



Seminar on behavioral economics: Behavior at the workplace

We spend most of our adult life at the workplace, rendering it a highly relevant research subject for behavioral economics. Employers' and employees' behavior is shaped by a large number of aspects including incentives and productivity, the organization and management of firms, institutional settings, and technological advancement. In the summer term 2019 the chair of Economic Theory of Prof. Dr. Grimm offers a behavioral economics seminar focusing on the impact of behavioral aspects at the workplace.

The seminar is intended for both Bachelor and Masters students in economics and is open to students of related fields (e.g. business studies, socioeconomics, ...) and exchange students who possess sufficient knowledge of microeconomics. Topics for the term papers (see list at the end of this document) will be assigned at the organizational meeting on April 29th.

Organizational meeting including topic selection:

Monday, April 29th at 15:00 pm in LG 5.452

Participants have to write a seminar paper (15 pages +/-1), present their paper and participate in the general discussion during the seminar meetings. All seminar related activities (term paper, presentations and discussions) will be in English.

The deadline for the submission of term papers is **June 7th, 23:59 pm**. Seminar presentations and discussions will take place on June 13th and 14th 2019. You can also find a document with additional details regarding the requirements for the term paper and general guidelines for writing scientific papers on our homepage.

Please register for the organizational meeting with an email to michael.seebauer@fau.de

until April 26th noon

(include your name, student ID and field of study).

If you have additional questions please also contact Michael Seebauer. The seminar will be credited as "Seminar Behavioral Economics" for Masters students, and as "Seminar Verhaltensökonomische Grundlagen" or "Seminar zur Wirtschaftstheorie" for Bachelor students. Successful participation in the seminar is one way of qualifying for writing a Master thesis at the Chair of Economic Theory.

Rules of the game

Your grade for the seminar will be built from three parts: (1) your paper on the assigned topic, (2) the presentation of your paper at the seminar meeting, and (3) your participation in the general discussions during the meeting.

Students are expected to build on the provided references to conduct independent research of the literature. The term paper should summarize the main findings and contributions of the existing literature and discuss the underlying research question (formulated by the student) using the provided **and additional** literature. The provided references only constitute a guidance for your own research. The paper has to be written in English, with font size 12, 1½ line spacing and appropriate margins. The term paper is limited to 15 pages (+/- 1 page), plus a table of contents, a list of figures, a list of tables, the used references and an appendix. (See also our general guidelines for writing scientific papers "*Guidelines for the preparation of term papers and bachelor/master theses*", which you can find in the subsection "Thesis" on our English homepage.)

With his or her topic each student is assigned a supervisor, who will be the contact person regarding the exact content (and form) of the term paper. A rough outline of the paper should be discussed with the assigned supervisor before the paper is written. All students are required to meet their supervisor at least once **before May 10th**. A failure to meet the supervisor may result in the exclusion of the student from the seminar.

The deadline for paper submission for all participants is: **Friday, June 7th at 23.59 pm**. Each student will present his or her term paper in a presentation. The paper presentations and discussions will take place on June 13th and 14th 2019. The number of seminar meetings depends on the number of students that submit a term paper. You have to be present at all seminar meetings.

More information regarding the exact dates, times and place, as well as the exact (time) requirements for the presentations will follow at a later point.

List of Topics

1. Fair wages

Abeler, J., Altman, S., Kube, S., and Wibral, M., (2010). Gift Exchange and Workers' Fairness Concerns: When Equality is Unfair. *Journal of the European Economic Association* 8(6), 1299-1324.

Gächter, S., and Thöni, C., (2010). Social comparison and performance: Experimental evidence on the fair wage-effort hypothesis. *Journal of Economic Behavior & Organization* 76(3), 531-543.

2. Minimum wages

Falk, A., Fehr, E., and Zehnder, C., (2006). Fairness Perceptions and Reservation Wages – the Behavioral Effects of Minimum Wage Laws. *The Quarterly Journal of Economics* 12(1), 1347-1381.

Falk, A., and Huffman, D., (2007). Studying Labor Market Institutions in the Lab: Minimum Wages, Employment Protection, and Workforce. *Journal of Institutional and Theoretical Economics* 163(1), 30-45.

3. Performance feedback, Motivation and Productivity

Eriksson, T., Poulsen, A., Villeval, M.C., (2009). Feedback and Incentives: Experimental Evidence. *Labor Economics* 16, 679-688.

Goltsman, M., and Mukherjee, A. (2011). Interim performance feedback in multistage tournaments: The optimality of partial disclosure. *Journal of Labor Economics*, 29(2), 229-265.

4. Performance pay

Lazear, E. P., (2000). "Performance Pay and Productivity". *American Economic Review* 90(5), 1346-1361.

Dohmen, T. and Falk, A., (2011). Performance Pay and Multidimensional Sorting: Productivity, Preferences and Gender. *American Economic Review* 101(2), 556-590.

