University of Cologne  
Winter 2015-2016  

Compensation, Incentives, and Productivity  

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Prof. Dr. Oliver Gürtler (University of Cologne)  

This is a two-part course. Part I consists of a series of lectures by Prof. DeVaro in the first week of winter term (October 19-23, 2015). Part II is a seminar by Prof. Dr. Gürtler (November 27-28, 2015). Lectures for Part I will occur each day from 9:30am to 1pm.  

**A homework assignment for Part I will be due on October 23, 2015 at 9:30am.**  
Successful performance on that homework assignment is necessary to be admitted to the seminar in Part II (and, thus, to pass the course). For the seminar in Part II, each participant will present one research paper related to the lectures in Part I. The research papers will be assigned on October 23, 2015. Students pass the course after a successful presentation in Part II and are not required to write a seminar thesis. Apply for the course using the KLIPS 2.0 platform.  

Course Description  
This course examines how compensation systems affect worker behavior in both intended and unintended ways. The discussion traverses an area of labor economics of particular relevance to individual managers and firms. Topics include performance-based pay, executive compensation and stock options, fringe benefits, and promotion-based pay schemes. The course focuses on labor-related business problems using the analytic tools of economic theory, and should appeal to students contemplating careers in general business, consulting, and human resources management as well as economics. Pre-requisite knowledge of intermediate microeconomic theory is assumed, as is facility with basic mathematics (e.g., algebra, calculus, and elementary probability and statistics).  

Selected Further Reading  
The following list is a limited sampling of readings that relate to and complement the course topics. The first item is a recent well-known textbook that provides a helpful and current survey. The other items are original research papers (some theoretical and others empirical) that were selected for various reasons related to the specific aims of the course, but collectively they represent only the tip of a massive iceberg of literature.  


