



INDIAN INSTITUTE OF MANAGEMENT CALCUTTA



LEVERAGING BEHAVIORAL ECONOMICS FOR MANAGERIAL DECISION MAKING



Programme Director:
Prof. Somdeep Chatterjee



Programme Dates:
December 18 - 22, 2023



Programme Venue:
MDC, IIM Calcutta

INTRODUCTION

The most effective decision makers are the ones who have the ability to understand the behavioral biases that affect everyday lives of individuals including themselves, particularly the ones that lead to inefficient choices and ineffective judgment. In many ways, the best managers are the ones who are the most effective decision makers. Consequently, it is critical for managers to appreciate the ways in which behavioral biases affect the minds of individuals and the ways to mitigate these biases in most cases, while in other cases, also leveraging these biases for designing appropriate incentives and nudges. This program will extensively expose participants to these run-of-the-mill issues in behavioral economics. The program will also provide individuals with appropriate analytical toolkits to detect behavioral anomalies among groups they manage and the checks and balances needed to avoid these biases. The program covers aspects of choice architecture where the manager will learn techniques to engineer the choices of others by using behavioral nudges. Additionally, this program is tailor-made to train the executives and management consultants in developing the necessary skillsets required for doing evidence-based evaluation of the effectiveness of such nudges and interventions in the firm, industry and the economy to enable replication and adoption as best practices in organizations. The program is designed in response to the contemporary business environment across the world with leading organizations creating specially mandated and dedicated behavioral insights teams (BITs) as well as major governments creating nudge-units, such as the behavioral insights unit (BIU) of the NITI Aayog in India.

OBJECTIVES

- To learn applications of behavioral economics in managerial decision making and practice
- Understand how individuals make complex decisions and potential heuristics, biases and thumb rules that meddle with the effective thinking
- Appreciate that human beings make choices and decisions that may appear apparently “irrational” or diverge from traditional notions of rationality
- How an effective manager can apply her skills to bypass these biases or leverage these to the advantage of the managerial decision making process
- Learn about choice architecture – designing incentives and nudges to change others’ behaviors
- Learn how to test for the effectiveness of nudges and create an appropriate setting for replicating them
- Develop an analytical toolkit to detect the presence of behavioral bias and create a systematic approach to mitigate it in a business environment



PEDAGOGY

The pedagogy for this program consists of a highly interactive approach with a mix of the following:

- Lectures – introduction of the core ideas and topics
- Simulated experiments and surveys (conducted by instructor) – followed by analyzing the results of these surveys and experiments and discussing their related applications in the core field of behavioral economics
- Design and conducting experiments (conducted by participant) – hand run or computerized experiments and/or conducting short surveys to detect and check for biases and present findings for discussion
- Case Discussions – Instructors act as facilitators and encourage participants to analyze the most relevant business cases in behavioral economics



WHO MAY ATTEND

- Junior managers and/or Mid-career executives/consultants and consulting agencies/firms
- Public Sector consultants or development practitioners or public service facilitators
- Industry executives dealing with CSR and R&D departments
- Members of NGOs involved with social programs and public service delivery
- Start-up entrepreneurs
- Practitioners and policymakers in think tanks

KEY TOPICS

- Importance of behavioral economics in our personal and work lives and why relative decisions matter more than uncomfortable absolute choice?
- Behavioral Economics and its integration with management fields
- Arbitrary coherence, endowment effects, context-dependent preferences and choices and the price of zero leading to the “power of free”

- Behavioral Anomalies: herding behavior, regression to the mean, focusing illusion, IKEA effect
- Heuristics and Biases: Anchoring, Representativeness and Availability
- Behavioral Economics in the Firm: cognitive dissonance, sucking the meaning out of work, why big bonuses are not optimal incentives
- Nudges and Choice Architecture
- Business Applications of Behavioral Economics
- Ethics in Behavioral Experiments and Conducting Simulated Experiments



