

**THE UNIVERSITY OF HONG KONG  
FACULTY OF BUSINESS AND ECONOMICS**

**ECON 2232 – Economics of Human Resources**

**I. General Information**

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Consultation times: Tue 4:00-6:00, and by appointment

Tutor: TBA

Course Website: <http://www.fbe.hku.hk/~wsuen/teaching/hr/>

**II. Course Description**

This course develops and applies economic theory to analyze the operation of labor markets. Part of our time will also be devoted to studying labor market policies and human resource management practices. Introductory Microeconomics (ECON1210) is a pre-requisite; and students are strongly recommended to have taken Intermediate Microeconomics (ECON 2210) before taking this course. As an applied subject, labor economics takes empirical evidence seriously. Students are expected not to be intimidated by numbers. I will also assume that students have some elementary knowledge of the calculus. However, familiarity with mathematics and statistics is an advantage but not a prerequisite. There is no substitute for hard work.

Labor economics is at the forefront of a revolution in economics that attempts at establishing credible causal inferences from observational data. In this course, we will introduce a number of examples drawing from labor markets that illustrate the difficulties of drawing causal conclusions, and study methods that can help overcome these problems.

Pre-requisite: ECON1210

Co-requisite: None

Mutually exclusive: None

**III. Course Objectives**

1. Offer students a broad overview of labor market statistics and institutions
2. Provide students with the tools necessary for the analysis of labor market issues and policies
3. Introduce the economic analysis of personnel and human resources practices in organizations

**IV. Faculty Learning Goals**

FLG1: Acquisition and internalization of knowledge of the programme discipline

FLG2: Application and integration of knowledge

FLG3: Inculcating professionalism

FLG4: Developing global outlook

FLG5: Mastering communication skills

FLG6: Cultivating leadership

## V. Course Learning Outcomes

Course Learning Outcomes	Aligned Faculty Learning Goals
CLO1. Understand the definitions and determination of labor market status among different groups in the population	FLG1, FLG2
CLO2. Use the concepts of demand, supply, and human capital to analyze a range of labor market issues	FLG1, FLG2
CLO3. Examine the likely impact of labor market legislation based on economic theory and quantitative evidence	FLG1, FLG2, FLG4, FLG5
CLO4. Formulate human resources policies that align with organizational objectives	FLG1, FLG2, FLG3, FLG6

## VI. Course Teaching and Learning Activities

T&L1. Twelve weeks of three-hour lectures to cover basic topics in the economics of human resources (36 hours, 25%)

T&L2. Weekly problem sets to allow students to practice using economic tools to analyze labor market issues (36 hours, 25%)

T&L3. Supplementary reading list provides opportunity to learn the formulation of hypotheses and methods of testing hypotheses using statistical evidence (36 hours, 25%)

T&L4. A term project to integrate various tools in the study of labor market problems (36 hours, 25%)

## VII. Assessment Methods

A1. Problem sets: CLO1, CLO2, CLO3, CLO4 – 15%

A2. Term project: CLO2, CLO3, CLO4 – 20%

A3. Class and tutorial participation: CLO1, CLO2, CLO3, CLO4 – 5%

A4. Final exam: CLO1, CLO2, CLO3, CLO4 – 60%

Coursework / Examination Ratio: 40% / 60%

### VIII. Standards for Assessment

Grade	Course Grade Descriptors
A+,A,A-	<p>All critical aspects of the problem were clearly identified.</p> <p>Relevant concepts and techniques were applied to the situation; the analysis of the problem was thorough and critical.</p> <p>Solution to problem was coherent and complete; arguments were well-articulated and adequately supported. Good reference to class materials and beyond.</p>
B+,B,B-	<p>Most critical aspects of the problem were clearly identified.</p> <p>Relevant techniques were applied to the situation; the analysis of the problem was systematic.</p> <p>Solution to problem was complete; arguments were well-articulated and adequately supported. Appropriate reference to class materials.</p>
C+,C,C-	<p>Most critical aspects of the problem were identified.</p> <p>Relevant concepts were applied to the situation; the analysis of the problem was systematic.</p> <p>Solution to problem was coherent; arguments were consistent and adequately supported. Limited reference to class materials.</p>
D+,D	<p>Basic critical aspects of the problem were identified.</p> <p>Relevant concepts and techniques were not well applied to the situation, and analysis of the problem remained largely descriptive.</p> <p>There is basic structure in the solution; some arguments were consistent but not sufficiently supported. Limited reference to class materials.</p>
F	<p>Failed to identify basic critical aspects of the problem.</p> <p>Concepts and techniques applied were not relevant to the situation; analysis of the problem was descriptive or missing.</p> <p>Structure of the solution is incomplete; arguments were fragmented or not at all supported. No reference to the class materials.</p>

### IX. Course Content and Tentative Teaching Schedule

Week 1: Introduction to main concepts and definitions

Weeks 2-5: Labor demand and supply

Weeks 6-7: Wage structure

Weeks 8-11: Personnel economics

Week 12: Term project

## **IX. Required/Recommended Readings & Online Materials**

- Ronald Ehrenberg and Robert Smith, *Modern Labor Economics: Theory and Public Policy*, 13<sup>th</sup> ed., Routledge, 2017. (Required text)
- George Borjas, *Labor Economics*, 8<sup>th</sup> ed., McGraw Hill, 2020. (Alternative text)
- Edward Lazear and Michael Gibbs, *Personnel Economics in Practice*, 3<sup>rd</sup> ed., Wiley, 2015. (Recommended text)
- Articles in the Reading List (in course website) (Recommended)

## **X. Course Policy**

1. Students are encouraged to work together in groups to solve the problem sets. However each student must turn in his or her own solution. Copying another student's answers is not permitted even with consent. Assignments should be completed in legible handwriting. Each group working on the same term project only needs to produce one joint presentation.
2. Plagiarism and cheating in exams are serious academic offenses.
3. Please observe appropriate classroom etiquette and be considerate to others.