

# Topics in Behavioral Economics of Strategy and Organizations (RSM 3091H)

University of Toronto, Fall 2020

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Fridays, 10am-1pm, Zoom: <https://utoronto.zoom.us/my/nicolacetera>

“Office” hours: by appointment (preferred days/times: Mondays 1pm-4pm; Wednesdays 4pm-5:30pm).

## Description

This doctoral course covers research in **behavioral economics that is of relevance to understanding managerial and strategic decisions as well as the heterogeneous performance of companies and other organizations**. As such, this class complements other courses, in particular Economics of Strategy, Economic of Innovation, Industrial Organization, and Organizational Economics. The course also naturally relates to other classes that treat the application of psychology to economics and management, offered at Rotman and elsewhere; examples include Judgment and Decision Making, Experimental Economics, and Behavioral Economics. In fact, one could see these three classes as forming a nice, although informal, “field” together with our course. Students interested in research topics and methods at the intersection of psychology and economics should consider taking at least two of these four courses.

## Approach

This is a “**topics**” course. It is not comprehensive of all possible theories and applications (nor do the papers listed below are exhaustive of a literature); it rather focuses on a few arguments that I feel are particularly relevant (and, let’s be honest, it mostly covers stuff that I personally find interesting, I want to learn more about, and feel more prepared to talk about).

## Prerequisites

Another implication of this course being focused on topics is that, except for rare exceptions, we will not delve too much into the formal aspects of the underlying theoretical foundations of the studies that we will consider. Familiarity with advanced (graduate-level) economic theory or econometrics does help but is not needed. What is needed is confidence with standard economic concepts such as **intertemporal utility, discounting and decisions, expected utility and decision making under uncertainty, and the basics of the economic theory of production**; and with **econometric analysis at the intermediate/advanced undergraduate level**.

## Desired outcomes

The main goal of this class is to **provide you with novel insights and methods that may help you interpret the literature in your fields of interest, explore new areas of research, and**

**eventually build your second-year paper, your dissertation work, and research beyond the dissertation.** I also hope that reading the assigned papers and discussing them with your classmates and me will lead some of you to engage in **collaborative projects**.

## **Organization**

We will meet 11/12 times, on **Fridays from 10am to 1pm, starting September 11**. In each class, I will present three or four studies, and I expect you to “interject” often to ask questions, propose alternative explanations, provide overall evaluations of the studies and their implications, relate them to other work, and so on.

I will also leave time for you to comment on the additional papers that you read (see below for details).

In the last one or two meetings, we will leave some time for the students to briefly **present their final project** (again, more details on this below).

In addition to these synchronous online component of the course, there will also be a smaller, asynchronous part. I will post four videos, each of about 30 minutes, **of podcast-like conversations with four scholars working on various topics within behavioral economics of strategy and organizations**. There is no specific format or structure for these conversations, but in general, I will ask my guest about a research paper or research agenda of theirs. The conversation will not be about just the content of a study, but also about how the researchers came up with the idea, why they adopted a particular research strategy, what they see as the major implications of their work, and what they think the most promising directions of research in that space are. The four scholars are **Jana Gallus** (UCLA), **Florian Englmeier** (LMU Munich), **Trang Nguyen** (Northwestern University) and **Alessandra Gonzalez** (University of Chicago).

I will let you know the posting dates of the four videos in due course.

## **Assignments and grading**

**Four types of assignments** will make up the final grade:

- **Participation** (20%): In-class discussion is crucial to fully understand the papers and the overall lines of research that they represent.

For each meeting there are three or four “required” readings, which I will discuss during the class. I expect you to **read at least one of these papers**, and **at least one of the “additional” readings** that I list for a session. I look forward to your comments on both the required and the additional reading that you will choose to prepare.

With the online delivery of this course for this year, there will be multiple ways to participate – from the speaking up to leaving comments in the chat box.

- **Weekly write-ups** (30%): To help make the in-class discussion more insightful and as a commitment device to come to class prepared, you will write a **~500-word essay for classes 2 through 10**. More precisely, you will write up **three types of essays**.

1. For four classes (of your choice), the essay will be a discussion of the required paper that you read in preparation of that class. Your discussion of the paper will be about, for example, alternative explanations for the findings, suggestions for further inquiry on the topic, and relations with other papers and literatures— in other words, a typical (but concise) academic discussion.

2. For three other classes, you will look for case-based evidence about the relevance of the topic that a paper of your choice (assigned for that class) treats. The evidence may come, for example, from newspaper/magazine articles about a particular company, managers, or sectors; you can also consider historical cases and examples. The objective of this exercise is to make an effort to connect an academic study to real-world events, applications, scenarios.

3. Finally, you will write two 500-words essays to comment on two of the four podcast-like conversations that I will post. The deadlines for these two essays will be one week after I post the video.

- **Final project** (50%): There are three options for your final assignment:

1. Write a **research proposal** (10-15 pages) based on the topics and insights that you learned in class (but also extending beyond them). If you have a specific interest for the topics and the approaches discussed in this course as well as in the related courses mentioned above, I would encourage you to consider this option as a good opportunity to begin some research and have feedback on it.

2. **Replicate the empirical results of a paper of your choice**, related to the topics discussed in class and for which data are available. The goal of this exercise is for you to test, for example, a behavioral explanation that we saw in class as it applies to a study that did not consider that potential explanation, or to explore further explanations in a “behavioral” study. To some extent, you can combine options 1 and 2.

3. Perform a **literature review** on a topic of your choice, related to the ones discussed in class. A requirement for the review is to go beyond the papers listed in this syllabus; in particular, I expect you to expand beyond the economics-oriented literature that we will treat, by considering work in psychology and sociology on related topics.

The final project is due by **January 4, 2021**. For those who choose options 1 or 2, we will dedicate some time in the last couple of meeting for short presentations.

## Schedule and readings

All readings are available through the library portal. A simple search via Google Scholar, while connected to the U of T network, is often the fastest way to get a paper.

### **Class 1 (Sept. 11): Introduction and organization of the course**

#### ***Background/review reading:***

- DellaVigna, S., 2009. Psychology and economics: Evidence from the field. *Journal of Economic Literature*, 47(2), pp.315-372.
- Pope, D.G. and Sydnor, J.R., Behavioral Economics: Economics as a Psychological Discipline. *The Wiley Blackwell Handbook of Judgment and Decision Making*, pp.800-827.
- Pope, D.G., 2016. Exploring Psychology in the Field: Steps and Examples from the Used-Car Market. *Topics in cognitive science*, 8(3), pp.660-669.
- Sampson, A, 2014: An Introduction to Behavioral Economics [and references therein].
- Fox, J. 2015: From “Economic Man” to Behavioral Economics: A Short History of Modern Decision Making. *Harvard Business Review*, May 2015.