PROGRAMME DIRECTOR

Dr. Somdeep Chatterjee is a faculty member in the Economics group at IIM Calcutta. He completed his PhD in Economics from the University of Houston (TX, USA). He teaches behavioral economics in the MBA and the MBA-Ex programs at IIM Calcutta. He has been teaching behavioral economics for over 6 years now and has received teaching awards for the best economics elective for this course at his previous institution for 3 years running. Prior to joining IIM Calcutta, he worked as a faculty member at IIM Lucknow. He has also briefly held faculty positions at FLAME University and the University of Manchester. Dr Chatterjee has experience of conducting several management development programs in the fields of general management, change management, health care, etc as instructor and program director. He has also undertaken consultancy projects in the fields of impact assessment. Dr. Chatterjee has been a Non-Resident Fellow at the Centre for Development Economics and Sustainability at Monash University and a Fellow of the Global Labor Organization. His research is in the domain of applied microeconomics and he has widely published his work in leading international journals and has presented his work at various top economics seminars across the globe.



PROGRAMME DETAILS

- **Duration:** December 18 - 22, 2023
- **Programme Commencement:** 9:00 AM on December 18, 2023
- **Programme Conclusion:** 2:00 PM on December 22, 2023
- **Venue:** Management Development Centre (MDC), IIM C Campus
- **Accommodation:** For Residential participants
 - **Check in:** December 17, 2023 (6:00 pm onward)
 - **Check out:** December 22, 2023 (2:00 pm)

PROGRAMME FEES

- **Residential (R):** ₹ 110,000/- plus taxes and surcharges as applicable.
- **Non-Residential (NR):** ₹ 100,000/- plus taxes and surcharges as applicable.

We would strongly encourage candidates to enroll as Residential participants, as the experience of an MDP is optimized in a full-immersion mode.

Discount on Programme fees:

A discount of 10% on the Programme fees can be availed by an organization if it nominates at least 4 participants for a particular MDP.

TERMS & CONDITIONS

- Participants would have to make their own travel arrangements.
- Accommodation at IIM C will be provided till 2.00 p.m. on the last day of the Programme. Participants staying beyond this time will have to bear additional stay and food charges, which they have to settle directly with the hospitality service provider, conditional upon room availability.
- Cancellation Policy: In case you/your nominated candidate(s) does(do) not attend the programme, 40% of the programme fees will be retained, as per policy.
- Executive Education Alumni: With effect from April 1, 2017, participants of IIM Calcutta's 'Open' MDPs who attend 20 days of learning through two or more Open MDPs will be eligible to apply for 'Executive Education Alumni of IIM Calcutta' status.

HOW TO APPLY

- You can apply/nominate your personnel by clicking on the “Apply Now” link corresponding to the particular MDP, as appearing on our online calendar available at: <https://iimcal.ac.in/mdp/mdp-calendar>
- Once the candidature(s) is (are) approved, the sponsoring authority or participant (in case of self-nomination) will be intimated over email along with the Payment Advice seeking programme fees in advance.
- Programme fees can be remitted online through Electronic Fund Transfer (NEFT/RTGS).
- Upon remitting the fees online, kindly intimate CMDP office with the UTRNo./relevant transaction details through email, so that we can connect your remittance to your nomination(s). Please note that confirmation of participation is subject to receipt of Programme fees by CMDP Office before commencement of the MDP.

IIM CALCUTTA’S ACCREDITATIONS AND RANKINGS

- Triple accreditations by AACSB (Association to Advance Collegiate Schools of Business), AMBA (Association of MBAs) and EQUIS.
- IIM Calcutta is the only B school in India to be a member of CEMS, a global alliance of leading business schools, multinational companies and NGOs
- IIM Calcutta has been ranked 2nd in India and 59th globally in ‘Open-enrolment Programmes’ category in the Financial Times Executive Education Ranking 2022. The Institute has secured 76th rank in Financial Times Global MBA Ranking 2023 and 1st in BT-MDRA Best B-School Survey 2022



Our correspondence address is as follows:

CMDP Office

Management Development Centre (MDC)

Indian Institute of Management Calcutta, Diamond Harbour Road, Joka, Kolkata - 700 104

Phone: +91 33 7121 6000-01 (Extns: 6012/6005)

Email: program_mdp@iimcal.ac.in | Weblink: <https://www.iimcal.ac.in/mdp/mdp-calendar>

For all other details on administrative matters please refer to the ‘Guidelines for Participants’ on our website or e-mail to program_mdp@iimcal.ac.in