exam. You need to carefully study the lecture notes for all the exams.
- Exams must be taken at the scheduled time. If you miss one of the midterm exams for a University excused reason, you must notify me BEFORE the exam begins. The final exam will be used as a make-up of the final score only for those that provide supporting evidence, and an absence letter from Student Assistance Center in the Office of the Dean of Students may be required under certain circumstances. Failure to take an exam at the scheduled time without approval will result in zero grade for this exam.
- Conflict exam can be offered if you qualify for such accommodation (see [Student Code Article 3 Part 2](#)). If you believe you are eligible for a conflict exam, you must notify me as soon as possible but no later than two weeks before the date of exam.
- You may on occasion have questions about exam grading. Re-grading request must be submitted in writing within 7 calendar days after you receive your graded exam; re-grading request submitted after 7 calendar days will not be accepted. In the request for re-grading, you must specify the aspects that need further attention, and the reasons that justify re-grading, which should include the rationale behind your original answer, the differences between your original answer and the correct answer, and why you believe re-grading should be granted. I reserve the right to re-grade the entire assignment (not only the question in which you think there may be a mistake).

## COURSE POLICIES

**Attendance:** Attendance to class is mandatory. If you miss a class, it is your responsibility to find out from the instructor or your classmates what material was covered and what handouts you may have missed. There are **NO make-ups** for in-class exercises, quizzes, or exams. Exceptions can be made only if your absence is for a University excused and documented reason. If your absence is due to a University excused reason and would like to make up any quiz or in-class exercise, you must notify the instructor in advance and provide supporting evidence (e.g.,

illness with a doctor's note). If you miss one of the midterm exams for a University excused reason, you must notify me before the exam begins. The final exam will be used as a make-up of the final score only for those that provide supporting evidence (an absence letter from Student Assistance Center in the Office of the Dean of Students may be required under certain circumstances). Failure to take an exam at the scheduled time without approval will result in zero grade for this exam. Please refer to the [Student Code \(Article 1 Part 5\)](#) regarding the university policy governing class attendance.

**Classroom Conduct:** You are expected to engage in respectful interactions with the instructor and your fellow students to foster a positive learning environment. Any behaviors that would distract others in classroom are prohibited. Such behaviors include but are not limited to: talking on the phone, texting, unnecessary computer and internet use such as playing video games, browsing social network websites, checking or composing email, etc. Violation of the appropriate classroom conduct will lead to restrictions on your cellphone/laptop use, or being asked to leave the classroom, depending on the frequency and severity of the violation.

**Academic Integrity:** Any form of academic dishonesty is regarded as a serious offense and will not be tolerated. Please carefully review the University policy governing academic integrity and plagiarism: [http://studentcode.illinois.edu/article1\\_part4\\_1-401.html](http://studentcode.illinois.edu/article1_part4_1-401.html)

Violations of academic integrity as given in the Student Code will be taken very seriously. Anyone found cheating in the course (or helping others to cheat) will be penalized according to the Code. These penalties include, among others, a failing grade (F) for the course and suspension and/or expulsion from the University

**Use of Class Notes and Materials:** Taking notes is a means of recording information but more importantly of personally absorbing and integrating the educational experience; it must not be for the purpose of selling or re-distribution since course materials are protected by the US copyright laws. You must not make audio or visual reproductions of any portion of any class, or upload course materials including the course syllabus on any non-university website, without the explicit permission from the instructor. According to the university policy regarding sale or distribution of lecture notes or course materials ([Student Code Article 1 Part 3](#)):

*“No student shall sell, deliver or distribute copyrighted lecture notes or other course materials without the express permission of the copyright holder. An example of an infraction would include posting on a website or selling instructor copyrighted slides, lecture notes or other expressions fixed in a medium. (See also the University General Rules, Art. III, §4 regarding copyright policy.)”*

## ACCOMMODATIONS

Disability Accommodations: To obtain disability-related academic adjustments and/or auxiliary aids, students with disabilities must contact the course instructor and the Disability Resources and Educational Services (DRES) as soon as possible. To contact DRES you may visit 1207 S. Oak St., Champaign, call 333-4603 (V/TTY), or e-mail a message to [disability@uiuc.edu](mailto:disability@uiuc.edu).

## REMARKS

- Being prepared for each class will help you enhance your learning outcome. Reading the assigned readings before each class will assist you better understanding of the lecture and add to the quality of class discussion. Keep up with the course material is the best strategy for you to do well in exams.
- Any course-related questions and inquiries are very welcome and encouraged. If you have a question, DO ask, because other students may have similar questions. You are welcome to talk to me before or after the class, or stop by during my office hour, or send me an email. If you ask a question by email, please add “[490EW]” at the beginning of your email titles in order to receive timely response. Depending on your question, I may address it in class or send an email to the whole class to ensure everyone is on the same page.
- Do not wait until the day of the exam to ask questions about test materials. If you have a specific question or need general assistance, make sure that you discuss it with me (in person or via email) the day before the scheduled exam at the very latest. On the day of exam, I will not hold appointment or respond to emails about exam.
- You are welcome to keep me informed and provide feedback or comments about the course at any time throughout the semester.

## COURSE SCHEDULE (ECON 490EW, Fall 2017)

\* This should serve as a guide for planning your readings, assignments, and exam preparation. Aspects of the course schedule are subject to change, if and when necessary.

	Tuesday	Thursday
Week 1 (08/29, 08/31)	Course Introduction	CH 1: Setting Hiring Standards
Week 2 (09/05, 09/07)	CH 1: Setting Hiring Standards	CH 2: Recruitment
Week 3 (09/12, 09/14)	CH 2: Recruitment	CH 3: Investment in Skills
Week 4 (09/19, 09/22)	CH 3: Investment in Skills	CH 4: Managing Turnover
Week 5 (09/26, 09/28)	CH 4: Managing Turnover	CH 5: Decision Making
Week 6 (10/03, 10/05)	CH 5: Decision Making	<b>MIDTERM 1 (CH 1-5)</b>
Week 7 (10/10, 10/12)	CH 6: Organizational Structure	CH 6: Organizational Structure
Week 8 (10/17, 10/19)	CH 7: Job Design	CH 7: Job Design
Week 10 (10/24, 10/26)	CH 8: Advanced Job Design	CH 8: Advanced Job Design
Week 11 (10/31, 11/02)	CH 9: Performance Evaluation	CH 9: Performance Evaluation
Week 12 (11/07, 11/09)	CH 10: Rewarding Performance	<b>MIDTERM 2 (CH 6-9)</b>
Week 13 (11/14, 11/16)	CH 10: Rewarding Performance	CH 11: Career-based Incentives
Week 14 (11/21, 11/23)	<i>No CLASS (HAPPY THANKSGIVING!)</i>	
Week 15 (11/28, 11/30)	CH 11: Career-based Incentives	CH 12: Options and Executive Pay
Week 16 (12/05, 12/07)	CH 13: Benefits	CH 13: Benefits
Week 17 (12/12, 12/14)	CH 15: The Employment Relationship	Reading Day (No Class)