

“Managing Education and Training in Firms/for Firms”

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Module Number: MOEC0413

ECTS-Points: 3.0

Lectures:

Monday, 09.03.2020: 11:00-18:00h

Tuesday, 10.03.2020: 11:00-18:00h

Monday, 04.05.2020: 11:00-18:00h

Tuesday, 05.05.2020: 11:00-18:00h

Exam: Written examination: 25.5.2020, 10:15-11:45

Course website: <http://www.business.uzh.ch/de/professorships/emap/teaching.html>

General description:

This course views education and training in firms from an economic perspective with a particular focus on factors that are exogenous to a firm, such as national labor market institutions and educational policy. Moreover, we discuss how firm can influence the both the effectiveness and efficiency of education and training at the workplace.

Part I

1. Introduction / Labor markets

- Overview of the course
- Labor demand and supply
- Labor market equilibrium
- Frictional labor markets and search theory

2. Human capital theory

- Returns to training for firms
- Returns to training for individuals
- General vs. specific training
- Financing of training in competitive labor markets

3. Employee recruitment, training and retention in frictional labor markets

- Financing of training in frictional labor markets
- Trainee pay / skill certification
- The role of recruitment costs for skilled workers and trainees
- Training as a device to attract and retain skilled workers

Basic literature:

- Borjas, G.E (2015). Labor Economics, 7/E. McGraw-Hill.
- Ehrenberg, R. & Smith, R. S. (2014). Modern Labor Economics, Theory and Public Policy, 12/e. Pearson.
- Manning, A. (2011). Imperfect competition in the labor market. In: O. Ashenfelter & D. Card (eds.), Handbook of Labor Economics, Vol. 4, Chapter 11, 973–1041.

Additional reading:

- Acemoglu, D. & J.S. Pischke (1999). Beyond Becker: Training in imperfect labour markets. *Economic Journal* 108, F112–F142.
- Blatter, M., S. Muehleemann & S. Schenker (2012). The costs of hiring skilled workers. *European Economic Review* 56(1), 20-35.
- Blatter, M., S. Muehleemann, S. Schenker, & S.C. Wolter (2016). Hiring costs of skilled workers and the supply of firm-provided training. *Oxford Economic Papers*, 68(1), 2016, 238–257
- Brunello, G., & Rocco, L. (2017). The Labor Market Effects of Academic and Vocational Education over the Life Cycle: Evidence Based on a British Cohort. *Journal of Human Capital*, 11(1), 106-166.
- Hanushek, E. A., Schwerdt, G., Woessmann, L., & Zhang, L. (2017). General education, vocational education, and labor-market outcomes over the lifecycle. *Journal of Human Resources*, 52(1), 48-87.
- Muehleemann, S. & H. Pfeifer (2016). The structure of hiring costs in Germany. *Industrial Relations* 55(2), 193-218.
- Muehleemann, S., & Strupler Leiser, M. (2018). Hiring costs and labor market tightness. *Labour Economics*, 52, 122-131.
- Stevens, M. (1994b). An investment model for the supply of training by employers. *Economic Journal* 104, 556–570.
- Webber, D. A. (2015). Firm market power and the earnings distribution. *Labour Economics*, 35, 123-134.

Part II

4. Evaluating the effects of workplace learning

- Measuring performance at work and its associated with training
- Prediction vs. causation: What is the role of artificial intelligence/machine learning in the context of workplace learning?
- Evaluating the effectiveness and the return on investment for workplace learning

5. Workplace learning (apprenticeships, informal learning)

- Formal, non-formal and informal learning
- Why do firms (not) train? The costs and benefits of apprenticeship training
- The role of labor market institutions: Germany vs. Switzerland
- How does the threat of poaching affect the provision of apprenticeships?
- Financial incentives for apprentices
- Effectiveness and efficiency of training subsidies
- Impact of training on innovation

6. International aspects of workplace training

- An overview of international education and training systems
- The role of the firm in workplace training
- Empirical evidence on training and recruitment strategies in multinational firms located in Switzerland
- Apprenticeship training in Spain and Italy – a cost-effective model for firms?

Basic literature:

- Agrawal, A., Gans, J., & Goldfarb, A. (2018). Prediction Machines: *The Simple Economics of Artificial Intelligence*. Harvard Business Press.
- Cappelli, P., Tambe, P., & Yakubovich, V. (2018). Artificial intelligence in human resources management: Challenges and a path forward. Available at <http://dx.doi.org/10.2139/ssrn.3263878>
- Muehleemann, S. (2016). The Costs and Benefits of Workplace Training. OECD Education Working Papers No. 143. Paris: OECD Publishing. <http://dx.doi.org/10.1787/5jlpl4s6g0zv-en>
- Muehleemann, S. (2019). *Measuring performance in vocational education and training and the employer's decision to invest in workplace training*. In: Unwin, L. and Guile, D. (eds). *Wiley Handbook on Vocational Education and Training*, 187-206. Hoboken, Wiley Blackwell.
- Wolter, S.C. & P. Ryan (2011). *Apprenticeship*. Handbook of Economics of Education, Vol. 3, ed. by R. Hanushek, S. Machin, L. Wössmann. Amsterdam: Elsevier North-Holland, 521-576.

