

## **TO/BE 435, Winter 2020**

### **Behavioral Economics & Behavioral Operations Management**

Behavioral insights and “nudges” have become a major focus of companies and policy makers. Behavioral economics combines lessons from psychology and economics to study how people process information and make decisions as employees, managers and consumers. Behavioral operations management applies those insights to managing business operations. The course will provide an understanding the major behavioral forces that drive people’s decisions, how behavioral often deviates from “optimal” choices, as well as the consequences of such deviations in management and the marketplace. This course is devoted to understanding the nature, causes and implications of these limitations. We will then consider how (a) managers and policy makers can intervene to improve decision making and outcomes and (b) how markets are organized around exploiting or remedying deviations from rational decision-making. At the end of the course, students will understand the decision making process more thoroughly, know how to improve their own decision-making, and how to manage in a way that works with behavioral drivers (rather than against them).