

Seminar
“Topics in Organizational Economics”
(Summer Term 2018)

Prof. Dr. Gerd Muehlheusser and Niklas Wallmeier, M.Sc.

Preliminaries: The seminar will take place as a *Blockseminar* from TUE May 15 to THU May 17, 2018 at the youth hostel Dikjen Deel in Westerland (Sylt). All three seminar days will be fully occupied with seminar slots so that participants are expected to arrive on MON May 14 and to leave on FRI May 18. The seminar will be held jointly with students from the University of Regensburg (Prof. Dr. Andreas Roider).

Expenses: The cost per night in the youth hostel is 35 Euro per person (shared rooms, including full board). The total amount for accommodation of 140 Euro (4 nights à 35 Euro) must be paid in advance (cash only) at the start-up meeting on March 23 (see below).

Outline: The seminar is paper-based and covers a number of recent topics in organizational economics (i.e., the application of economic tools - theory, experiments, empirical studies - to foster our understanding of what affects the performance of organizations, such as firms or administrations).

Each session is centered around the core reference(s) on the respective topic on the reading list, to be presented by groups of two students, followed by a discussion (again by groups of two), and a general in-class discussion. The written paper (Seminararbeit) is supposed to build on a larger base of the relevant literature. The main language of the course is German, but, if preferred by you, your presentations and seminar paper may be in English as well.

Prerequisites: Solid knowledge in Microeconomics, Game Theory and Microeconometrics.

Assessment:

1. Seminar presentation (ca 30-45 min, 45%)
2. Written paper (Seminararbeit, 12-15 pages, 45%)
3. Presentation as a discussant (ca 10 min, 10%)

Group work (presentations and seminar papers) will be graded for the group as a whole, and each group member receives the same grade. Students who insist on individual grades must notify us **in advance**. Active participation in the general class discussions following the presentations is strongly encouraged and can upgrade your final grade by up to 0,4.

Important Dates Before the Start of the Seminar:

- **Registration:** Students can register for the seminar via STINE (“1. Anmeldephase” from FEB 12 until MAR 1).
- FRI March 23, 10-12h, Room 2053 (VMP5): **Start-up meeting:** assignment of groups for the presentations and discussions, and payment of 140 Euro (in cash) for the youth hostel.
- TUE May 8, 2018 (23.59): Each group must notify us (via mail to Niklas Wallmeier, niklas.wallmeier@wiso.uni-hamburg.de) on which paper the group’s presentation will focus. This ensures that discussants have enough time to prepare their discussion.
- FRI May 11, 2018 (23.59): **Deadline** for submitting the **written papers** (Seminararbeiten) and the **slides of the main presentations** (not for the discussions) by email to Niklas Wallmeier (niklas.wallmeier@wiso.uni-hamburg.de). Note that this means that you must submit this material **before the seminar takes place!**

Seminar Topics

For each of the topics, there will be a presentation and a discussion by a group of students. Half of the topics will be assigned for presentations by students from Hamburg (those are marked “**H/R**”), the other half for presentations by students from Regensburg (those are marked “**R/H**”). The respective discussion will be held by students from the other place.

I. Contests and Tournaments: Theory

- **Topic 1 (H/R):** Basic Theory
Core references: Konrad (2009, Ch. 2), Nitzan (1994)
- **Topic 2 (H/R):** Contest Competition
Core reference: Azmat and Möller (2009)

II. Contests and Tournaments: Empirical Evidence

- **Topic 3 (R/H):** Heterogenous Contestants I:
Core reference: Brown (2011)
- **Topic 4 (H/R):** Heterogenous Contestants II:
Core reference: Muehlheusser, Schneemann, and Sliwka (2016a)

III. Contracts and Incentives

- **Topic 5 (R/H):** Biases in Contract Choice
Core reference: DellaVigna and Malmendier (2006)
- **Topic 6 (R/H):** What Motivates Effort?
Core reference: DellaVigna and Pope (2018)
- **Topic 7 (R/H):** The Role of Communication of Incentive Schemes
Core reference: Englmaier, Roider, and Sunde (2017)
- **Topic 8 (H/R):** Incentives on the Team Level
Core reference: Friebe, Heinz, Krüger, and Zubanov (2017)

IV. The Role of Managers in Organizations

- **Topic 9 (H/R):** Managers’ Impact on Organizational Performance:
Core references: Muehlheusser, Schneemann, Sliwka, and Wallmeier (2016b)
- **Topic 10 (R/H):** Leaders as Coordinators:
Core references: Bolton, Brunnermeier, and Veldkamp (2013)

V. The Impact of Organizational Structure on Performance

- **Topic 11 (R/H):** Managing Careers in Organizations:
Core references: Ke, Li, and Powell (2018)
- **Topic 12 (R/H):** Transparency:
Core references: Brandes and Darai (2017)
- **Topic 13 (H/R):** Face-to-Face Communication:
Core references: Battiston, Blanes i Vidal, and Kirchmaier (2017)

References

- AZMAT, G. AND M. MÖLLER (2009): “Competition among Contests,” *The RAND Journal of Economics*, 40, 743–768.
- BATTISTON, D., J. BLANES I VIDAL, AND T. KIRCHMAIER (2017): “Is Distance Dead? Face-to-Face Communication and Productivity in Teams,” *CEP Discussion Paper No 1473*.
- BOLTON, P., M. K. BRUNNERMEIER, AND L. VELDKAMP (2013): “Leadership, Coordination, and Corporate Culture,” *Review of Economic Studies*, 80, 512–537.
- BRANDES, L. AND D. DARAI (2017): “The Value and Motivating Mechanism of Transparency in Organizations,” *European Economic Review*, 98, 189–198.
- BROWN, J. (2011): “Quitters Never Win: The (Adverse) Incentive Effects of Competing with Superstars,” *Journal of Political Economy*, 119, 982–1013.
- DELLAVIGNA, S. AND U. MALMENDIER (2006): “Paying Not to Go to the Gym,” *American Economic Review*, 96, 694–719.
- DELLAVIGNA, S. AND D. POPE (2018): “What Motivates Effort? Evidence and Expert Forecasts,” *Review of Economic Studies*, *forthcoming*.

- ENGLMAIER, F., A. ROIDER, AND U. SUNDE (2017): “The Role of Communication of Performance Schemes: Evidence from a Field Experiment,” *Management Science*, 163, 4061–4080.
- FRIEBEL, G., M. HEINZ, M. KRÜGER, AND N. ZUBANOV (2017): “Team Incentives and Performance: Evidence from a Retail Chain,” *American Economic Review*, 107, 2168–2203.
- KE, R., J. LI, AND M. POWELL (2018): “Managing Careers in Organizations,” *Journal of Labor Economics*, 36, 197–252.
- KONRAD, K. (2009): *Strategy and Dynamics in Contests*, Oxford University Press.
- MUEHLHEUSSER, G., S. SCHNEEMANN, AND D. SLIWKA (2016a): “The Impact of Managerial Change on Performance. The Role of Team Heterogeneity,” *Economic Inquiry*, 54, 1128–1149.
- MUEHLHEUSSER, G., S. SCHNEEMANN, D. SLIWKA, AND N. WALLMEIER (2016b): “The Contribution of Managers to Organizational Success: Evidence from German Soccer,” *Journal of Sports Economics*, *forthcoming*.
- NITZAN, S. (1994): “Modelling Rent-Seeking Contests,” *European Journal of Political Economy*, 10, 41–60.