Additional reading:

- Bassanini, A. & G. Brunello (2011). Barriers to entry, deregulation and workplace training: A theoretical model with evidence from Europe. *European Economic Review* 55(8), 1152-1176.
- Bauernschuster, S., Falck, O., & Heblich, S. (2009). Training and innovation. *Journal of Human Capital* 3(4), 323-353

- Bilanakos, C., Heywood, J. S., Sessions, J., & Theodoropoulos, N. (2018). Does demand for product quality increase worker training? *Journal of Economic Behavior & Organization*, 155, 159-177.
- Bellmann, L., Gerner, H. D., & Leber, U. (2014). Firm-provided training during the great recession. *Journal of Economics and Statistics (Jahrbuecher fuer Nationaloekonomie und Statistik)*, 234(1), 5-22.
- Cappelli, P. (2017). There's no such thing as big data in HR. *Harvard Business Review*, available at <https://hbr.org/2017/06/theres-no-such-thing-as-big-data-in-hr>
- Cappelli, P. & A. Travis (2016). The Performance Management Revolution. *Harvard Business Review*, October 2016.
- Dostie, B. (2018). The impact of training on innovation. *ILR Review*, 71(1), 64-87.
- DeGrip, A. & J. Sauermann (2012). The effects of training on own and co-worker productivity: evidence from a field experiment, *The Economic Journal* 122(560), 376-399
- Deming, D. J. (2017). The growing importance of social skills in the labor market. *The Quarterly Journal of Economics*, 132(4), 1593-1640.
- Dionisius, R., S. Muehleman, H. Pfeifer, G. Walden, F. Wenzelmann & S.C. Wolter (2009). Cost and benefit of apprenticeship training: a comparison of Germany and Switzerland, *Applied Economics Quarterly* 55(1), 7-37.
- Dustmann, C. & U. Schönberg (2012). What Makes Firm-Based Vocational Training Schemes Successful? The Role of Commitment. *American Economic Journal: Applied Economics*, 4(2): 36-61. doi: 10.1257/app.4.2.36
- Fitzenberger, B., Lickleder, S., & Zwiener, H. (2015). Mobility across firms and occupations among graduates from apprenticeship. *Labour Economics*, 34, 138-151. doi:10.1016/j.labeco.2015.03.008
- Frederiksen, A., Lange, F., & Kriechel, B. (2017). Subjective performance evaluations and employee careers. *Journal of Economic Behavior & Organization*, 134, 408-429.
- Kriechel, B., S. Muehleman, H. Pfeifer & M. Schuette (2014). Works councils, collective bargaining and apprenticeship training. *Industrial Relations* 53(2), 199-222.
- Jansen, A., H. Pfeifer, G. Schönfeld, F. Wenzelmann (2015). Apprenticeship training in Germany remains investment-focused – results of BIBB Cost-Benefit Survey 2012/13. BIBB Report 1/2015.
- Jansen, A., Leiser, M. S., Wenzelmann, F., & Wolter, S. C. (2015). Labour market deregulation and apprenticeship training: A comparison of German and Swiss employers. *European Journal of Industrial Relations* 21(4), 353-368.
- Konings, J. & S. Vanormelingen (2015). The impact of training on productivity and wages: firm-level evidence. *The Review of Economics and Statistics*, 97(2): 485-497.
- Moretti, L., Mayerl, M., Muehleman, S., Schlögl, P., & Wolter, S. C. (2019). So similar and yet so different: A firm's net costs and post-training benefits from apprenticeship training in Austria and Switzerland. *Evidence-based HRM: a Global Forum for Empirical Scholarship*, in press.
- Muehleman, S. (2014). Training participation of internationalized firms: establishment-level evidence for Switzerland. *Empirical Research in Vocational Education and Training* 6:5, 1-11.
- Muehleman, S. & S.C. Wolter (2011). Firm-sponsored training and poaching externalities in regional labor markets. *Regional Science and Urban Economics* 41(6), 560-570.
- Muehleman, Samuel and Stefan C. Wolter (2014). Return on investment of apprenticeship systems for enterprises: Evidence from cost-benefit analyses. *IZA Journal of Labor Policy*, 3:25.

- Muehleemann, S. & Wolter, S. C. (2017). Can Spanish firms offer dual apprenticeships without making a net investment? Empirical evidence based on ex-ante simulations of different training scenarios. *Evidence-based HRM: a global forum for empirical scholarship*, 5(1) 107-118.
- Muehleemann, S., Pfann, G. A., Pfeifer, H., & Dietrich, H. W. (2018). The Effects of Supply Shocks in the Market for Apprenticeships: Evidence from a German High School Reform. IZA Discussion Paper No. 11264. <http://ftp.iza.org/dp11264.pdf>
- Mueller, B., & Schweri, J. (2015). How specific is apprenticeship training? Evidence from inter-firm and occupational mobility after graduation. *Oxford Economic Papers*, 67(4), 1057-1077.
- Oswald, Y. and Backes-Gellner, U. (2014). Learning for a bonus: How financial incentives interact with preferences. *Journal of Public Economics*, vol. 118: 52-61.
- Rupiotta, C. & U. Backes-Gellner (2015). High quality workplace training and innovation in highly developed countries. Economics of Education Working Paper Series No. 74. http://repec.business.uzh.ch/RePEc/iso/leadinghouse/0074_lhwpaper.pdf
- Saueremann, J. (2016). Performance measures and worker productivity. *IZA World of Labor*.
- Schwerdt, G., Messer, D., Woessmann, L. & Wolter, S. C. (2012). The impact of an adult education voucher program: Evidence from a randomized field experiment. *Journal of Public Economics* 96(7-8) 569-583.
- Strupler Leiser, M. & Wolter S. C. (2017). Empirical evidence on the effectiveness of social public procurement policy: The case of the Swiss apprenticeship training system. *Labour*, 31(2), 204-222.
- Tamm, M. (2018). Training and changes in job Tasks. *Economics of Education Review*, 67, 137-147.
- Wenzelmann, F., Muehleemann, S., H. Pfeifer (2017). The costs of recruiting apprentices: Evidence from German workplace-level data. *German Journal of Human Resource Management*, 31(2).