
**Seminar on Organizational Economics
The Impact of Digitalization on Organizations**

Microeconomic Seminar, Winter Term 2018/19

VL-Nr.: 02 143 02011 | ECTS: 6 | 2 SWS

• **Modules**

- Master Economics and Institutions: Seminar on Institutional Economics, Seminar on Economic Policy
- Master IDS: Seminar on Institutional Economics

• **Lecturer**

Dr. Stefanie Brilon

• **Main Facts**

Initial Meeting (Compulsory):	June 26, 2018 14:00 -15:00, room BT 1
Dates:	December 4, 2018 December 11, 2018
Place:	Room AA 00/0110
Deadline for Essay:	November 4, 2018
ECTS-Credits:	6
Max. number of participants	15

- **Content**

Computerization and the Internet continue to change the way we live and work. We will explore economic research analysing this transformation, in particular its effect on organizations. How does it affect labour markets and the organization of work? What are some of the strategic challenges facing organizations? How does availability of information affect welfare? And how does the Internet affect information acquisition of consumers and voters?

- **Literature**

0. Required Reading:

Goldfarb, Avi, and Catherine Tucker. *Digital economics*. NBER Working Paper No. w23684.

1. Impact on Labor Markets

Acemoglu, Daron (1998). Why Do New Technologies Complement Skills? Directed Technical Change and Wage Inequality. *Quarterly Journal of Economics*, Vol. 113, No. 4, pp. 1055-1089.

Acemoglu, Daron, and David Autor (2010). Skills, Tasks and Technologies: Implications for Employment and Earnings. *Handbook of Labor Economics*, Vol. 4.

Acemoglu, Daron, and Pascual Restrepo (2017). *Robots and Jobs: Evidence from US Labor Markets*. Working paper.

Autor, David (2015). Why Are There Still So Many Jobs? The History and Future of Workplace Automation. *Journal of Economic Perspectives*, Vol. 29, No. 3, pp. 3-30.

2. Digitalization and Hiring

Hoffman, Mitchell, Lisa B. Kahn, and Danielle Li (2017). "Discretion in hiring." *The Quarterly Journal of Economics*, Vol. 133, No.2, pp. 765-800.

Hoffman, Mitchell, and Steven Tadelis (2018). *People Management Skills, Employee Attrition, and Manager Rewards: An Empirical Analysis*. NBER Working paper No. w24360.

Pallais, Amanda, and Emily Glassberg Sands (2016). "Why the referential treatment? Evidence from field experiments on referrals." *Journal of Political Economy* Vol. 124, No.6, pp.1793-1828.

Stanton, Christopher T., and Catherine Thomas (2015). "Landing the first job: The value of intermediaries in online hiring." *The Review of Economic Studies* Vol. 83, No. 2, pp.810-854.

3. Digitalization and Teamwork

Agrawal, Ajay, John Horton, Nicola Lacetera, and Elizabeth Lyons (2015). Digitization and the Contract Labor Market: A Research Agenda. In "Economic Analysis of Digital Economy" (April 2015), pp. 219-250. University of Chicago Press.

Battiston, Diego, Jordi Blanes I Vidal, and Tom Kirchmaier (2017). *Is Distance Dead? Face-to-Face Communication and Productivity in Teams*. CEPR Discussion Paper No.1473 (March 2017).

Lazear, Edward P.(1999) "Globalisation and the market for team-mates." *The Economic Journal* Vol. 109, pp. 15-40.

Lyons, Elizabeth (2017). Team Production in International Labor Markets: Experimental Evidence from the Field. *American Economic Journal: Applied Economics*, Vol. 9, No. 3, pp. 70-104.

4. Firm Organization and Boundaries of the Firm

Bloom, Nicholas, et al. (2014) "The distinct effects of information technology and communication technology on firm organization." *Management Science* Vol. 60, No.12, pp. 2859-2885.

Forman, Chris, and Kristina McElheran (2013). "The digital reorganization of firm boundaries: IT use and vertical integration in US manufacturing." *Georgia Institute of Technology Working Paper*.

5. Availability of Information

Agrawal, Ajay, Nicola Lacetera, and Elizabeth Lyons (2016). Does Standardized Information in Online Markets Disproportionately Benefit Job Applicants from Less Developed Countries?. *Journal of International Economics*, Vol. 103, pp. 1-12.

Brynjolfsson, Erik, Yu (Jeffrey) Hu, and Michael D. Smith (2003). Consumer Surplus in the Digital Economy: Estimating the Value of Increased Product Variety at Online Booksellers. *Management Science*, Vol. 49, No. 11, pp. 1580-1596.

Garicano, Luis, and Esteban Rossi-Hansberg (2006). The Knowledge Economy at the Turn of the Twentieth Century: The Emergence of Hierarchies. *Journal of the European Economic Association*, Vol. 4, No. 2-3, pp. 396-403.

6. Information Acquisition

Caplin, Andrew, and Mark Dean. 2015. "Revealed Preference, Rational Inattention, and Costly Information Acquisition." *American Economic Review*, Vol. 105, No. 7, pp. 2183-2203.

Enke, Benjamin (2015): *What you see is all there is*. Working paper.

Boxell, Levi, Matthew Gentzkow and Jesse M. Shapiro (2017), "Is the Internet Causing Political Polarization? Evidence from Demographics", working paper.

7. Strategic Transformation of Organizations

Antras, Pol, Luis Garicano, and Esteban Rossi-Hansberg (2007). Organizing Offshoring: Middle Managers and Communication Costs. In "The Organization of Firms in the Global Economy". Cambridge: Harvard University Press (2007), pp. 311-339. Harvard University Press.

Brynjolfsson, Erik, and Lorin M. Hitt (2000). Beyond Computation: Information Technology, Organizational Transformation and Business Performance. *Journal of Economic Perspectives*, Vol. 14, No. 4, pp. 23-48.

Brynjolfsson, Erik, Yu (Jeffrey) Hu, and Mohammad S. Rahman, (2009). Battle of the Retail Channels: How Product Selection and Geography Drive Cross-Channel Competition. *Management Science*, Vol. 55, No. 11, pp. 1755-1765.

Hershbein, Brad, and Lisa B. Kahn (2017). *Do Recessions Accelerate Routine-Biased Technological Change? Evidence from Vacancy Postings*. NBER Working Paper No. 22762.

• Time schedule and Grading

The seminar will start with a **kick-off meeting on June 26th** at 2 p.m. in room BT 1 where an overview over the topics will be given and the organisation of the seminar will be discussed.

All participants have to hand in a research proposal connected to their chosen topic by **30 September**.

The **seminar paper is due on 4 November**. Please send the paper by email to Renate Böttner (boettner@wiwi.uni-marburg.de) and drop off a paper version at the chair.

The seminar takes place on **December 4th and December 11th** in room AA 00/0110. The exact schedule will be fixed once the number of participants is known.

The grade in this course will depend on the following:

- Seminar paper (50%)
- Presentation (40%)
- Research Proposal (10%)

All grades can be shifted up or down according to the student's participation in class.