

Bachelorseminar WiSe 2018/2019

Bachelor – Schwerpunktbereich/ Seminar, Kennnummer 1287BSVo00

Prof. Dr. Oliver Gürtler

Title: “Incentives and Worker Compensation – Theory and Empirical Evidence“

The seminar is paper-based and investigates the incentive effects of different remuneration systems from a theoretical as well as from an empirical perspective. Your task in the seminar will be to write a thesis/paper about your assigned topic and to present this thesis during the seminar. Please note that you should be able to be present on October 11, 2018 for the kick-off meeting and on January 25, 2019 for the presentations.

Application

You have to apply for the seminar via **KLIPS 2.0** during the first registration period (1. Belegungsphase) from **July 18, 2018 until August 07, 2018** and during the second registration period (2. Belegungsphase) from **August 29, 2018 until September 19, 2018**. Since the number of participants is limited, we cannot guarantee your participation in the seminar.

Exam registration and assignment of topics

All successful applicants have to attend the **mandatory kick-off meeting on October 11, 2018**. Here you are assigned one of the topics listed below. Further, you have to attend the kick-off meeting to **register for the examination**.

Deadline seminar thesis

The thesis must be handed in by **December 14, 2018**.

Presentations

The seminar is held on **January 25, 2019**.

Please take a look at the topics **before** you attend the kick-off meeting, so you have a better idea which topic to choose. If you require further information, please contact Prof. Dr. Oliver Gürtler (oliver.guertler@uni-koeln.de).

Topics:

I. Worker compensation based on individual performance

1. **Pay for Performance – Theory and Empirical Evidence** (Lazear, E. P., 2000, Performance Pay and Productivity, The American Economic Review, 90(5), 1346-1361)
2. **Pay for Performance and Risk – Theory and Empirical Evidence** (Prendergast, C., 2002, The Tenuous Trade-off between Risk and Incentives, Journal of Political Economy, 110(5), 1071-1102)
3. **Pay for Performance and Multitasking** (Baker, G., 2002, Distortion and Risk in Optimal Incentive Contracts, The Journal of Human Resources, 37(4), 728-751)

II. Worker compensation based on relative performance

4. **Relative Performance Pay – Labor Market Tournaments** (Lazear E. P., and Rosen S. , 1981, Rank-Order Tournaments as Optimum Labor Contracts, *The Journal of Political Economy*, 89(5), 841-864)
5. **Relative Performance Pay – Empirical Evidence** (Ehrenberg, R.G., and Bognanno, M.L., 1990, Do Tournaments Have Incentive Effects?, *Journal of Political Economy*, 98(6), 1307-1324)

III. Worker compensation based on team performance

6. **Team Work and the Free Rider Problem – Theory** (Holmström, B., 1982, Moral Hazard in Teams, *The Bell Journal of Economics*, 13(2), 324–40)
7. **Team Work – Empirical Evidence** (Hamilton, B. H., Nickerson, J. A., and Owan, H., 2003, Team Incentives and Worker Heterogeneity: An Empirical Analysis of the Impact of Teams on Productivity and Participation, *Journal of Political Economy*, 111(3), 465-497)