



**Diploma in Human Resources Management (630) – Managing the Labour Market**

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| <b>Prerequisites:</b> Knowledge of business organisational terminology.  | <b>Corequisites:</b> A pass or higher in Certificate in Business Studies or equivalence.   |
| <p><b>Aim:</b> The aim of this course is to provide an understanding of the functioning of the labour market and the effects of various public policies. The course deals with institutional arrangements of the labour market, terms and conditions under which workers supply their labour and under which firms demand their labour. The topics dealt with during the course include the analyses of employment and unemployment, wage distribution, discrimination, labour mobility, economics of the labour market, including labour force participation, racial and sexual discrimination, the role of unions, collective bargaining, investments in human capital and the structure of compensation. The determination of earnings and the allocation of labour are also examined. The course develops the theory of labour markets, focusing on the institutional structure of both labour supply and labour demand. This theory is then applied to questions of income distribution, unions, wage discrimination, wage rigidity, government policies such as the minimum wage, affirmative action and training/retraining programs.</p> |  |
| <b>Required Materials:</b> Recommended Learning Resources.   | <b>Supplementary Materials:</b> Lecture notes and tutor extra reading recommendations.   |
| <p><b>Special Requirements:</b> The course requires a combination of lectures, demonstrations and discussions.</p>   |  |
| <p><b>Intended Learning Outcomes:</b></p> <p>1 Overview of labour economics</p> <p>2 Analyse the theory of individual labour supply</p> <p>3 Explore the population participation and hours worked</p> <p>4 Analyse the cost of investment in human capital</p>  | <p><b>Assessment Criteria:</b></p> <p>1.1 Discuss the importance of labour economics</p> <p>1.2 Describe theories used in labour economics</p> <p>1.3 Analyse the difference between microeconomics and macroeconomics</p> <p>2.1 Analyse work leisure decision model</p> <p>2.2 Describe elasticity of labour supply</p> <p>2.3 Describe the following terms; non-labour income, non-participants, over-employment and under-employment</p> <p>2.4 Describe maintenance programs</p> <p>3.1 Describe the variations of the labour force</p> <p>3.2 Describe Becker’s model</p> <p>3.3 Describe labour force participation rate</p> <p>3.4 Compare and contrast the male and female participation rate</p> <p>3.5 Analyse how the business cycle impacts participation rate</p> <p>3.6 Analyse the hours of work in different countries</p> <p>4.1 Describe the human capital model</p> <p>4.2 Discuss the marginal rate of return on education</p> <p>4.3 Describe the advantages and disadvantages of on-the-job-training</p> <p>4.4 Discuss the disadvantages of human capital theory</p> |

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| 5  | Understand the demand for labour  | 5.1 Describe causes of demand for workers<br>5.2 Describe a production function<br>5.3 Define Marginal Revenue Product (MRP)<br>5.4 Describe substitution effect<br>5.5 Be able to analyse the market demand for labour<br>5.6 Illustrate determinants of elasticity of labour demand   |
| 6  | Define elements which determine wages. Illustrate how labour is allocated.                                  | 6.1 Describe the characteristics of a competitive labour market<br>6.2 Describe how monopoly in the market plays a role in determining wages<br>6.3 Discuss how unions increase wages of their members<br>6.4 Define bilateral monopoly   |
| 7  | Describe the different pay schemes in the market. Describe the internal wage structure for an organisation. | 7.1 Describe fringe benefits<br>7.2 Analyse the theory of optimal fringe benefits<br>7.3 Analyse the causes of the principal-agent problem<br>7.4 Describe the different performance pay<br>7.5 Describe efficiency wage payments<br>7.6 Describe deferred payment schemes<br>7.7 Describe homogenous workers and jobs<br>7.8 Analyse causes of compensating differentials<br>7.9 Define the Hedonic theory of wages<br>7.10 Describe labour market imperfections |
| 8  | Describe labour mobility and migration  | 8.1 Describe the types of labour mobility<br>8.2 Define migration. Analyse causes of migration.<br>8.3 Describe the effects of illegal immigrants   |
| 9  | Understand government employment  | 9.1 Analyse the history of public sector employment<br>9.2 Compare and contrast public vs private pay<br>9.3 Describe the impact of government spending on labour<br>9.4 Analyse income taxation<br>9.5 Analyse the minimum wage law<br>9.6 Analyse health and safety regulations<br>9.7 Describe economic rent   |
| 10 | Explore discrimination in the labour market   | 10.1 Define gender and racial differences<br>10.2 Define discrimination<br>10.3 Analyse the taste for discrimination model<br>10.4 Describe theory of statistical discrimination<br>10.5 Describe antidiscrimination policies and issues  |
| 11 | Understand labour productivity concepts   | 11.1 Be able to calculate productivity<br>11.2 Describe inflation and productivity<br>11.3 Discuss business and productivity cycle  |
| 12 | Analyse the employment and unemployment statistics.   | 12.1 Calculate employment population ratio<br>12.2 Calculate unemployment rate<br>12.3 Describe the advantages and  |




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### **Recommended Learning Resources: Managing the Labour Market**

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| <b>Text Books</b>   | <ul style="list-style-type: none"> <li>• The Economics of the Labour Market (Modern Economics) by D. Bosworth (Author), Peter Dawkins (Author), Thorsten Stromback. ISBN-10: 0582443776</li> <li>• Labour Markets: The Economics of Work and Leisure (Paperback) by Peter Cramp. ISBN-10: 190550408X</li> <li>• The Economics of Imperfect Labor Markets by Tito Boeri (Author), Jan van Ours. ISBN-10: 0691137358</li> </ul> |
| <b>Study Manuals</b><br> | BCE produced study packs  |
| <b>CD ROM</b><br>        | Power-point slides  |
| <b>Software</b><br>      | None  |