### **Class 2 (Sept. 18): “Behavioral” incentives and production in organizations**

#### ***Required readings:***

- Nagin, D.S., Rebitzer, J.B., Sanders, S. and Taylor, L.J., 2002. Monitoring, motivation, and management: The determinants of opportunistic behavior in a field experiment. *The American Economic Review*, 92(4), pp.850-873.
- Hanna, Rema, Sendhil Mullainathan, and Joshua Schwartzstein. 2014. "Learning Through Noticing: Theory and Evidence from a Field Experiment," *Quarterly Journal of Economics*, 129(3): 1311-1353.
- Hossain, T. and List, J.A., 2012. The behavioralist visits the factory: Increasing productivity using simple framing manipulations. *Management Science*, 58(12), pp.2151-2167.
- Englmaier, F., Roider, A. and Sunde, U., 2017. The role of communication of performance schemes: Evidence from a field experiment. *Management Science*, 63(12), pp.4061-4080.

#### ***Additional readings:***

- DellaVigna, S. and Pope, D., 2018. What motivates effort? Evidence and expert forecasts. *The Review of Economic Studies*, 85(2), pp.1029-1069.
- Fehr, E. and Goette, L., 2007. Do workers work more if wages are high? Evidence from a randomized field experiment. *The American Economic Review*, 97(1), pp.298-317.
- Muralidharan, K. and Sundararaman, V., 2011. Teacher performance pay: Experimental evidence

- from India. *Journal of political Economy*, 119(1), pp.39-77.
- Shearer, B., 2004. Piece rates, fixed wages and incentives: Evidence from a field experiment. *The Review of Economic Studies*, 71(2), pp.513-534.
- Kocher, M.G., Lenz, M.V. and Sutter, M., 2012. Psychological pressure in competitive environments: New evidence from randomized natural experiments. *Management Science*, 58(8), pp.1585-1591.
- Pierce, L., Rees-Jones, A. and Blank, C., 2020. The Negative Consequences of Loss-Framed Performance Incentives (No. w26619). National Bureau of Economic Research.
- Kosfeld, M. and Neckermann, S., 2011. Getting more work for nothing? Symbolic awards and worker performance. *American Economic Journal: Microeconomics*, 3(3), pp.86-99.
- Gallus, J., 2017. Fostering public good contributions with symbolic awards: A large-scale natural field experiment at Wikipedia. *Management Science*, 63(12), pp.3999-4015.
- Imas, A., 2014. Working for the “warm glow”: On the benefits and limits of prosocial incentives. *Journal of Public Economics*, 114, pp.14-18.
- Kirgios, E.L., Chang, E.H., Levine, E.E., Milkman, K.L. and Kessler, J.B., 2020. Forgoing earned incentives to signal pure motives. *Proceedings of the National Academy of Sciences*.
- Abeler, J., Falk, A., Goette, L. and Huffman, D., 2011. Reference points and effort provision. *American Economic Review*, 101(2), pp.470-92.
- Kaur, S., Kremer, M. and Mullainathan, S., 2010. Self-control at work: evidence from a field experiment. *Journal of Political economy*, 2015.
- DellaVigna, S. and Malmendier, U., 2004. Contract design and self-control: Theory and evidence. *The Quarterly Journal of Economics*, 119(2), pp.353-402.
- Augenblick, N., Niederle, M. and Sprenger, C., 2015. Working over time: Dynamic inconsistency in real effort tasks. *Quarterly Journal of Economics*. 130(3), pp.1067-1115.
- Allen, E.J., Dechow, P.M., Pope, D.G. and Wu, G., 2017. Reference-dependent preferences: Evidence from marathon runners. *Management Science*, 63(6), pp.1657-1672.
- Weber, R.A., 2006. Managing growth to achieve efficient coordination in large groups. *American Economic Review*, 96(1), pp.114-126.
- Amodio, F. and Martinez-Carrasco, M.A., 2019. Workplace Incentives and Organizational Learning.

***Reviews/background/reflections:***

- Rebitzer, J.B. and Taylor, L.J., 2011. Extrinsic rewards and intrinsic motives: standard and behavioral approaches to agency and labor markets. *Handbook of labor economics*, 4, pp.701-772.
- Kamenica, E., 2012. Behavioral economics and psychology of incentives. *Annu. Rev. Econ.*, 4(1), pp.427-452.
- Camerer, C. and Malmendier, U., 2012. Behavioral economics of organizations. *Behavioral Economics and Its Applications*, 235.
- Camerer, C. and Weber, R., 2013. Experimental organizational economics. *The handbook of organizational economics*, 2013, pp.213-262. eds. R. Gibbons and J. Roberts.

### **Class 3 (Sept. 25): The social determinants of individual incentives: Social preferences and social pressure in organizations**

#### ***Required readings:***

- Bandiera, O., Barankay, I. and Rasul, I., 2010. Social incentives in the workplace. *The Review of Economic Studies*, 77(2), pp.417-458.
- Mas, A. and Moretti, E., 2009. Peers at work. *The American Economic Review*, 99(1), pp.112-145.
- Hjort, J., 2014. Ethnic divisions and production in firms. *The Quarterly Journal of Economics*, 129(4), pp.1899-1946.
- Breza, E., Kaur, S. and Shamdasani, Y., 2018. The morale effects of pay inequality. *The Quarterly Journal of Economics*, 133(2), pp.611-663.

