

**UNIVERSITY OF WATERLOO**  
**ECONOMICS 483: ECONOMETRICS IN THE CONSULTING INDUSTRY**  
**SPRING 2022**

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**Instructor**

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**Course Description**

This course covers a selection of areas in the management consulting industry that use econometric techniques. The specific areas covered include: 1) job evaluation design, 2) compensation structures, 3) pay equity systems and compliance, 4) executive compensation design, 5) equity auditing, and (time permitting) 6) HR analytics. The focus of the course is on both the econometric techniques themselves as well as dealing with a client on complex statistical issues. For some material— in particular equity auditing, pay equity and executive compensation—the course also allocates time to discuss the larger public policy debate.

**Readings**

This course uses a selection of customized readings; there is no textbook. All readings are available @ LEARN.

**Office Hours**

Monday and Wednesday, Noon to 2pm

**Evaluation**

This is a project-based course. Students complete two major projects: 1) a base pay project where students design a job evaluation system and compensation structure as well as conduct pay equity compliance for an organization, and 2) an equity audit project where students evaluate the personnel practices of an organization for compliance with equity regulations. Students will also present their base pay project at the end of term. To ensure the material is clear, and maximize engagement, short assignments are due on a regular basis through term. The final grade is based on the following:

Assignments	20%
Base Pay Project	50%
Audit Project	30%

## Schedule

\*Please note that this schedule is *tentative*

Date Posted	Topic
May 2	Introduction
May 4	Job Evaluation Basics
May 9	Job Ratings and Weighting Regressions
May 11	Weights Continued
May 16	Hierarchy Analysis
May 18	Weights Redux
May 23	Benchmarking
May 25	Victoria Day
May 30	No Class
June 1	Pay Policy Lines
June 6	Base Pay Project Final Steps
June 8	Pay Equity Analysis
June 13	Proportional Value Regression
June 15	Equity Auditing Intro
June 20	Equity Audit Regression
June 22	Equity Audit Regression
June 27	Project Meetings
June 29	Project Meetings
July 4	Project Meetings
July 6	Exec Comp Intro

July 11	Exec Comp Analysis
July 13	Exec Comp Analysis
July 18	Exec Comp Policy Implications
July 20	Student Presentations
July 25	Student Presentations

## Policies

### Late Assignment/Project Policies

All assignments and projects are submitted at LEARN. For assignments, late submissions are not accepted under any circumstances. For both projects, late submissions incurs a penalty of 2 points per day (the projects are graded out of 100).

### Institutional-required statements for undergraduate course outlines approved by Senate Undergraduate Council, April 14, 2009

#### Economics Department Deferred Final Exam Policy

Deferred Final Exam Policy found at

<https://uwaterloo.ca/economics/undergraduate/resources-and-policies/deferred-final-exam-policy>

#### Academic Integrity

**Academic Integrity:** In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility.

**Discipline:** A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be

imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to [Policy 71 - Student Discipline](https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-71) (<https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-71>)

**Grievance:** A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read [Policy 70 - Student Petitions and Grievances](https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-70) (<https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-70>), Section 4.

**Appeals:** A student may appeal the finding and/or penalty in a decision made under Policy 70 - Student Petitions and Grievances (other than regarding a petition) or Policy 71 - Student Discipline if a ground for an appeal can be established. Read [Policy 72 - Student Appeals](https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-72) (<https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-72>).

***Other sources of information for students:***

[Academic Integrity website \(Arts\)](https://uwaterloo.ca/arts/current-undergraduates/student-support/ethical-behaviour)

<https://uwaterloo.ca/arts/current-undergraduates/student-support/ethical-behaviour>

[Academic Integrity Office \(UWaterloo\)](https://uwaterloo.ca/academic-integrity/) <https://uwaterloo.ca/academic-integrity/>

**Accommodation for Students with Disabilities**

**Note for students with disabilities:** The [AccessAbility Services](https://uwaterloo.ca/disability-services) office (<https://uwaterloo.ca/disability-services>), located on the first floor of the Needles Hall extension (NH 1401), collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the AS office at the beginning of each academic term.