

Syllabus
OPIM/MGMT 690: Managerial Decision Making
Fall 2011

Monday & Wednesday, 3 - 4:20 pm
SHDH 1201

Professor: Joe Simmons
E-mail: jsimmo@wharton.upenn.edu
Office: JMHH 551
Office Hours: by appointment

Course Description and Objectives:

This course has two objectives.

The first is to improve the quality of students' decisions. Students will learn to be aware of and to avoid common inferential errors and systematic biases in their own decision making.

The second is to improve students' ability to predict and influence the behavior of others. By understanding how other people decide and behave, students will be better able to motivate desired behavior in others. This course accomplishes this by expanding the rather limited toolbox provided by standard economics (incentives and education) to include tools of influence prescribed by a realistic understanding of human behavior.

Materials:

There is no textbook for this course. Instead, I have compiled a list of required readings, which are posted on Canvas according to their due dates. Whenever possible, I have chosen readings that are policy and/or management relevant, that are well-written and interesting, and that facilitate your understanding of one or more of the core concepts of this course.

Grading Criteria:

Quizzes	35%
Written Assignments	15%
Exam 1	25%
Exam 2	25%

Quizzes

Every class for which readings are assigned, there will be a 45% chance of having to take a short quiz that tests your knowledge of the readings assigned that day. Whether or not you have a quiz will be determined by a random number generator. Thus, having a quiz one day is not predictive of whether you will have a quiz the next day (i.e., don't fall prey to the gambler's fallacy!). These quizzes are designed to ensure that you have carefully read all that you have been assigned to read. Thus, so long as you carefully do the readings, and you retain the most important information in them, you should not have to study for these quizzes. Most of the quizzes will require you to summarize one (or more) of the readings, but other quiz formats (e.g., multiple choice; short answer) are possible. Each quiz will be graded on a scale ranging from 0 to 2. You will receive a score of zero if you are absent or late for a quiz. Your lowest quiz score will be dropped.

Written Assignments

During the semester, I will periodically ask you to do online surveys, to submit written answers to discussion questions, and to collect data out of class. These assignments will be described in more detail later in the semester.

Exams

Exams will be held in class on October 26th and December 7th. The final exam on December 7th will be cumulative.

Laptop Policy:

This class does not require any use of your computers, so I do not expect there to be any open laptops during class. Please see me if you have a special need that requires a laptop during class.

Readings:

In the class schedule on the next page, there is a list of topics, reading assignments, and other assignments. The readings are sorted by due date rather than by topic, and so many readings will relate to topics covered in the previous lecture (i.e., I want you to do the readings for some topics after you attend the lecture). Additional readings may be assigned during the course of the semester.

Class Schedule:

As of 8/31/11. Subject to change.

Date	Topic	Reading Assignments
Sept. 7	Introduction	
Sept. 12	Experimentation	Evidence-Based Management (Pfeffer)
Sept. 14	Statistical Intuitions	How Little We Know (Rosenzweig) The Odds of That (Belkin)
Sept. 19		The Cancer Cluster Myth (Gawande)
Sept. 21	Heuristics & Biases	How Doctors Think (Groopman)
Sept. 26		Connecting the Dots (Gladwell)
Sept. 28	Motivated/Confirmatory Reasoning	Dr. Drug Rep (Calat)
Oct. 3		Why Good Accountants Do Bad Audits (Bazerman)
Oct. 5	Overconfidence	Managing Overconfidence (Russo) Delusions of Success (Lovallo)
Oct. 12	Emotions & Intuition	Big and Bad (Gladwell) Rational Minds, Irrational Campaigns (Westen)
Oct. 17		Blink, pp. 1-39 (Gladwell) The Power of Intuition (Klein)
Oct. 19	Intuitive vs. Statistical Decision Making	Who's on First? (Thaler) The No-Stats All Star (Lewis)
Oct. 24	Aggregating Opinions	
Oct. 26	EXAM #1	
Oct. 31	Value Construction	
Nov. 2		Video: Kahneman's Nobel Prize Address
Nov. 7	NO CLASS	
Nov. 9	Mental Accounting	
Nov. 14	Nudges / Behavior Change	Nudge, pp. 1-14 (Thaler)
Nov. 16		When Doctors Make Mistakes (Gawande)
Nov. 21		You Need Hands (Underwood) The Power of Context (Gladwell)
Nov. 28	Goals, Plans, and Performance	The Checklist (Gawande)
Nov. 30	Social Responsibility	
Dec. 5		
Dec. 7		EXAM #2