#### ***Additional readings:***

- Gneezy, U. and List, J.A., 2006. Putting behavioral economics to work: Testing for gift exchange in labor markets using field experiments. *Econometrica*, 74(5), pp.1365-1384.
- Englmaier, F., Kolaska, T. and Leider, S., 2016. Reciprocity in Organizations - Evidence from the UK. *CEifo Economic Studies*, 62(3), pp. 522 - 446.
- Gilchrist, D.S., Luca, M. and Malhotra, D., 2016. When  $3+1 > 4$ : Gift structure and reciprocity in the field. *Management Science*, 62(9), pp.2639-2650.
- DellaVigna, S., List, J.A., Malmendier, U. and Rao, G., 2016. Estimating social preferences and gift exchange at work (No. w22043). National Bureau of Economic Research.
- Englmaier, F. and Leider, S., 2012. Contractual and organizational structure with reciprocal agents. *American Economic Journal: Microeconomics*, 4(2), pp.146-183.
- Yenkey, C.B., 2015. Mobilizing a market: Ethnic segmentation and investor recruitment into the Nairobi Securities Exchange. *Administrative Science Quarterly*, 60(4), pp.561-595.
- Carrell, S.E., Sacerdote, B.I. and West, J.E., 2013. From natural variation to optimal policy? The importance of endogenous peer group formation. *Econometrica*, 81(3), pp.855-882.
- Lyons, E., 2014. Team production in international labor markets: Experimental evidence from the field. *American Economic Journal: Applied Economics*.
- Bernhard, H., Fehr, E. and Fischbacher, U., 2006. Group affiliation and altruistic norm enforcement. *The American Economic Review P&Ps*, 96(2), pp.217-221.
- Card, D., Mas, A., Moretti, E. and Saez, E., 2012. Inequality at work: The effect of peer salaries on job satisfaction. *The American Economic Review*, 102(6), pp.2981-3003.
- Encinosa III, W.E., Gaynor, M. and Rebitzer, J.B., 2007. The sociology of groups and the economics of incentives: Theory and evidence on compensation systems. *Journal of Economic Behavior & Organization*, 62(2), pp.187-214.
- Gartenberg, C. and Wulf, J., 2017. Pay Harmony? Social Comparison and Performance Compensation in Multibusiness Firms. *Organization Science*, 28(1), pp.39-55.
- Azmat, G. and Iriberry, N., 2016. The provision of relative performance feedback: An analysis of performance and satisfaction. *Journal of Economics & Management Strategy*, 25(1), pp.77-110.
- Bursztyn, L. and Jensen, R., 2015. How Does Peer Pressure Affect Educational Investments?. *The Quarterly Journal of Economics*.

- Bursztyn, L., Egorov, G. and Jensen, R., 2019. Cool to be smart or smart to be cool? Understanding peer pressure in education. *The Review of Economic Studies*, 86(4), pp.1487-1526.
- Ben-Ner, A., 2013. Preferences and organization structure: Toward behavioral economics micro-foundations of organizational analysis. *The Journal of Socio-Economics*, 46, pp.87-96.
- Englmaier, F. and Gebhardt, G., 2016. Social dilemmas in the laboratory and in the field. *Journal of Economic Behavior & Organization*, 128, pp.85-96.
- Lacetera, N., Macis, M. and Slonim, R., 2014. Rewarding volunteers: a field experiment. *Management Science*, 60(5), pp.1107-1129.
- Ashraf, N., Bandiera, O., Davenport, E. and Lee, S.S., 2020. Losing prosociality in the quest for talent? Sorting, selection, and productivity in the delivery of public services. *American Economic Review*, 110(5), pp.1355-94.
- Friebel, G., Kosfeld, M. and Thielmann, G., 2019. Trust the Police? Self-Selection of Motivated Agents into the German Police Force. *American Economic Journal: Microeconomics*, 11(4), pp.59-78.

***Background/reviews/reflections:***

- Ashraf, N. and Bandiera, O., 2018. Social incentives in organizations. *Annual Review of Economics*, 10, pp.439-463.
- Dawes, R.M. and Thaler, R.H., 1988. Anomalies: cooperation. *The Journal of Economic Perspectives*, 2(3), pp.187-197.
- Malmendier, U., te Velde, V.L. and Weber, R.A., 2014. Rethinking reciprocity. *Annu. Rev. Econ.*, 6(1), pp.849-874.
- Camerer, C.F. and Fehr, E., 2004. Measuring social norms and preferences using experimental games: A guide for social scientists. *Foundations of human sociality: Economic experiments and ethnographic evidence from fifteen small-scale societies*, 97, pp.55-95.
- Bursztyn, L. and Jensen, R., 2017. Social image and economic behavior in the field: Identifying, understanding, and shaping social pressure. *Annual Review of Economics*, 9, pp.131-153.

**Class 4 (Oct. 2): Trust, contracts and cooperation**

***Required readings:***

- Fehr, E., Hart, O. and Zehnder, C.A., 2011. Contracts as reference points—experimental evidence. *The American Economic Review*, 101(2), pp.493-525.
- Peysakhovich, A. and Rand, D.G., 2015. Habits of virtue: Creating norms of cooperation and defection in the laboratory. *Management Science*, 62(3), pp.631-647.
- Finseraas, H., Hanson, T., Johnsen, Å.A., Kotsadam, A. and Torsvik, G., 2019. Trust, ethnic diversity, and personal contact: A field experiment. *Journal of Public Economics*, 173, pp.72-84.
- Weber, R., Camerer, C., Rottenstreich, Y. and Knez, M., 2001. The illusion of leadership: Misattribution of cause in coordination games. *Organization science*, 12(5), pp.582-598.

### **Additional readings:**

- Rand, D.G., Peysakhovich, A., Kraft-Todd, G.T., Newman, G.E., Wurzbacher, O., Nowak, M.A. and Greene, J.D., 2014. Social heuristics shape intuitive cooperation. *Nature communications*, 5.
- Rand, D.G., Nowak, M.A., Fowler, J.H. and Christakis, N.A., 2014. Static network structure can stabilize human cooperation. *Proceedings of the National Academy of Sciences*, 111(48), pp.17093-17098.
- Gneezy, U., Leibbrandt, A. and List, J.A., 2016. Ode to the sea: Workplace Organizations and Norms of Cooperation. *The Economic Journal*, 126(595), pp.1856-1883.
- Guiso, L., Sapienza, P. and Zingales, L., 2015. The value of corporate culture. *Journal of Financial Economics*, 117(1), pp.60-76.
- Makridis, C.: Does Culture Pay? Evidence from Crowdsourced Employee Engagement Data. Working paper.
- Weber, R.A. and Camerer, C.F., 2003. Cultural conflict and merger failure: An experimental approach. *Management science*, 49(4), pp.400-415.
- Martinez, E.A., Beaulieu, N., Gibbons, R., Pronovost, P. and Wang, T., 2015. Organizational culture and performance. *The American Economic Review P&Ps*, 105(5), pp.331-335.
- Kosfeld, M. and von Siemens, F.A., 2011. Competition, cooperation, and corporate culture. *The RAND Journal of Economics*, 42(1), pp.23-43.
- Cronqvist, H., Low, A. and Nilsson, M., 2007. Does corporate culture matter for investment and financial policies? *Ohio State University Fisher School of Business Working Paper*, 3, p.001.
- Kessler, J.B. and Leider, S., 2012. Norms and contracting. *Management Science*. 58(1), pp.62-77.
- Danilov, A. and Sliwka, D., 2017. Can contracts signal social norms? experimental evidence. *Management Science*, 63(2), pp.459-476.
- E., 2016. Identity Economics 2016: Where Do Social Distinctions and Norms Come From? *The American Economic Review*, 106(5), pp.405-409.
- Halonen-Akatwijuka, M. and Hart, O.D., 2013. More is less: why parties may deliberately write incomplete contracts (No. w19001). National Bureau of Economic Research.
- Hart, O. and Moore, J., 2008. Contracts as reference points. *The Quarterly Journal of Economics*, 123(1), pp.1-48.
- Falk, A. and Kosfeld, M., 2006. The hidden costs of control. *American Economic Review*. 96(5), pp.1611-1630.
- Gürerk, Ö., Irlenbusch, B. and Rockenbach, B., 2006. The competitive advantage of sanctioning institutions. *Science*, 312(5770), pp.108-111.
- Cappelen, A.W., Reme, B.A., Sørensen, E.Ø. and Tungodden, B., 2015. Leadership and incentives. *Management Science*, 62(7), pp.1944-1953.

