

Syllabus
OIDD/MGMT 690: Managerial Decision Making
Fall 2018

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

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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, 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. These assignments will be described in more detail later in the semester.

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 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 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.

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 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.

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 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 8/21/18. Subject to change.)

Date	Topic	Reading Assignments
Aug. 29	Introduction	
Sept. 5	Understanding Evidence	Evidence-Based Management (Pfeffer)
Sept. 10		How Little We Know (Rosenzweig) Illusions of Knowledge (Tetlock)
Sept. 12		The Odds of That (Belkin) Podcast: Is Facebook Spying On You? (Reply All)
Sept. 17		The Cancer Cluster Myth (Gawande)
Sept. 19		What If Games Were Shorter? (Simmons)
Sept. 24		Science Isn't Broken (Aschwanden)
Sept. 26		Heuristics & Biases
Oct. 1	Connecting the Dots (Gladwell)	
Oct. 3	Curse of Knowledge (Pinker)	
Oct. 8	Motivated/Confirmatory Reasoning	Dr. Drug Rep (Calat) Why Good Accountants Do Bad Audits (Bazerman)
Oct. 10	Overconfidence	Keeping Score (Tetlock) Delusions of Success (Lovallo)
Oct. 15	Intuition	Blink, pp. 1-39 (Gladwell) The Power of Intuition (Klein)
Oct. 17	Human vs. Statistical Decision Making	Who's on First? (Thaler) How I Acted Like A Pundit (Silver)
Oct. 22		Noise (Kahneman)
Oct. 24	Combining Opinions	Don't Trust Your Gut (Bock)
Oct. 29	EXAM #1	
Oct. 31	The Psychology of Choice	Reversals (Kahneman)
Nov. 5		Bernoulli's Errors (Kahneman)
Nov. 7		Prospect Theory (Kahneman)
Nov. 12		Risk Policies (Kahneman)
Nov. 14	Choice Architecture / Behavior Change	When Doctors Make Mistakes (Gawande)
Nov. 19	NO CLASS	
Nov. 26	Choice Architecture / Behavior Change	Nudge, pp. 1-14 (Thaler)
Nov. 28		Big and Bad (Gladwell) Rational Minds, Irrational Campaigns (Westen)
Dec. 3		You Need Hands (Underwood) The Power of Context (Gladwell)
Dec. 5		The Checklist (Gawande)
Dec. 10		EXAM #2 (CUMULATIVE)

Assignment Schedule (*As of 8/21/18. Subject to change.*)

Due Date	Assignments
Tues. Sept. 4, 12:00 pm	Online Survey #1
Mon. Sept. 10, 10:30 am	Correlations-As-Causes Assignment
Wed. Sept. 12, 10:30 am	Forecasting Questions Data Analysis Assignment
Sun. Sept. 23, 11:59 pm	Forecasting Exercise #1
Wed. Sept. 26, 10:30 am	Online Survey #2
Wed. Oct. 8, 10:30 am	Anchoring Data Collection Assignment
Mon. Oct. 15, 10:30 am	Online Survey #3
Tues. Oct. 30, 11:59 pm	Forecasting Exercise #2
Thurs. Nov. 1, 11:59 pm	Online Survey #4