5. Carrot and Stick: Incentive structures and its effect on gift exchange in the labor market.

Kube, S., Maréchal, M. A., & Puppea, C., (2012). The currency of reciprocity: Gift exchange in the workplace. *The American Economic Review* 102(4), 1644-1662.

Houser, D., Xiao, E., McCabe, K., & Smith, V., (2008). When punishment fails: Research on sanctions, intentions and non-cooperation. *Games and Economic Behavior* 62(2), 509-532.

6. Team incentives

Bandiera, O., Barankay, I. and Rasul, I., (2013). Team incentives: Evidence from a Firm Level Experiment. *Journal of the European Economic Association* 11(5), 1079-1114.

Hamilton, B. H., Nickerson, J. A. and Owan, H. (2003). Team incentives and worker heterogeneity: An empirical analysis of the impact of teams on productivity and participation. *Journal of Political Economy* 111(3), 465-497.

7. Peer effects and peer pressure

Mas, A., and Moretti, E., (2009). Peers at Work. *American Economic Review* 99(1), 112-145.

Falk, A., and Ichino, A., (2006). Clean Evidence on Peer Effects. *Journal of Labor Economics* 24(1), 39-57.

8. Social status and ranking in the workplace

Kosfeld, M., and Neckermann, S., (2011). Getting more work for nothing? Symbolic awards and worker performance. *American Economic Journal: Microeconomics* 3(3), 86-99.

Kirchler, M., Lindner, F., and Weitzel, U., (2018). Rankings and risk-taking in the finance industry. *The Journal of Finance* 73(5), 2271-2302.

9. Non-monetary incentives in firms

Bandiera, O., Barankay, I., and Rasul, I. (2011). Field Experiments with Firms. *Journal of Economic Perspectives* 25(3), 63-82.

Bradler, C., Dur, R., Neckermann, S., Non, A. (2016). Employee Recognition and Performance: A Field Experiment. *Management Science* 62(11), 3085-3099.

10. Monitoring and control

Falk, A., and Kosfeld, M., (2006). The Hidden Cost of Control. *American Economic Review* 96(5), 1611-1630.

Dickinson, D., and Villeval, M.C., (2008). Does monitoring decrease work effort?: The complementarity between agency and crowding-out theories. *Games and Economic Behavior* 63(1), 56-76.

11. Delegation and decision rights

Bartling, B., Fehr, E. and Herz, H. (2014). The Intrinsic Value of Decision Rights. *Econometrica* 82, 2005-2039

Fehr, E., Herz, H., and Wilkening, Tom., (2013). The Lure of Authority: Motivation and Incentive Effects of Power. *American Economic Review* 103(4), 1325-59.

12. Gamification in the workplace

Kim, T. W., (2018). Gamification and the Charge of Exploitation. *Journal of Business Ethics* 152(1), 27-39.

Perryer, C., Celestine, N.A., Scott-Ladd, B., and Leighton, C., (2016). Enhancing workplace motivation through gamification: Transferrable lessons from pedagogy. *The International Journal of Management Education* 14(3), 327-335.

13. Digitalization at the workplace: When to rely on computer-generated forecasts.

Dietvorst, B.J., Simmons, J.P., and Massey, C., (2018). Overcoming Algorithm Aversion: People Will Use Imperfect Algorithms If They Can (Even Slightly) Modify Them. *Management Science* 64(3), 1155-1170.

Hogarth, R.M., Makridakis, S., (1981). Forecasting and planning: An evaluation. *Management Science* 27(2), 115–138.

14. Technology and labor market outcomes

Bartel, A., Ichniowski, C., and Shaw, K. (2007). How Does Information Technology Affect Productivity? Plant-Level Comparisons of Product Innovation, Process Improvement, and Worker Skills. *The Quarterly Journal of Economics* 122(4), 1721–1758.

Acemoglu, D., and Autor, D. (2011). Skills, Tasks and Technologies: Implications for Employment and Earnings. In: Card, D., and Ashenfelter, O. (eds.). *Handbook of Labor Economics*, Volume 4, Part B, 1043-1171.

15. Discrimination

Riach, P.A., and Rich J., (2002). Field experiments of discrimination in the market place. *The Economic Journal* 112(483), F480-F518.

Heckman, J.J., (1998). Detecting discrimination. *Journal of economic perspectives* 12(2), 101-116.

16. Social network and labour market outcomes

Bayer, P., Ross, S.L., and Topa, G., (2008). Place of Work and Place of Residence: Informal Hiring Networks and Labor Market Outcomes. *Journal of Political Economy* 116(6), 1150-196.

Munshi, M., (2003). Networks in the Modern Economy: Mexican Migrants in the U. S. Labor Market. *The Quarterly Journal of Economics* 118(2), 549-599