### **Background/review/reflections:**

- Kreps, D.M., 1990. Corporate culture and economic theory. *Perspectives on positive political economy*, 90(109-110), p.8.
- Hermalin, B.E., 2000. Economics & Corporate Culture. *University of California, Berkeley*.
- Hermalin, B.E., 2012. Leadership and corporate culture. *Handbook of organizational economics*, pp.432-78.



## **Class 5 (Oct. 9): Behavioral views on performance heterogeneity: “Behavioral” managers and firms**

### ***Required readings:***

- Goldfarb, A. and Xiao, M., 2011. Who thinks about the competition? Managerial ability and strategic entry in US local telephone markets. *The American Economic Review*. 101(7), pp.3130-3161.
- Malmendier, U. and Zheng, H., 2012. Managerial duties and managerial biases. *University of California at Berkeley Working Paper*.
- List, J.A., 2003. Does market experience eliminate market anomalies? *The Quarterly Journal of Economics*. 118(1), pp.41-71.
- DellaVigna, S. and Gentzkow, M., 2019. Uniform pricing in US retail chains. *The Quarterly Journal of Economics*. 134(4), pp.2011-2084.

### ***Additional readings:***

- Hjort, J., Iyer, V. and de Rochambeau, G., 2020. Informational Barriers to Accessing Demand: Experimental Evidence from Liberian Firms.
- Malmendier, U. and Tate, G., 2008. Who makes acquisitions? CEO overconfidence and the market's reaction. *Journal of financial Economics*, 89(1), pp.20-43.
- Malmendier, U., Tate, G. and Yan, J., 2011. Overconfidence and early-life experiences: the effect of managerial traits on corporate financial policies. *The Journal of finance*, 66(5), pp.1687-1733.
- Charness, G., Rustichini, A. and Van de Ven, J., 2018. Self-confidence and strategic behavior. *Experimental Economics*, 21(1), pp.72-98.
- Rotemberg, J.J. and Saloner, G., 2000. Visionaries, managers, and strategic direction. *RAND Journal of Economics*, pp.693-716.
- Englmaier, F., 2010. Managerial optimism and investment choice. *Managerial and Decision Economics*, 31(4), pp.303-310.
- Kim, H. 2020. The Value of Competitor Information: Evidence from a Field Experiment. Job market paper.
- Guiso, L. and Rustichini, A., 2011. Understanding the size and profitability of firms: The role of a biological factor. Working paper.
- Lacetera, N., Larsen, B.J., Pope, D.G. and Sydnor, J.R., 2016. Bid Takers or Market Makers? The Effect of Auctioneers on Auction Outcome. *American Economic Journal: Microeconomics*, 8(4), pp.195-229.
- Hoffman, M. and Burks, S.V., 2013. Training contracts, worker overconfidence, and the provision of firm-sponsored general training.
- Pope, D.G. and Schweitzer, M.E., 2011. Is Tiger Woods loss averse? Persistent bias in the face of experience, competition, and high stakes. *The American Economic Review*, 101(1), pp.129-157.
- Warglien, M., 2010. Seeing, thinking and deciding: some research questions on strategy and vision. In *Academy of Management Meeting, August 6th, Montreal*.
- Smith, V.L., Suchanek, G.L. and Williams, A.W., 1988. Bubbles, crashes, and endogenous expectations in experimental spot asset markets. *Econometrica*, pp.1119-1151.

- Dufwenberg, M., Lindqvist, T. and Moore, E., 2005. Bubbles and experience: An experiment. *The American Economic Review*, 95(5), pp.1731-1737.
- Cheung, S.L. and Palan, S., 2012. Two heads are less bubbly than one: team decision-making in an experimental asset market. *Experimental Economics*, 15(3), pp.373-397.
- Moinas, S. and Pouget, S., 2016. The bubble game: A classroom experiment. *Southern Economic Journal*.
- Levine, S.S., Apfelbaum, E.P., Bernard, M., Bartelt, V.L., Zajac, E.J. and Stark, D., 2014. Ethnic diversity deflates price bubbles. *Proceedings of the National Academy of Sciences*, 111(52), pp.18524-18529.
- DellaVigna, S. and Pollet, J.M., 2007. Demographics and industry returns. *The American Economic Review*, 97(5), pp.1667-1702.
- Gabaix, X. and Laibson, D., 2006. Shrouded attributes, consumer myopia, and information suppression in competitive markets. *The Quarterly Journal of Economics*, 121(2), pp.505-540.
- Mullainathan, S. and Shleifer, A., 2008. The market for news. In *Economics, Law and Individual Rights* (pp. 90-122). Routledge.
- Lacetera, N., Piga, C. and Zirulia, L. 2020. Sticky prices for declining risk? Cancellation premia in the hotel industry. Working paper.

