

OIDD 290: Decision Processes
Syllabus (Fall 2018)

Instructor: Professor Alice Moon

Class Meetings: Tu & Th 9-10:30am, JMHH 270

10:30am-12pm, JMHH 270

1:30-3pm, JMHH 345

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Office hours: Tu 3-4pm, JMHH 552

Course email: oidd290-fall2018@wharton.upenn.edu

Course Overview:

This course has two objectives:

The first is to improve the quality of your decisions. While intuition often serves us well, there are many decision traps that we tend to fall into on a repeated basis. Although each decision is unique and poses its own special problems, there are many commonalities across decisions. This course will teach you how to be aware of and to avoid common decision-making errors and systematic biases in your own decision-making.

The second is to improve your ability to predict and influence the behavior of others. Managers, consumers, investors, and negotiators all make predictable mistakes. Therefore, by understanding the psychology behind how people decide and behave, you can gain a competitive advantage 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.

Course Readings:

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 (on the Penn Library Course Reserves or Study.net tab, depending on the reading). 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 / Written Assignments	20%
Exam 1	25%
Exam 2	25%
Quizzes	30%

Written Assignments: During the semester, I will periodically ask you to complete online surveys, to submit written answers to discussion questions, or to collect data out of class. You will receive the maximum grade for an on-time, excellent assignment and a 0 for a late or unsatisfactory assignment. These assignments will be described in more detail as they come up throughout 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 and/or analyze the readings. Each quiz will be graded on a scale ranging from 0 to 2. You will receive a 0 if you are absent or late for a quiz. Your lowest quiz score will be dropped.

You can also "erase" up to 2 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 the TA team (oidd290-fall2018@wharton.upenn.edu). This document should include ~250 words of summary and ~250 words of thoughtful analysis that shows that you have carefully read and understood the assigned reading(s), and that you put time, thought, and effort into your summary. It is not to exceed one single-spaced page, using 12-point Times New Roman font and one-inch margins. An obviously slipshod, last-minute effort will not be accepted, and *neither will a summary submitted after the start of class.*

Make-up assignments: There will be **no** make-up assignments or retroactive summaries to make up for missed quizzes or written assignments.

Lecture Slides: Lecture slides will be posted by 5pm the day after lecture at the latest.

Optional contest: I like including relevant examples into lectures (e.g., video clips, comics, news articles, etc. illustrating concepts from the course). During the course, if you come across a relevant example, please share it with me. As additional incentive to do so, at the end of the course, the student who shared the best example in each section will receive 1% extra credit.

Class Policies:

Laptop/Phone Policy: This class does not require any use of your computers or the internet, so I do not expect there to be any open laptops or Wi-Fi use during class. Please see me if you have a special need that requires a laptop during class.

Leaving Class Early: If you need to leave class early, you must let me know in advance. 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 0 for your quiz grade that day *even if you have already taken the quiz.*

Switching Sections: If you decide to switch sections on a given class day, it will be treated as an absence. That is, unless you submit a summary of the reading(s) prior to the start of class, you will earn a 0 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.

Respect in the Classroom: Be respectful of other people's comments/questions in class. A disrespectful tone will not be tolerated; I reserve the right to ask you to leave the class if I deem your behavior to be disrespectful, disruptive, or unacceptable.

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 or next lecture (i.e., I want you to do the readings for some topics after or before you attend the lecture).

Class Schedule (As of 8/1/18. Subject to change.)

Date	Topic	Reading Assignments
Aug. 28	Introduction	
Aug. 30	Understanding Evidence: <i>How to be evidence-based</i>	Evidence-based Management (Pfeffer)
Sep. 4	Understanding Evidence: <i>How to be evidence-based II</i>	How Little We Know (Rosenzweig)
Sep. 6	Understanding Evidence: <i>The power of chance</i>	The Cancer Cluster Myth (Gawande) The Odds of That (Belkin)
Sep. 11	Understanding Evidence: <i>The power of chance II</i>	What If Games Were Shorter? (Simmons) Science Isn't Broken (Aschwanden)
Sep. 13	Guest Lecture: Maarten Bos (Sr. Research Scientist at Snap)	The A/B Test (Christian)
Sep. 18	Understanding Evidence: <i>Regression to the mean</i>	The Triumph of Mediocrity (Ellenberg) Why the Biggest Winners are Almost Always Lucky (Frank)
Sep. 20	Heuristics & Biases	How Doctors Think (Groopman) Connecting the Dots (Gladwell)
Sep. 25	Heuristics & Biases II	The Curse of Knowledge (Heath) Dropping Anchor (Belsky)
Sep. 27	Motivated/Confirmatory Reasoning	Dr. Drug Rep (Calat) Why Good Accountants Do Bad Audits (Bazerman)
Oct. 2	Overconfidence	Managing Overconfidence (Russo) Delusions of Success (Lovallo)
Oct. 4	FALL BREAK	
Oct. 9	Emotions & Intuition	Big and Bad (Gladwell) Blink, <i>Introduction</i> & <i>Thin Slices</i> (Gladwell)
Oct. 11	Emotions & Intuition II	The Power of Intuition (Klein)
Oct. 16	Human vs. Statistical Decision Making	The Future of Decision Making (McAfee) Who's on First? (Thaler)
Oct. 18	Guest Lecture: Candice Hogan (Data Science Manager at Uber)	In Praise of Efficient Price Gouging (Surowiecki)
Oct. 23	Combining Opinions	The Wisdom of Crowds (Surowiecki)
Oct. 25	REVIEW SESSION	
Oct. 30	EXAM # I	

Nov. 1	The Psychology of Choice: <i>Reason-based Choice</i>	Reversals (Kahneman)
Nov. 6	The Psychology of Choice: <i>Prospect Theory</i>	Bernoulli's Error (Kahneman) Prospect Theory (Kahneman)
Nov. 8	Guest Lecture: Muping Gan (Product Analyst at YouTube)	How YouTube Perfected the Feed (Newton)
Nov. 13	The Psychology of Choice: <i>Mental Accounting</i>	Bitter Money & Christmas Clubs (Surowiecki) When Six of One Isn't Half A Dozen of Another (Belsky)
Nov. 15	The Power of Social Influence	When Doctors Make Mistakes (Gawande)
Nov. 20	Nudges and Behavior Change	Nudge, <i>Introduction</i> (Thaler) The Checklist (Gawande)
Nov. 22	THANKSGIVING DAY	
Nov. 27	Nudges and Behavior Change II	You Need Hands (Underhill) The Power of Context (Gladwell)
Nov. 29	Goals, Plans, & Performance	Pre-Commitment Devices (Akst)
Dec. 4	REVIEW SESSION	
Dec. 6	EXAM # 2	