

## **Master Module Personnel Economics (5 ECTS)**

for Master of Science in Economics (elective compulsory subject)  
for Master Arbeitsmarkt und Personal (Wahlbereich)  
for Master Sozialökonomik (freier Vertiefungsbereich or Spezielle VWL)  
for Master in Wirtschaftspädagogik-Studienrichtung I (Wahlfach)

### **Registration / Anmeldung:**

Please email [erwin.winkler@fau.de](mailto:erwin.winkler@fau.de) by **28.01.2026** with your name, matriculation number, master program, and your three preferred papers (e.g., 2a / 4b / 12b). The order of incoming emails determines the priority of paper assignments. Papers can be assigned to groups of up to three students. If you already know your group, please register jointly and let us know your preferred papers, as well as the email addresses of all group members.

### **First meeting and paper assignment:**

Thursday, **05.02.2026** at 5 pm, virtually via Zoom:  
<https://fau.zoom-x.de/j/61017882234?pwd=askfCbx3JRbje1CQKzhSg6BKPDfQ4E.1>  
Meeting-ID: 610 1788 2234  
Kenncode: 449532

### **Examination enrollment:**

To get credit, you need to enroll at an early date, which will be communicated in class.

Class meetings: Wednesdays 8:00-9:30, starting 13.05.2026, in-person, room: LG 0.142  
Office hours: After class or by appointment, e.g., via email.

Attendance is compulsory: If more than 2 classes are missed, no ECTS will be granted.

### **Overview**

The course covers central issues in personnel economics, such as hiring, designing contracts, choosing payment systems, motivation, human capital and training investments, teamwork, and group incentives. We discuss recent or classic contributions to personnel economics research.

Every meeting has one topic with two papers. First, the instructor gives a brief introduction. Then, we have two seminar presentations with a discussion after each one.

<b>Content</b>	A	Hiring and contract design
	B	Human capital and firm training
	C	Payment and incentives
	D	Motivation
	E	Job Mobility and Job Design

**Prerequisites:** Solid knowledge of econometrics and microeconomics.

### **Exams and ECTS**

There are two types of performance examinations. The papers can be submitted in German or English; the presentation must be in English.

(1) Written term paper (9-10 pages) and presentation (20 minutes) in groups of up to 3 students (weight: 60 %). Topics for the term paper and presentation are assigned in the first meeting, based on preferences and order of registration. In your term paper and presentation, you present the assigned research paper, critically discuss it, and position it in the literature. Term papers are due on 25.07.2025 at noon. Please email the term paper in pdf format to [erwin.winkler@fau.de](mailto:erwin.winkler@fau.de).

(2) 3 individual quizzes, which are given in class (thesis papers, weight: 40%). These are paper and pencil quizzes that ask questions on the papers to be discussed in class on that date.

## Background reading

Please find the seminar papers via StudOn. These books provide background information (abbreviations used below):

- Backes-Gellner, Uschi, Edward P. Lazear and Birgitta Wolff, B., 2001, *Personalökonomie: Fortgeschrittene Anwendungen für das Management*, Schäffer Poeschel Verlag, Stuttgart (BLW)
- Baron, J.N. and D.M. Kreps, 1999, *Strategic Human Resources. Frameworks for General Managers*, John Wiley & Sons, Hoboken NJ (BK)
- Bloom, N. and J. Van Reenen, 2011, Human Resource Management and Productivity, Chapter 19 in: Ashenfelter, O. and D. Card, *Handbook of Labor Economics* Vol. 4B, Elsevier, San Diego and Amsterdam, 1697-1768 (BV)
- Boeri, T. and J. van Ours, 2008, *The Economics of Imperfect Labor Markets*, Princeton University Press (BvO)
- Borjas, G.J., 2008, *Labor Economics*, 4th edition, McGraw-Hill, International Edition (Bo)
- Cahuc, P. and A. Zylberberg, 2004, *Labor Economics*, MIT Press (CZ)
- Garibaldi, Pietro, 2006, *Personnel Economics in Imperfect Labour Markets*, Oxford University Press, Oxford (Ga)
- Hoffman, Mitchell and Christopher T. Stanton, 2024, People, Places, and Productivity, *NBER Working Paper Series* No. 32849, Cambridge MA (published in Handbook of Labor Economics) (HS)
- Kuhn, Peter, 2018, *Personnel Economics*, Oxford Univ. Press, New York (Ku)
- Lazear, Edward P., 1995, *Personnel Economics*, MIT Press, Cambridge MA (L95)
- Lazear, Edward P., 1998, *Personnel Economics for Managers*, John Wiley & Sons, New York et al. (L98)
- Lazear, Edward P. and Michael Gibbs, 2009, *Personnel Economics in Practice*, 2nd edition, John Wiley & Sons, Hoboken NJ (LG)
- Lazear, Edward P. and Paul Oyer, 2007, *Personnel Economics*, *NBER Working Paper Series* No. 13480, Cambridge MA (LO)
- Mas, Alexandre, 2025, Non-wage amenities, Chapter 6 in: Dustmann, Christian and Thomas Lemieux, *Handbook of Labor Economics* Volume 6, North-Holland, Amsterdam, pp. 374-446 (Mas)
- Milgrom, Paul and John Roberts, 1992, *Economics, Organization and Management*, Prentice Hall, Upper Saddle River NJ (MR)
- Neilson, William S. 2007, *Personnel Economics*, Pearson Education Inc., Upper Saddle River NJ (Ne)
- Oyer, P. and S. Schaefer, 2011, *Personnel Economics: Hiring and Incentives*, Chapter 20 in: Ashenfelter, O. and D. Card, *Handbook of Labor Economics* Vol. 4B, Elsevier, San Diego and Amsterdam, 1769-1823 (OS)