***Background/reviews/reflections:***

- Guenzel, M. and Malmendier, U., 2019. Behavioral Corporate Finance: The Life Cycle of a CEO Career. *Oxford Research Encyclopedia of Economics and Finance*.
- Malmendier, U. and Tate, G., 2015. Behavioral CEOs: The role of managerial overconfidence. *The Journal of Economic Perspectives*, 29(4), pp.37-60.
- Armstrong, M. and Huck, S., 2010. Behavioral economics as applied to firms: a primer.
- Garbuio, M., Lovallo, D. and Ketencioglu, E., Behavioral Economics and Strategic Decision Making, *The Oxford Handbook of Managerial Economics*.

**Class 6 (Oct. 16): Behavioral views on performance heterogeneity: Groupthink, inertia, and systematic behavioral tendencies in strategy formulation**

***Required readings:***

- Bénabou, R., 2013. Groupthink: Collective delusions in organizations and markets. *Review of Economic Studies*, 80(2), pp.429-462.
- Caplin, A., Dean, M. and Martin, D., 2011. Search and satisficing. *The American Economic Review*, 101(7), pp.2899-2922.
- Døjbak Håkonsson, D., Eskildsen, J.K., Argote, L., Mønster, D., Burton, R.M. and Obel, B., 2016. Exploration versus exploitation: Emotions and performance as antecedents and consequences of team decisions. *Strategic Management Journal*, 37(6), pp.985-1001.
- Gershoni, N., 2019. Individual vs. Group Decision-Making: Evidence from a Natural Experiment in Arbitration Proceedings. Working paper.

***Additional readings:***

- Tripsas, M. and Gavetti, G., 2000. Capabilities, cognition, and inertia: Evidence from digital imaging. *Strategic Management Journal*, pp.1147-1161.
- Blader, S., Gartenberg, C. and Prat, A., 2020. The contingent effect of management practices. *The Review of Economic Studies*, 87(2), pp.721-749.
- Bikhchandani, S., Hirshleifer, D. and Welch, I., 1992. A theory of fads, fashion, custom, and cultural change as informational cascades. *Journal of political Economy*, 100(5), pp.992-1026.
- Banerjee, A.V., 1992. A simple model of herd behavior. *The Quarterly Journal of Economics*, 107(3), pp.797-817.
- Anderson, L.R. and Holt, C.A., 1997. Information cascades in the laboratory. *The American economic review*, pp.847-862.
- Çelen, B. and Kariv, S., 2004. Distinguishing informational cascades from herd behavior in the laboratory. *The American Economic Review*, 94(3), pp.484-498.
- Englmaier, F. and Schüßler, K., 2016. Complementarities of Human-Resource Management Practices: A Case for a Behavioral-Economics Perspective. *Journal of Institutional and Theoretical Economics*, 172(2), pp.312-341.
- Gavetti, G. and Rivkin, J.W., 2007. On the origin of strategy: Action and cognition over time. *Organization Science*, 18(3), pp.420-439.
- Billinger, S., Stieglitz, N. and Schumacher, T.R., 2014. Search on rugged landscapes: An experimental study. *Organization Science*, 25(1), pp.93-108.
- Zimmermann, F., 2020. The dynamics of motivated beliefs. *American Economic Review*, 110(2), pp.337-61.
- Wang, L. and Cotton, R., 2018. Beyond Moneyball to social capital inside and out: The value of differentiated workforce experience ties to performance. *Human Resource Management*, 57(3), pp.761-780.
- Chen, X., Hong, F. and Zhao, X., 2019. Concentration and variability of forecasts in artificial investment games: an online experiment on WeChat. *Experimental Economics*, pp.1-33.

***Background/reviews/reflections:***

- Powell, T.C., Lovallo, D. and Fox, C.R., 2011. Behavioral strategy. *Strategic Management Journal*, 32(13), pp.1369-1386.
- Sibony, O., Lovallo, D. and Powell, T.C., 2017. Behavioral strategy and the strategic decision architecture of the firm. *California Management Review*, 59(3), pp.5-21.
- Abrahamson, E., 1991. Managerial fads and fashions: The diffusion and rejection of innovations. *Academy of management review*, 16(3), pp.586-612.
- Akerlof, G.A. and Kranton, R.E., 2005. Identity and the Economics of Organizations. *The Journal of Economic Perspectives*, 19(1), pp.9-32.
- Englmaier, F., Foss, N.J., Knudsen, T. and Kretschmer, T., 2018. Organization Design and Firm Heterogeneity: Towards an Integrated Research Agenda for Strategy', *Organization Design (Advances in Strategic Management, Volume 40)*.
- Di Stefano, G. and Gutierrez, C., 2019. Under a magnifying glass: On the use of experiments in

- strategy research. *Strategic Organization*, 17(4), pp.497-507.
- Powell, T.C., 2017. Strategy as diligence: Putting behavioral strategy into practice. *California Management Review*, 59(3), pp.162-190.
- Gavetti, G., 2012. Toward a behavioral theory of strategy. *Organization science*, 23(1), pp.267-285.
- Levy, G. and Razin, R., 2019. Echo chambers and their effects on economic and political outcomes. *Annual Review of Economics*, 11, pp.303-328.
- Golman, R., Hagmann, D. and Loewenstein, G., 2017. Information avoidance. *Journal of Economic Literature*, 55(1), pp.96-135.

### **Class 7 (Oct. 23): Behavioral economics of innovation**

#### ***Required readings:***

- Ederer, F. and Manso, G., 2013. Is pay for performance detrimental to innovation?. *Management Science*, 59(7), pp.1496-1513.
- Bradler, C., Neckermann, S. and Warnke, A.J., 2019. Incentivizing Creativity: A Large-Scale Experiment with Performance Bonuses and Gifts. *Journal of Labor Economics*, 37(3), pp.793-851.
- Galasso, A. and Simcoe, T.S., 2011. CEO overconfidence and innovation. *Management Science*, 57(8), pp.1469-1484.
- Kagan, E., Leider, S. and Lovejoy, W.S., 2018. Ideation–execution transition in product development: An experimental analysis. *Management Science*, 64(5), pp.2238-2262.

