

“Managing Education and Training in Firms/for Firms”

Spring term 2018

Lecturer: Prof. Dr. Samuel Mühlemann, LMU Munich

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Module Number: MOEC0413

ECTS-Points: 3.0

Lectures:

Monday 26.3.2018: 9h-18h

Tuesday 27.3.2018: 9h-15h

Monday 23.4.2018: 9h-18h

Tuesday 24.4.2018: 9h-15h

Exam: Written examination, 28.5.2017, 8h-10h

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.
- Benson, G. S., Finegold, D., & Mohrman, S. A. (2004). You paid for the skills, now keep them: Tuition reimbursement and voluntary turnover. *Academy of Management journal*, 47(3), 315-331.
- Blatter, M., S. Muehlemann & S. Schenker (2012). The costs of hiring skilled workers. *European Economic Review* 56(1), 20-35.
- Blatter, M., S. Muehlemann, 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
- Leuven, E. (2005). The Economics of Private Sector Training: A Survey of the Literature. *Journal of Economic Surveys* 19(1), 91–111.
- Muehlemann, S. & H. Pfeifer (2016). The structure of hiring costs in Germany. *Industrial Relations* 55(2), 193-218.
- Muehlemann, S. & Strupler Leiser, M. (2015). The facts you need to know about hiring. IZA Discussion Paper No. 9363.
- Stevens, M. (1994b). An investment model for the supply of training by employers. *Economic Journal* 104, 556–570.

Part II

4. Workplace learning (apprenticeships, informal learning)

- Evaluating the effectiveness and the return on investment for workplace learning
- Formal vs. informal training
- 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
- Training subsidies

5. 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 – a cost-effective model for firms?

Basic literature:

- 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.
- Muehleemann, S. (2016). The Costs and Benefits of Workplace Training. OECD Education Working Papers No. 143. Paris: OECD Publishing. <http://dx.doi.org/10.1787/5j1pl4s6g0zv-en>
- Muehleemann, S. (2016). Making Apprenticeships Profitable for Firms and Apprentices: The Swiss Model. *Challenge*, 59(5), 390-404.

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
- 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.
- 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.
- DeGrip, A. & J. Sauermaann (2012). The effects of training on own and co-worker productivity: evidence from a field experiment, *The Economic Journal* 122(560), 376–399

- Dionisius, R., S. Muehlemann, 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 (2009). Training and union wages. *Review of Economics and Statistics*, 91 (2): 363–376. doi:10.1162/rest.91.2.363
- 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
- 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.
- Kriechel, B., S. Muehlemann, 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. (2015b). Labour market deregulation and apprenticeship training: A comparison of German and Swiss employers. *European Journal of Industrial Relations*, doi:10.1177/0959680115580687
- Leuven, E., & Oosterbeek, H. (2008). An alternative approach to estimate the wage returns to private-sector training. *Journal of applied econometrics*, 23(4), 423-434.
- Malamud, O., & Pop-Eleches, C. (2010). General education versus vocational training: Evidence from an economy in transition. *The Review of Economics and Statistics*, 92(1), 43-60.
- Muehlemann, S. (2014). Training participation of internationalized firms: establishment-level evidence for Switzerland. *Empirical Research in Vocational Education and Training* 6:5, 1-11.
- Muehlemann, S. & S.C. Wolter (2011). Firm-sponsored training and poaching externalities in regional labor markets. *Regional Science and Urban Economics* 41(6), 560-570.
- Muehlemann, 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.
- Muehlemann, 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.
- 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
- Sauermann, 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.
- Wenzelmann, F., Muehlemann, S., H. Pfeifer (2017). The costs of recruiting apprentices: Evidence from German workplace-level data. *German Journal of Human Resource Management*, 31(2).
- Zilic, I. (2018). General versus vocational education: Lessons from a quasi-experiment in Croatia. *Economics of Education Review*, 62, 1-11.