

Ljubljana Doctoral Winter School

12 – 16 February 2024

14:00 – 18:00 (CET, Ljubljana)

Economic Psychology (ECTS: 4)

Philipp E OTTO, European University Viadrina, Germany

Aims of the course

The purpose of this intensive course is to provide a basic introduction into Economic Psychology and its application in diverse business cases. On concrete examples the basic skills and techniques are developed to better account for the human complexities involved.

Syllabus

The intensive course provides psychological expansion of various economic concepts to better understand the behaviour of individuals and groups. Psychological theory helps here to develop new approaches as well as to develop sound solutions, which account for the diversity and flexibility encountered. Various research methods are learned and how these can be applied in the fields of product development, HCI, business strategy, and organizational design. Diverse research methods are combined, concentrating on empirical data and experimental approaches. Behavioural heterogeneity is to be investigated and better understood with all its facets concerning group diversity, social responsibility, fairness considerations, self-serving biases, and life satisfaction. Observable individual regularities inform personal coping strategies, but can also help with improving social design solutions.

The course focuses on behavioural results concerning fundamental aspects of economic theory and of individual psychology. Applications are typically interdisciplinary and in practice break into distinct categories. The five days of the course begin with a broad introduction into the research background and the central concepts of economic psychology.

Then various fields of practice are investigated.

- I: Decision making in the wild
- II: Knowledge, attitudes, and lay meaning of money
- III: Human resources and industrial engineering
- IV: Consumer and market behaviour
- V: Design effectiveness, fairness perception, and happiness research

Compulsory readings prior to class

Session 1 (Monday): Tversky et al. 1990

Session 2 (Tuesday): Lusardi 2019

Session 3 (Wednesday): Jung et al. 2020

Session 4 (Thursday): Naseem et al. 2021

Session 5 (Friday): Busseri 2018

Course delivery

Besides the general introduction into the necessary material, experimentation, active participation, and separate group work are the main teaching methods of the course. Each lecture includes theoretical components together with practical illustrations. The material is enriched by diverse concrete examples, actively testing the experiments, and the discussion of its various cases for application. Various supportive materials are provided to enrich the teaching at all levels: typical experiments, digital surveys, and other online materials.

No specific background in this research area is needed and all formal and practical requirements are to be acquired during the class. The compulsory readings are recommended to read before the start of the course. General primers as well as state of the art publications are provided for each research topic.

Course materials / List of readings

- Busseri, Michael A. (2018). Examining the structure of subjective well-being through meta-analysis of the associations among positive affect, negative affect, and life satisfaction. *Personality and Individual Differences* 122, 68-71.
- Jung, J., Concannon, C., Shroff, R., Goel, S., & Goldstein, D. G. (2020). Simple rules to guide expert classifications. *Journal of the Royal Statistical Society: Series A (Statistics in Society)*, 183(3), 771-800.
- Lusardi, A. (2019). Financial literacy and the need for financial education: evidence and implications. *Swiss Journal of Economics and Statistics* 155(1), 1-8.
- Naseem, S., Mohsin, M., Hui, W., Liyan, G., & Penglai, K. (2021). The investor psychology and stock market behavior during the initial era of COVID-19: a study of China, Japan, and the United States. *Frontiers in Psychology* 12, 16.
- Tversky, A., Slovic, P., & Kahneman, D. (1990). The causes of preference reversal. *The American Economic Review*, 204-217.

Background Literature

- Erik Agner (2012): *A Course in Behavioral Economics*, Palgrave Macmillan. (Third Ed. 2021)
- Erich Kirchler & Erik Hoelzl (2017). *Economic Psychology: An Introduction*, Cambridge University Press.

Course credit

Acquired research skills are strengthened in knowledge tests and a final exam. Students needing course credit for their PhD studies will have to successfully pass a written exam on the last day of the course. Also, part of the ECTS evaluation is the individual participation and the discussion of a research paper of your choice.

Course leader

Dr. Philipp E. Otto is specialized in Experimental Economics and Behavioural Social Sciences. In 2007 he received his PhD from the University College London and in 2017 his Habilitation from the European University Viadrina. He supported the research team of the Burgundy Business School on experiments in consumer behaviour, and teaches psychology, management, statistic, experimental, and economic classes internationally. He is guest professor at the Brandenburg Medical School Theodor Fontane for Research Methods and Economic Psychology and senior researcher at the Microeconomics Department of the European University Viadrina. Publications of his appeared in international journals such as the Journal of Economic Psychology, the Journal of Socio-Economics, the Journal of Experimental Economics, the Journal of Applied Cognitive Psychology, Economica, European Accounting Review, Kyklos, Public Choice, and Retailing & Consumer Services. <https://www.wiwi.europa-uni.de/de/forschung/ViaLab/index.html>

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