#### ***Additional readings:***

- Gibbs, M., Neckermann, S. and Siemroth, C., 2017. A field experiment in motivating employee ideas. *Review of Economics and Statistics*, 99(4), pp.577-590.
- Charness, G. and Grieco, D., 2019. Creativity and incentives. *Journal of the European Economic Association*, 17(2), pp.454-496.
- Erat, S. and Gneezy, U., 2016. Incentives for creativity. *Experimental Economics*, 19(2), pp.269-280.
- Eckartz, K., Kirchkamp, O. and Schunk, D., 2012. How do incentives affect creativity? Working paper.
- Laske, K. and Schroeder, M., 2016. Quantity, Quality, and Originality: The Effects of Incentives on Creativity (No. 07-01). Cologne Graduate School in Management, Economics and Social Sciences.
- Englmaier, F., Grimm, S., Schindler, D. and Schudy, S., 2018. The Effect of Incentives in Non-Routine Analytical Teams Tasks-Evidence from a Field Experiment. Working paper.
- Herz, H., Schunk, D. and Zehnder, C., 2014. How do judgmental overconfidence and overoptimism shape innovative activity? *Games and Economic Behavior*, 83, pp.1-23.
- Carson, R., Zivin, J. S. G., Louviere, J., Sadoff, S., & Shrader Jr, J. G. 2020. The Risk of Caution:

- Evidence from an R&D Experiment (No. w26847). National Bureau of Economic Research.
- Nguyen, K.T., 2019. Trust and Innovation within the Firm: Evidence from Matched CEO-Firm Data. *London School of Economics Working Paper*. (Job market paper).
- Kondo, J., Li, D. and Papanikolaou, D., 2020. Trust, collaboration, and economic growth. *Management Science*, forthcoming.
- Lacetera, N. and Zirulia, L., 2012. Individual preferences, organization, and competition in a model of R&D incentive provision. *Journal of Economic Behavior & Organization*, 84(2), pp.550-570.
- Jiang, B., Narasimhan, C. and Turut, Ö., 2017. Anticipated regret and product innovation. *Management Science*, 63(12), pp.4308-4323.

### **Class 8 (Oct. 30): Behavioral economics of entrepreneurship**

#### ***Required readings:***

- Camerer, C. and Lovallo, D., 1999. Overconfidence and excess entry: An experimental approach. *The American Economic Review*, 89(1), pp.306-318.
- Hooshangi, S. and Loewenstein, G., 2016. The Impact of Idea Generation and Potential Appropriation on Entrepreneurship: An Experimental Study. *Management Science*.
- Koudstaal, M., Sloof, R. and Van Praag, M., 2015. Risk, uncertainty, and entrepreneurship: Evidence from a lab-in-the-field experiment. *Management Science*, 62(10), pp.2897-2915.
- Gompers, P.A., Huang, K. and Wang, S.Q., 2017. Homophily in entrepreneurial team formation (No. w23459). National Bureau of Economic Research.

#### ***Additional readings:***

- Levine, R. and Rubinstein, Y., 2016. Smart and Illicit: Who Becomes an Entrepreneur and Do they Earn More? *The Quarterly Journal of Economics*, p.qjw044.
- Holm, H.J., Opper, S. and Nee, V., 2013. Entrepreneurs under uncertainty: An economic experiment in China. *Management Science*, 59(7), pp.1671-1687.
- Heger, S.A. and Papageorge, N.W., 2018. We should totally open a restaurant: How optimism and overconfidence affect beliefs. *Journal of Economic Psychology*, 67, pp.177-190.
- Chen, J.S., Croson, D.C., Elfenbein, D.W. and Posen, H.E., 2018. The impact of learning and overconfidence on entrepreneurial entry and exit. *Organization Science*, 29(6), pp.989-1009.
- Gutierrez, C., Åstebro, T. and Obloj, T., 2020. The impact of overconfidence and ambiguity attitude on market entry. *Organization Science*, 31(2), pp.308-329.
- De Meza, D., Dawson, C., Henley, A. and Arabsheibani, G.R., 2019. Curb your enthusiasm: Optimistic entrepreneurs earn less. *European Economic Review*, 111, pp.53-69.
- Chang, S. and Zhang, X., 2015. Mating competition and entrepreneurship. *Journal of Economic Behavior & Organization*, 116, pp.292-309.
- Kerr, S.P., Kerr, W.R. and Dalton, M., 2019. Risk attitudes and personality traits of entrepreneurs and venture team members. *Proceedings of the National Academy of Sciences*, 116(36),

pp.17712-17716.

Färnstrand Damsgaard, E., Hjerstrand, P., Norbäck, P.J., Persson, L. and Vasconcelos, H., 2017. Why Entrepreneurs Choose Risky R&D Projects–But Still Not Risky Enough. *The Economic Journal*, 127(605), pp.F164-F199.

***Background/reviews/reflections:***

Åstebro, T., Herz, H., Nanda, R. and Weber, R.A., 2014. Seeking the roots of entrepreneurship: insights from behavioral economics. *The Journal of Economic Perspectives*, 28(3), pp.49-69.

Frese, M. and Gielnik, M.M., 2014. The psychology of entrepreneurship. *Annu. Rev. Organ. Psychol. Organ. Behav.*, 1(1), pp.413-438.

Kerr, S.P., Kerr, W.R. and Xu, T., 2017. Personality traits of entrepreneurs: A review of recent literature (No. w24097). National Bureau of Economic Research.

**Class 9 (Nov. 6): Gender, strategy and organization**

***Required readings:***

Niederle, M. and Vesterlund, L., 2007. Do women shy away from competition? Do men compete too much? *The Quarterly Journal of Economics*, 122(3), pp.1067-1101.

Bulte, E., Lensink, R. and Vu, N., 2017. Do gender and business trainings affect business outcomes? Experimental evidence from Vietnam. *Management Science*, 63(9), pp.2885-2902.

Bohnet, I., Van Geen, A. and Bazerman, M., 2015. When Performance Trumps Gender Bias: Joint vs. Separate Evaluation. *Management Science*, 62(5), pp.1225-1234.

Hebert, C., 2018. Mind the gap: Gender stereotypes and entrepreneur financing. Available at SSRN, 3318245. (*Camille will join to present her own paper*).

***Additional readings:***

Coffman, K.B., 2014. Evidence on self-stereotyping and the contribution of ideas. *The Quarterly Journal of Economics*, 129(4), pp.1625-1660.

Bordalo, P., Coffman, K., Gennaioli, N. and Shleifer, A., 2016. Stereotypes. *The Quarterly Journal of Economics*, 131(4), pp.1753-1794.

Guiso, L. and Rustichini, A., 2011. What drives women out of entrepreneurship? The joint role of testosterone and culture. Working paper

Gompers, P.A. and Wang, S.Q., 2017. And the Children Shall Lead: Gender Diversity and Performance in Venture Capital. Working paper.

Baldiga, K., 2013. Gender differences in willingness to guess. *Management Science*, 60(2), pp.434-448.

