

LER 545: Economics of Human Resources, Spring 2009
School of Labor and Employment Relations, University of Illinois at Urbana-Champaign

Contact Info:

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Office hours: Please email me to set up an appointment. Include LER 545 somewhere in the email, to make sure it doesn't get lost.

Class time and location: Thursdays, 2:00-4:50pm, School of LER Building Room 35

Course overview and objectives:

This course examines topics in industrial relations and human resources management from a labor economics point of view. While industrial relations are studied extensively by sociologists and psychologists, economists have made important contributions starting in the 1960s, and especially in the last two decades. Applications of Human Capital Theory (originating at the U. of Chicago) and other economic frameworks have grown into a subfield of labor economics sometimes referred to as personnel or human resources economics.

We will apply basic (and yet powerful) economic concepts and models to study such topics as hiring, training, retention, job design, compensation, promotion, etc. The goal of this course is to provide you with tools and insights from labor economics about how firms can better manage human resources.

Prerequisites:

The pre- or co-requisite for the course is LIR 593 (stats) or some equivalent course. Please see me to make sure the 593 alternative is sufficient or if you are unsure whether you have the appropriate background to understand the material.

Distribution requirement:

This course fulfills the "Labor Markets and Employment" distribution requirement for the LER master's program. As such, this course will contain a substantial amount of economics.

Course requirements and grading:

There will be a total of 8 homework assignments, a midterm exam, and a final exam. Students are expected to attend all class meetings, read all assigned readings (except those noted as optional), and participate in class discussions. Do not schedule visits with recruiters, excursions to the Bahamas, trips to Chicago, etc. during class time. If you are unable to avoid a conflict, it is your sole responsibility to make arrangements to get the class notes from another student.

Missing an excessive number of classes or frequently showing up late to class will adversely affect your attendance and participation grade.

Required text: The main text for this class is the newly published book by Lazear and Gibbs (hereafter LG). 2008. *Personnel Economics in Practice*, 2nd Edition by Edward P. Lazear, Michael Gibbs. ISBN: 978-0-471-67592-1

The HBS cases and other materials are on reserve at the Business and Economics Library <http://www.library.uiuc.edu/bel/> (you may also purchase them from the HBS website).

The remaining articles and readings can be found on the Compass course website.