## Formatting rules for term papers are provided separately.

The term paper presents the content of the research paper and positions it in the relevant preceding and subsequent literature. It presents a critical discussion of the paper's contribution. It is recommended to discuss the structure (table of contents) of the term paper with the instructor. If you use AI in the preparation, you must submit a written statement (about half a page) describing how AI was applied and where its results appear in your term paper.

## Evaluation criteria for term papers

Balanced structure, deep understanding of the paper, positioning in the literature, critical discussion of content and quality of the research, language skills, and independent presentation (no copying of tables or graphs from the source).

## **A. Hiring and contract design**

### **1 Hiring criteria and job-seeking behavior**

Background: HS 4, BK14, BLW III, Ga2, LG 1, LG 2, L98 2, L98 3, Ne 15, OS, Ku 12

- (a) Horton, John J., 2017, The Effects of Algorithmic Labor Market Recommendations: Evidence from a Field Experiment, *Journal of Labor Economics* 35(2), 345-385.
- (b) Hensvik, Lena and Oskar Nordström Skans, 2016, Social Networks, Employee Selection, and Labor Market Outcomes, *Journal of Labor Economics* 34(4), 825-867.

### **2 Signaling mechanisms and opportunistic behavior**

Background: BLW III, MR 10, Ne 16

- (a) Hansen, Anne Toft, Ulrik Hvidman, and Hans Henrik Sievertsen, 2024, Grades and Employer Learning with Instruments, *Journal of Labor Economics* 42(3), 659-682.
- (b) Nagin D. S., J. Rebitzer, S. Sanders and L. J. Taylor, 2002, Monitoring, Motivation, and Management: The Determinants of Opportunistic Behavior in a Field Experiment, *American Economic Review* 92(4), 850-873.

### **3 Probation and temporary employment**

Background: L98 4, Ga 4, Ku 15

- (a) Ichino, Andrea and Regina T. Riphahn, 2005, The Effect of Employment Protection on Worker Effort: Absenteeism during and after Probation, *Journal of the European Economic Association* 3(1), 120-143.
- (b) Hijzen, Alexander, Leopoldo Mondauto, Stefano Scarpetta, 2017, The Impact of Employment Protection on Temporary Employment: Evidence from a Regression Discontinuity Design, *Labour Economics* 46, 64-76

## **B. Human capital and firm training**

### **4 General and specific human capital or signaling**

Background: L98 6, L98 8, Ga 5, CZ 3, BK 15, BLW I, Ga 9, Ga 10, BvO 8, Ku 19

- (a) Bedard, Kelly, 2001, Human Capital versus Signaling Models: University Access and High School Dropouts, *Journal of Political Economy* 109(4), 749-775.
- (b) Ost, Ben, 2014, How do teachers improve? The relative importance of specific and general human capital, *American Economic Journal: Applied Economics* 6(2), 127-151.

