

Syllabus
OIDD/MGMT 690: Managerial Decision Making
Fall 2016

Monday & Wednesday, 10:30 – 11:50 am; 1:30-2:50 pm; 3:00-4:20 pm

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:

Surveys / Forecasts / Written Assignments	20%
Exam 1	20%
Exam 2	20%
Quizzes	40%

Written Assignments

During the semester, I will periodically ask you to do online surveys, to make forecasts, to submit written answers to discussion questions, and to collect data out of class. You will receive the maximum grade for an on-time, excellent assignment and a grade of 0 for a late or unsatisfactory assignment. These assignments will be described in more detail later in the semester.

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 and retained all that you have been assigned to read. 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. Your lowest quiz score will be dropped.

You will receive a score of zero if you are absent or late for a quiz. However, you can erase three quizzes from your record if, prior to the start of class, you submit a well-written summary and analysis of the readings that you missed. You should submit this summary via email to Rob Mislavsky (rmisl@wharton.upenn.edu). This document should include ~250 words of summary and ~250 words of thoughtful analysis. It is not to exceed one page, single-spaced, using 12-point Times New Roman font and one-inch margins. To make up for the missed quiz, you must show us that you have carefully read and understood the assigned readings and that you put time, thought, and effort into your summary. An obviously slipshod, last-minute effort will not be accepted, and neither will a summary submitted after the start of class.

Laptop/Phone Policy: This class does not require any use of your computers, phones, iPads, or the internet. I expect all electronic devices to be put away at the start of class. **Every time I see you using a phone or electronic device in class without permission, you will lose a percentage point off of your final grade.** Please see me if you have a special need that requires a laptop during class.

Disruptions: I reserve the right to fail or reduce the grade of any student who interferes with the learning environment of other students. This includes students who disrupt class by leaving class early (without permission), by using wifi devices in class, or those whose behavior I judge to be unacceptable.

Leaving Class Early: If you need to leave class a few minutes early, you must let me know in advance (unless there is an emergency). You can do this by just telling me in person right before class; you do not have to email me in advance. If you leave class early without permission for a non-emergency reason you will receive a zero for your quiz grade that day.

Switching Sections: If you decide to switch sections on a given class day, it will be treated as an absence, meaning that unless you submit a summary of the reading(s) prior to the start of class, you will earn a zero on a quiz if your section has one. Thus, the only benefit to switching sections is to be present for the lecture in the event that you absolutely cannot make it to your section.

In the class schedule below, there is a list of topics and reading 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 later.

Class Schedule (As of 8/30/16. Subject to change.)

Date	Topic	Reading Assignments
Aug. 31	Introduction	
Sept. 7	Understanding Evidence	Evidence-Based Management (Pfeffer)
Sept. 12		How Little We Know (Rosenzweig)
Sept. 14		Illusions of Knowledge (Tetlock)
Sept. 19		The Odds of That (Belkin)
Sept. 21		The Cancer Cluster Myth (Gawande)
Sept. 21	NO CLASS	
Sept. 26	Understanding Evidence	What If Games Were Shorter? (Simmons)
Sept. 28		Science Isn't Broken (Aschwanden)
		The Triumph of Mediocrity (Ellenberg)
Oct. 3	Heuristics & Biases	How Doctors Think (Groopman)
Oct. 5		New Era Economic Thinking (Shiller)
		Connecting the Dots (Gladwell)
Oct. 10	Motivated/Confirmatory Reasoning	Dr. Drug Rep (Calat) Why Good Accountants Do Bad Audits (Bazerman)
Oct. 12	Overconfidence	Keeping Score (Tetlock) Delusions of Success (Lovallo)
Oct. 17	Emotions & Intuition	Big and Bad (Gladwell)
Oct. 19		Rational Minds, Irrational Campaigns (Westen)
		Blink, pp. 1-39 (Gladwell) The Power of Intuition (Klein)
Oct. 24	EXAM #1	
Oct. 26	Human vs. Statistical Decision Making	Who's on First? (Thaler)
Oct. 31		How I Acted Like A Pundit (Silver)
Nov. 2	Combining Opinions	Don't Trust Your Gut (Bock)
Nov. 7	The Psychology of Choice	Reversals (Kahneman)
Nov. 9		Bernoulli's Errors (Kahneman)
Nov. 14		Prospect Theory (Kahneman)
Nov. 16		Risk Policies (Kahneman)
Nov. 21	NO CLASS	
Nov. 28	Nudges / Behavior Change	When Doctors Make Mistakes (Gawande)
Nov. 30		Nudge, pp. 1-14 (Thaler)
Dec. 5		You Need Hands (Underwood) The Power of Context (Gladwell)
Dec. 7	Goals, Plans, and Performance	The Checklist (Gawande)
Dec. 12	EXAM #2 (CUMULATIVE)	