Pope, D.G. and Sydnor, J.R., 2010. A new perspective on stereotypical gender differences in test scores. *Journal of Economic Perspectives*, 24(95), p.108.

Reuben, E., Sapienza, P. and Zingales, L., 2015. Taste for competition and the gender gap among young business professionals (No. w21695). National Bureau of Economic Research.

- Reuben, E., Rey-Biel, P., Sapienza, P. and Zingales, L., 2012. The emergence of male leadership in competitive environments. *Journal of Economic Behavior & Organization*, 83(1), pp.111-117.
- Reuben, E., Sapienza, P. and Zingales, L., 2014. How stereotypes impair women's careers in science. *Proceedings of the National Academy of Sciences*, 111(12), pp.4403-4408.
- Flory, J.A., Leibbrandt, A. and List, J.A., 2014. Do competitive workplaces deter female workers? A large-scale natural field experiment on job-entry decisions. *The Review of Economic Studies*.
- Niederle, M., Segal, C. and Vesterlund, L., 2013. How costly is diversity? Affirmative action in light of gender differences in competitiveness. *Management Science*, 59(1), pp.1-16.
- Amini, M., Ekström, M., Ellingsen, T., Johannesson, M. and Strömsten, F., 2016. Does Gender Diversity Promote Nonconformity?. *Management Science*.
- Leibbrandt, A. and List, J.A., 2014. Do women avoid salary negotiations? Evidence from a large-scale natural field experiment. *Management Science*, 61(9), pp.2016-2024.
- Babcock, L., Recalde, M., Vesterlund, L. and Weingart, L., 2016. Gender Differences in Accepting and Receiving Requests for Tasks with Low Promotability. *American Economic Review*.
- Flabbi, L., Macis, M., Moro, A. and Schivardi, F., 2016. Do female executives make a difference? The impact of female leadership on gender gaps and firm performance (No. w22877). National Bureau of Economic Research.
- Bursztyn, L., Fujiwara, T. and Pallais, A., 2017. 'Acting Wife': Marriage Market Incentives and Labor Market Investments. *American Economic Review*, 107(11), pp.3288-3319.
- Bursztyn, L., González, A.L. and Yanagizawa-Drott, D., 2018. *Misperceived social norms: Female labor force participation in Saudi Arabia* (No. w24736). National Bureau of Economic Research.
- Jensen, Robert and Emily Oster. 2009. "The Power of TV: Cable Television and Women's Status in India," *Quarterly Journal of Economics*, 124(3): 1057-1094.
- Goldin, Claudia and Cecilia Rouse. 2000. "Orchestrating Impartiality: The Impact of 'Blind' Auditions on Female Musicians," *American Economic Review*, 90(4): 715-741.
- Alesina, Alberto, Paola Giuliano, and Nathan Nunn. 2013. "On the Origins of Gender Roles: Women and the Plough," *Quarterly Journal of Economics*, 128(2): 469-530
- Andersen, S., Ertac, S., Gneezy, U., List, J.A. and Maximiano, S., 2013. On the Cultural Basis of Gender Differences in Negotiation.
- Exley, C.L., Niederle, M. and Vesterlund, L., 2020. Knowing when to ask: The cost of leaning in. *Journal of Political Economy*, 128(3), pp.816-854.
- Glover, D., Pallais, A. and Pariente, W., 2017. Discrimination as a self-fulfilling prophecy: Evidence from French grocery stores. *The Quarterly Journal of Economics*, 132(3), pp.1219-1260.
- He, J., Kang, S. and Lacetera, N., 2019. *Leaning in or not leaning out? Opt-out choice framing attenuates gender differences in the decision to compete* (No. w26484). National Bureau of Economic Research.
- Exley, C.L. and Kessler, J.B., 2019. *The gender gap in self-promotion* (No. w26345). National Bureau of Economic Research.
- Cullen, Z.B. and Perez-Truglia, R., 2019. The Old Boys' Club: Schmoozing and the Gender

- Gap (No. w26530). National Bureau of Economic Research.
- Biasi, B. and Sarsons, H., 2020. Flexible Wages, Bargaining, and the Gender Gap.
- Hernandez-Arenaz, I. and Iriberry, N., 2018. Women ask for less (only from men): Evidence from bargaining in the field. *Journal of Economic Behavior & Organization*, 152, pp.192-214.
- Howell, S.T. and Nanda, R., 2019. Networking frictions in venture capital, and the gender gap in entrepreneurship (No. w26449). National Bureau of Economic Research.
- Gornall, W. and Strebulaev, I.A., 2019. Gender, race, and entrepreneurship: A randomized field experiment on venture capitalists and angels. *Available at SSRN 3301982*.
- Naaraayanan, S.L., 2019. *Women's inheritance rights and entrepreneurship gender gap*. Working paper.
- Delfino, A., 2019. Breaking Gender Barriers: Bringing Men into the Pink-Collar Jobs of the Future. Working paper.

***Background/reviews/reflections:***

- Niederle, Muriel, Gender. *Handbook of Experimental Economics*, second edition, Eds. John Kagel and Alvin E. Roth, Princeton University Press, 2016, pp 481-553.
- Niederle, M. and Vesterlund, L., 2011. Gender and competition. *Annu. Rev. Econ.*, 3(1), pp.601-630.
- Croson, R. and Gneezy, U., 2009. Gender differences in preferences. *Journal of Economic literature*, 47(2), pp.448-474.
- Bertrand, M., 2011. New perspectives on gender. *Handbook of labor economics*, 4, pp.1543-1590.
- Bertrand, M., 2020. Gender in the Twenty-First Century. *AEA Papers and Proceedings* 110: 1-24.
- Gompers, P.A. and Wang, S.Q., 2017. *Diversity in Innovation* (No. w23082). National Bureau of Economic Research.
- Neumark, D., 2018. Experimental research on labor market discrimination. *Journal of Economic Literature*, 56(3), pp.799-866.

**Class 10 (Nov. 13): Moral values and meaning in strategy and organization**

***Required readings:***

- Bartling, B., Weber, R.A. and Yao, L., 2015. Do markets erode social responsibility? *The Quarterly Journal of Economics*, 130(1), pp.219-266.
- Carpenter, J., & Gong, E. (2016). Motivating Agents: How much does the mission matter? *Journal of Labor Economics*, 34(1), 211-236.
- Døskeland, T. and Pedersen, L.J.T., 2015. Investing with brain or heart? A field experiment on responsible investment. *Management Science*, 62(6), pp.1632-1644.
- Dal Bó, E. and Dal Bó, P., 2014. "Do the right thing:" The effects of moral suasion on cooperation. *Journal of Public Economics*, 117, pp.28-38.