### **5 Asymmetric information and training**

Background: BK 15, LG 3, L98 6, Ne 19, Ku 19

- (a) Blatter, Marc, Samuel Muehlemann, Samuel Schenker, and Stefan C. Wolter, 2016, Hiring costs for skilled workers and the supply of firm-provided training, *Oxford Economic Papers* 68(1), 238-257.
- (b) Autor, David H., 2001, Why Do Temporary Help Firms Provide Free General Skills Training? *Quarterly Journal of Economics* 116(4), 1409-1448.

## **C. Payment and incentives**

### **6 Incentive effects of performance-based pay**

Background: HS 3.1, BK 11, BLW VII, Ga 7, L95 2, MR 12, L98 5, Ne 4-6, BV, Ku8

- (a) Ku, Hyejin, 2022, Does Minimum Wage Increase Labor Productivity? Evidence from Piece Rate Workers, *Journal of Labor Economics* 40(2), 325-359.
- (b) Krueger, Miriam and Guido Friebel, 2022, A Pay Change and Its Long-Term Consequences, *Journal of Labor Economics* 40(3), 543-572.

## **7 Team incentives and team pay**

Background: HS 5.2, 5.3, BLW VIII, Ga 13, L95 5, L98 12, Ne 11, Ku 24-27

- (a) Brune, Lasse, Eric Chyn, and Jason Kerwin, 2022, Peers and Motivation at Work. Evidence from a Firm Experiment in Malawi, *Journal of Human Resources* 57(4), 1147-1177.
- (b) Bartel Ann P., Nancy D. Beaulieu, Ciaran S. Phibbs, and Patricia W. Stone, 2014, Human Capital and Productivity in a Team Environment: Evidence from the Healthcare Sector, *American Economic Journal: Applied Economics* 6(2), 231-259.

## **8 Managers**

Background: HS 5.1, MR 13, LG 12, Ne 13

- (a) Bandiera, Oriana, Luigi Guiso, Andrea Prat, and Raffaella Sadun, 2015, Matching firms, managers, and incentives, *Journal of Labor Economics* 33(3), 623-681.
- (b) Friebel, Guido and Matthias Heinz and Nikolay Zubanov, 2021, Middle Managers, Personnel Turnover, and Performance: A Long-Term Field Experiment in a Retail Chain, *Management Science* 68(1), 211-229.

## **D. Motivation**

### **9 Tournament theory**

Background: HS 3.1.3, BK 16, BLW IV, BLW V, Ga 8, L95 3, LG 11, L98 9, Ne 9, Ku 20-23

- (a) Balafoutas, Loukas and Matthias Sutter, 2019, How uncertainty and ambiguity in tournaments affect gender differences in competitive behavior, *European Economic Review* 118, 1-13.
- (b) Delfgaauw, Josse, Robert Dur, Joeri Sol, and Willem Verbeke, 2013, Tournament Incentives in the Field: Gender Differences in the Workplace, *Journal of Labor Economics* 31(2, pt. 1), 305-326.

### **10 Seniority pay**

Background: BLW VI, L95 4, L98 11

- (a) Frimmel, Wolfgang, Thomas Horvath, Mario Schnalzenberger, and Rudolf Winter-Ebmer, 2018, Seniority Wages and the Role of Firms in Retirement, *Journal of Public Economics* 164, 19-32.
- (b) Macpherson, David A., Kislaya Prasad, and Timothy C. Salmon, 2014, Deferred compensation vs. efficiency wages: An experimental test of effort provision and self-selection, *Journal of Economic Behavior & Organization* 102, 90-107.

## **E. Job Mobility and Job Design**

### **11 Job mobility in internal labor markets**

Background: BK 8, LG 15, MR 11

- (a) Pfeifer, Christian, 2014, A Note on Dual Internal Labor Markets and Wages of Temporary Workers: Evidence from Linked-Employer-Employee Data, *Journal of Labor Research* 35(2), 133-142.
- (b) Haeck, Catherine and Frank Verboven, 2012, The Internal Economics of a University: Evidence from Panel Data, *Journal of Labor Economics* 30(3), 591-626.

### **12 Job amenities**

Background: CZ 5, Bo 6, Mas

- (a) Mas, Alexandre and Amanda Pallais, 2017, Valuing Alternative Work Arrangements, *American Economic Review* 107(12), 3722-3759.
- (b) Nagler, Markus, Johannes Rincke, and Erwin Winkler, 2025, High-Pressure, High-Paying Jobs?, *The Review of Economics and Statistics* 107(6), 1471-1484.