

COURSE OUTLINE

Course Coordinator	:	Yuan Zhaoneng
Course Code / Title	:	HE3023 Labour Economics
Pre-requisites	:	HE1001 Microeconomics I OR HE9091 Principles of Economics OR AB0901 Principles of Economics OR HE5091 Principles of Economics
No. of AUs.	:	3
Contact Hours	:	39

Course Aims

This course examines how labor markets function and how organizations allocate, motivate, and manage human resources. The first half focuses on classical labor economics — analyzing labor supply and demand, human capital investment, wage determination, and inequality. The second half introduces the economics of organizations, exploring how incentives, contracts, and organizational structures shape productivity and employment relationships.

The course blends theory with empirical evidence and applies concepts to real-world labor and firm-level issues.

Intended Learning Outcomes (ILO)

1. Understand the determinants of labor supply and demand and the sources of wage differentials.
2. Apply labor organization theory to explain firm and worker decisions.
3. Analyze how firms design contracts and incentives to align employee behavior with organizational goals.
4. Evaluate empirical evidence on labor markets, pay schemes, and organizational structures.
5. Connect insights from labor and organizational economics to current policy and business practices.

Course Content

1. Labor Supply
2. Labor Demand
3. Human Capital
4. Wage Determination and Labor Market Equilibrium
5. Inequality and Discrimination
6. Moral Hazard and Principal-Agent Problem
7. Pay-for Performance
8. Performance Evaluation
9. Multi-tasking
10. Teamwork
11. Policy and Managerial Implications

Course Assessment

Class Participation	: 15%
Presentation	: 15%
Test/Quiz	: 20%
Test/Quiz(Final Test)	: 50%

Total	100%

Reading and References

Borjas, George J. *Labor Economics*, 9th Edition, McGraw-Hill, 2020.

Lazear, Edward P. and Gibbs, Michael. *Personnel Economics in Practice*, 3rd Edition, Wiley, 2014.

Gibbons, Robert, and Roberts, John. *The Handbook of Organizational Economics*, Princeton University Press, 2013

NB: The above listing comprises the foundational readings for the course and more up-to-date relevant readings will be provided when they become available.

Course Instructors

Instructor	Office Location	Email
Yuan Zhaoneng	SHHK-04-52	zhaoneng.yuan@ntu.edu.sg

Planned Weekly Schedule

Week	Topic	Course LO	Readings/ Activities
Week 1	Labour Supply	1, 2, 3, 4, 5	Lecture notes. Lecture
Week 2	Labour Demand	1, 2, 3, 4, 5	Lecture notes and homework exercises. Lecture
Week 3	Human Capital	1, 2, 3, 4, 5	Lecture notes and homework exercises. Lecture
Week 4	Wage Determination and Labor Market Equilibrium	1, 2, 3, 4, 5	Lecture notes and homework exercises. Lecture
Week 5	Inequality and Discrimination	1, 2, 3, 4, 5	Lecture notes and homework exercises. Lecture
Week 6	Moral Hazard and Principal-Agent Problem	1, 2, 3, 4, 5	Lecture notes and homework exercises. Lecture
Week 7	Pay-for-performance	1, 2, 3, 4, 5	Lecture notes and homework exercises. Lecture
Recess Week			

Week 8	Performance Evaluation	1, 2, 3, 4, 5	Lecture notes and homework exercises. Lecture
Week 9	Multi-tasking	1, 2, 3, 4, 5	Lecture notes and homework exercises. Lecture
Week 10	Teamwork	1, 2, 3, 4, 5	Lecture notes and homework exercises. Lecture
Week 11	Policy and Managerial Implementation	1, 2, 3, 4, 5	Lecture notes and homework exercises. Lecture
Week 12	Revision	1, 2, 3, 4, 5	Lecture notes and homework exercises. Lecture
Week 13	Final Test	1, 2, 3, 4, 5	Lecture notes and homework exercises. Test