

**Syllabus**  
**OIDD/MGMT 690: Managerial Decision Making**  
**WEMBA Fall 2018**

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**Course Description and Objectives:**

This course has two objectives.

The first is to improve the quality of students' judgments and decisions. Students will learn to better understand, evaluate, and accumulate evidence, and to be aware of and avoid common inferential errors and systematic biases in their own decision-making. They will also learn to make better forecasts of uncertain events.

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/podcasts, 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 / Written Assignments / Reading Responses	25%
Forecasting Exercises	10%
Quizzes	25%
Final Exam	40%

Surveys, Written Assignments, and Reading Responses

During the semester, I will periodically ask you to do online surveys and other written assignments. These assignments will be described in more detail when they are assigned.

I will also ask you to do seven reading responses. For each reading, I will ask you to answer a discussion question. The questions will be posed on the Canvas course website, and you should simply type your answers into Canvas to submit them. Your answers should be thoughtful, well written, and succinct, and not to exceed 250 words. Each of your responses will be graded on a 0-4 scale. The grade for responses that are submitted on time and that are perfectly satisfactory will be a 3. Truly excellent responses – those in the top 10% of the class – will receive a 4. And responses that are less satisfactory, that reflect poor effort or poor comprehension of the reading, will receive a grade of 1 or 2. I will drop your lowest reading response grade.

## Forecasting Exercises

Twice during the semester, I will ask you to make probabilistic forecasts of future events. These exercises require you to generate a set of viable forecasting questions, and to submit your forecasts in a timely manner. You will get full credit for following instructions, and for submitting your forecasting assignments in a timely manner. For each of the two forecasting exercises, you will receive a 2-point bonus if your average Brier Score is better than Professor Simmons's average Brier Score. This will all be explained in more detail in class.

## 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 two quizzes from your record if, prior to the start of class, you submit a well-written summary and analysis all of the readings that you missed. You should submit this summary via email to me (jsimmo@upenn.edu). The subject line of your email should read: "OIDD 690: Summary/Analysis." 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. Submissions that do not adhere to these requirements will not be accepted. 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.

## Final Exam

The final exam will consist of short-answer/essay questions, and will be described in detail later in the semester.

## **Class Policies:**

**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. Please see me if you have a special need or circumstance that requires a laptop/phone 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.

**Late Assignments:** Assignments that are submitted late but within 24 hours of the deadline will receive no more than half credit. Assignments submitted more than a day late will receive a grade of zero.

**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 grades that day.

**Class Schedule** (As of 8/28/18. Subject to change.)

<b>Date</b>	<b>Time</b>	<b>Topic</b>	<b>Reading Assignments Due In Class</b>
Aug. 23	9:30 am – 12:30 pm	Understanding Evidence	
Aug. 24	1 pm – 4 pm		Evidence-Based Management (Pfeffer) Illusions of Knowledge (Tetlock)
Aug. 25	1 pm – 4 pm		The Cancer Cluster Myth (Gawande) Podcast: Is Facebook Spying On You? (Reply All)
Sept. 28	9:30 am – 12:30 pm	Heuristics & Biases	How Doctors Think (Groopman) Connecting the Dots (Gladwell)
Oct. 13	9 am – 12 pm	Motivated Reasoning / Overconfidence	Why Good Accountants Do Bad Audits (Bazerman) Keeping Score (Tetlock)
Oct. 26	1:30 pm – 4:30 pm	Intuition / Human vs. Statistical Decision Making	Blink, pp. 1-39 (Gladwell) The Power of Intuition (Klein)
Oct. 27	9 am – 12 pm	Combining Opinions	How I Acted Like A Pundit (Silver) Who's on First? (Thaler)
Nov. 9	9:30 am – 12:30 pm	Psychology of Choice	Noise (Kahneman) Reversals (Kahneman)
Nov. 10	1 pm – 4 pm	Choice Architecture / Behavior Change	When Doctors Make Mistakes (Gawande) You Need Hands (Underhill)
Dec. 7	9:30 am – 12:30 pm		The Power of Context (Gladwell) The Checklist (Gawande)
Dec. 8	9 am – 12 pm	<b>FINAL EXAM (CUMULATIVE)</b>	

**Assignment Schedule** (As of 8/28/18. Subject to change.)

<b>Due Date</b>	<b>Assignments</b>
Tues. Aug. 21, 11:59 pm	Online Survey #1
Fri. Aug. 24, 1 pm	Data Analysis Assignment
Tues. Sept. 4, 11:59 pm	Forecasting Questions Reading Response: How Little We Know Reading Response: The Triumph of Mediocrity
Tues. Sept. 11, 11:59 pm	Online Survey #2
Tues. Sept. 25, 11:59 pm	Forecasting Exercise #1
Tues. Oct. 9, 11:59 pm	Reading Response: Dr. Drug Rep Reading Response: Delusions of Success
Tues. Oct. 23, 11:59 pm	Online Survey #3 Reading Response: Big and Bad Reading Response: Don't Trust Your Gut
Tues. Oct. 30, 11:59 pm	Forecasting Exercise #2
Tues. Nov. 6, 11:59 pm	Online Survey #4 Reading Response: Nudge