



Level 5 Diploma in Human Resources Management (630)
135 Credits



Unit: Managing the Labour Market	Guided Learning Hours: 240
Exam Paper No.: 3	Number of Credits: 24
Prerequisites: Knowledge of business organisational terminology.	Corequisites: A pass or higher in Certificate in Business Studies or equivalence.
<p>Aim: The aim of this unit is to provide an understanding of the functioning of the labour market and the effects of various public policies. The unit deals with institutional arrangements of the labour market, terms and conditions under which workers supply their labour and under which firms demand their labour. The topics dealt with include the analysis of employment and unemployment, wage distribution, discrimination, labour mobility, economics of the labour market, including labour force participation, racial and sexual discrimination, the role of unions, collective bargaining, investments in human capital and the structure of compensation. The determination of earnings and the allocation of labour are also examined. The unit develops the theory of labour markets, focusing on the institutional structure of both labour supply and labour demand. This theory is then applied to questions of income distribution, unions, wage discrimination, wage rigidity, government policies such as the minimum wage, affirmative action and training/retraining programs.</p>	
Required Materials: Recommended Learning Resources.	Supplementary Materials: Lecture notes and tutor extra reading recommendations.
Special Requirements: The unit requires a combination of lectures, demonstrations and discussions.	
<p>Intended Learning Outcomes:</p> <p>1 Labour economics as an element in the process of production, who it comprises and the determination of their pay.</p> <p>2 Developing and applying the basic theory of individual labour supply; labour economics literature theoretical models explaining framework of individual labour force.</p> <p>3 The population participation, hours worked and the economic growth by analysing components of economic growth.</p> <p>4 The labor-related costs by firms and</p>	<p>Assessment Criteria:</p> <p>1.1 Outline the overview of labour economics</p> <p>1.2 Describe the importance of labour economics</p> <p>1.3 Describe theories used in labour economics</p> <p>1.4 Analyse the difference between microeconomics and macroeconomics</p> <p>2.1 Analyse work leisure decision model</p> <p>2.2 Describe elasticity of labour supply</p> <p>2.3 Describe the following terms; non-labour income, non-participants, over-employment and under-employment</p> <p>2.4 Describe maintenance programs</p> <p>2.5 Describe the various facts about the labour supply decisions of workers.</p> <p>3.1 Describe the variations of the labour force</p> <p>3.2 Describe Becker's model</p> <p>3.3 Describe labour force participation rate</p> <p>3.4 Compare and contrast the male and female participation rate</p> <p>3.5 Analyse how the business cycle impacts participation rate</p> <p>3.6 Analyse the hours of work in different countries</p> <p>3.7 Calculate labour productivity, average hours worked per employed person, employment rate and participation rate</p> <p>4.1 Describe the human capital model</p>

<p>estimating the proportion of these costs that are valued as an asset (human capital) by the market.</p>	<p>4.2 Explain the marginal rate of return on education 4.3 Describe the advantages and disadvantages of on-the-job-training 4.4 Discuss the disadvantages of human capital theory 4.5 Describe how to analyse the cost of investment in human capital</p>
<p>5 The relationship between demand for labour, the market wage rate; equilibrium wages and wage differentials and structure and traditions of different economies around the world.</p>	<p>5.1 Describe causes of demand for workers 5.2 Describe a production function 5.3 Define Marginal Revenue Product (MRP) 5.4 Describe substitution effect 5.5 Evaluate and analyse the market demand for labour 5.6 Illustrate determinants of elasticity of labour demand. 5.7 Outline the Marginal Revenue Product (MRP) theory and problems associated with marginal revenue productivity theory.</p>
<p>6 Elements which determine taxable, living and minimum wages; how labour is allocated; the factors that influence household labor allocation decisions and demand for labor.</p>	<p>6.1 Describe the characteristics of a competitive labour market 6.2 Describe how monopoly in the market plays a role in determining wages 6.3 Explain how unions increase wages of their members 6.4 Define bilateral monopoly 6.5 Describe how minimum wage is determined</p>
<p>7 The different pay schemes in the market; different types of incentive pay schemes in Europe and other parts of the world.</p>	<p>7.1 Describe fringe benefits 7.2 Analyse the theory of optimal fringe benefits 7.3 Analyse the causes of the principal-agent problem 7.4 Describe the different performance pay 7.5 Describe efficiency wage payments 7.6 Describe deferred payment schemes 7.7 Describe homogenous workers and jobs 7.8 Analyse causes of compensating differentials 7.9 Define the Hedonic theory of wages 7.10 Describe labour market imperfections 7.11 Describe the internal wage structure for an organisation.</p>
<p>8 The relationship between high unemployment, particularly among young people, and labour mobility within and between countries.</p>	<p>8.1 Describe labour mobility and migration 8.2 Describe the types of labour mobility 8.3 Define migration. Analyse causes of migration. 8.4 Describe the effects of illegal immigrants 8.5 Describe causes of shortages of skilled labour</p>
<p>9 The range of careers available in the public sector and the advantages and disadvantages of working for the government.</p>	<p>9.1 Analyse the history of public sector employment 9.2 Compare and contrast public vs private</p>

<p>10 Why discrimination occurs in the labour market and outline theoretical explanations for labour market discrimination.</p> <p>11 Labour productivity concepts and analyse the employment and unemployment statistics.</p>	<p>pay</p> <p>9.3 Describe the impact of government spending on labour</p> <p>9.4 Analyse income taxation</p> <p>9.5 Analyse the minimum wage law</p> <p>9.6 Analyse health and safety regulations</p> <p>9.7 Describe economic rent</p> <p>10.1 Explain discrimination in the labour market</p> <p>10.2 Define gender and racial differences</p> <p>10.3 Define discrimination</p> <p>10.4 Analyse the taste for discrimination model</p> <p>10.5 Describe theory of statistical discrimination</p> <p>10.6 Describe antidiscrimination policies and issues</p> <p>11.1 Calculate productivity</p> <p>11.2 Describe inflation and productivity</p> <p>11.3 Describe business and productivity cycle</p> <p>11.4 Calculate employment population ratio</p> <p>11.5 Calculate unemployment rate</p> <p>11.6 Describe the advantages and disadvantages of household survey</p>
<p>Methods of Evaluation: A 2½-hour written examination paper with five essay questions, each carrying 20 marks. Candidates are required to answer all questions. Candidates also undertake project/coursework in Managing the Labour Market with a weighting of 100%.</p>	

Recommended Learning Resources: Managing the Labour Market

<p>Text Books</p>	<ul style="list-style-type: none"> • The Economics of the Labour Market (Modern Economics) by D. Bosworth (Author), Peter Dawkins (Author), Thorsten Stromback. ISBN-10: 0582443776 • Labour Markets: The Economics of Work and Leisure (Paperback) by Peter Cramp. ISBN-10: 190550408X • The Economics of Imperfect Labor Markets by Tito Boeri (Author), Jan van Ours. ISBN-10: 0691137358
<p>Study Manuals</p> 	<p>BCE produced study packs</p>
<p>CD ROM</p> 	<p>Power-point slides</p>
<p>Software</p> 	<p>None</p>