**Additional readings:**

- Pierce, L. and Snyder, J., 2008. Ethical spillovers in firms: Evidence from vehicle emissions testing. *Management Science*, 54(11), pp.1891-1903.
- Ariely, D., Kamenica, E., & Prelec, D. (2008). Man's search for meaning: The case of Legos. *Journal of Economic Behavior & Organization*, 67(3-4), 671-677.
- Gibson, Rajna, Carmen Tanner, and Alexander F. Wagner. 2013. Preferences for Truthfulness: Heterogeneity among and within Individuals." *American Economic Review*, 103(1): 532-48.
- Bartling, B. and Fischbacher, U., 2011. Shifting the blame: On delegation and responsibility. *The Review of Economic Studies*.
- Coffman, L.C., 2011. Intermediation reduces punishment (and reward). *American Economic Journal: Microeconomics*, 3(4), 77-106.
- Hamman, J.R., Loewenstein, G. and Weber, R.A., 2010. Self-interest through delegation: An additional rationale for the principal-agent relationship. *The American Economic Review*, 100(4), pp.1826-1846.
- Pigors, M. and Rockenbach, B., 2016. Consumer social responsibility. *Management Science*, 62(11), pp.3123-3137.
- Wang, L. and Murnighan, J.K., 2016. How Much Does Honesty Cost? Small Bonuses Can Motivate Ethical Behavior. *Management Science*.
- d'Adda, Giovanna, Donja Darai, Nicola Pavanini, and Roberto A. Weber. "Do leaders affect ethical conduct?." *Journal of the European Economic Association* 15, no. 6 (2017): 1177-1213.
- Riedl, A. and Smeets, P., 2017. Why do investors hold socially responsible mutual funds? *The Journal of Finance*, 72(6), pp.2505-2550.
- Elías, J.J., Lacetera, N. and Macis, M., 2019. Paying for kidneys? A randomized survey and choice experiment. *American Economic Review*, 109(8), pp.2855-88.
- Bartling, Björn, and Yagiz Özdemir. 2017. The limits to moral erosion in markets: Social norms and the replacement excuse.
- Bartling, Björn, Vanessa Valero, Roberto A. Weber, and Lan Yao. 2020. Public discourse and socially responsible market behavior.
- Bartling, Björn, Ernst Fehr, and Yagiz Özdemir. 2020. "Does market interaction erode moral values?."
- Distelhorst, G., Hainmueller, J. and Locke, R.M., 2017. Does lean improve labor standards? Management and social performance in the Nike supply chain. *Management Science*, 63(3), pp.707-728.
- Bartling, B., Grieder, M. and Zehnder, C., 2015. Is Competition Fair? An Experimental Study.
- Gneezy, U., Imas, A. and Madarász, K., 2014. Conscience accounting: Emotion dynamics and social behavior. *Management Science*, 60(11), pp.2645-2658.
- Grolleau, G., Kocher, M.G. and Sutan, A., 2016. Cheating and Loss Aversion: Do People Cheat More to Avoid a Loss? *Management Science*, 62(12), pp.3428-3438.
- Hallsworth, M., List, J.A., Metcalfe, R.D. and Vlaev, I., 2015. The Making of Homo Honoratus: From Omission to Commission (No. w21210). National Bureau of Economic Research.
- Kocher, M. G., Schudy, S., & Spantig, L. (2017). I lie? We lie! Why? Experimental evidence on a dishonesty shift in groups. *Management Science*, 64(9), 3995-4008.

- Guadalupe, M., Kinias, Z. and Schloderer, F., 2020. Individual Identity and Organizational Identification: Evidence from a Field Experiment. *AEA Papers and Proceedings*, 110: 193-98.
- Ashraf, Nava, Oriana Bandiera, and Kelsey Jack. "No Margin, No Mission? A Field Experiment on Incentives for Public Services Delivery." *Journal of Public Economics*, 120: 1-17.
- Ashraf, N. and Bandiera, O., 2017. Altruistic capital. *American Economic Review*, 107(5), pp.70-75.
- Ashraf, N., Bandiera, O. and Delfino, A., 2020. The Distinctive Values of Bankers. *AEA Papers and Proceedings* (Vol. 110, pp. 167-71).
- Schneider, F.H., Brun, F. and Weber, R.A., 2020. Sorting and wage premiums in immoral work. *Working paper series/Department of Economics*, (353).
- Glynn, M. A. 2000. When cymbals become symbols: Conflict over organizational identity within a symphony orchestra. *Organization Science*, 11(3), 285-298.

***Background/reviews/reflections:***

- Cassar, L., & Meier, S. (2018). Nonmonetary Incentives and the Implications of Work as a Source of Meaning. *Journal of Economic Perspectives*, 32(3), 215-38.
- Henderson, Rebecca. "Innovation in the 21st Century: Architectural Change, Purpose, and the Challenges of Our Time." *Management Science* (2020).
- Henderson, R., & Van den Steen, E. (2015). Why do firms have "purpose"? The firm's role as a carrier of identity and reputation. *American Economic Review*, 105(5), 326-30.
- Bruni, L. and Sugden, R., 2013. Reclaiming virtue ethics for economics. *The Journal of Economic Perspectives*, 27(4), pp.141-163.
- Sandel, M.J., 2013. Market reasoning as moral reasoning: why economists should re-engage with political philosophy. *The Journal of Economic Perspectives*, 27(4), pp.121-140.
- Sutter, M., Huber, J., Kirchler, M. and Stefan, M., 2016. Where to Look for the Morals in Markets? (No. 10105). IZA Discussion Papers.
- Bénabou, R., & Tirole, J. (2010). Individual and corporate social responsibility. *Economica*, 77(305), 1-19.
- Roth, A. E. (2007). Repugnance as a Constraint on Markets. *Journal of Economic perspectives*, 21(3), 37-58.
- Shleifer, A. (2004). Does competition destroy ethical behavior? *American Economic Review*, 94(2), 414-418.
- Besley, T. and Ghatak, M., 2018. Prosocial motivation and incentives. *Annual Review of Economics*, 10, pp.411-438.

**Classes 11-12 (Nov. 20, Nov. 27): Student presentations**

Depending on how many of you chose options 1 or 2 for your final projects, we will have one or two meetings for you to present your proposal.