

**BSc Seminar Labor Economics:
“Behavioral Economics at Work”**

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Content

In the past decades, a growing body of research has demonstrated that people’s behavior is not only influenced by economic incentives and constraints, but instead depends on a multitude of psychological motives, as well as on individual limitations in self-control, attention, and other biases. These findings are highly relevant for understanding workplace behavior and the success of firms and other organizations. In this seminar, we will discuss how research in behavioral economics has enriched our understanding of people’s behavior in the workplace and their advancement in the labor market. We will discuss how a better knowledge of psychological foundations of behavior can help improve compensation structures and the design of organizations.

Questions that exemplify the topics that we will discuss during the seminar include:

- How do psychological motives influence individual behavior and organizational performance?
- Do limitations in rationality, attention and self-control influence the effectiveness of incentive schemes and organizational structures?
- Can monetary incentives have unintended consequences?
- What determines whether people feel compensated fairly?
- How do coworkers affect each other’s perceptions and behavior?
- Are firms’ hiring decisions influenced by biased beliefs of personnel managers?

Course Topics and Preliminary Reading List

A detailed reading list will be provided in the beginning of the course. The following handbook chapter provides a valuable introduction to the course topics:

- List, J.A., Rasul, I. (2011): *Field Experiments in Labor Economics*, in: Ashenfelter & Card (eds.) *Handbook of Labor Economics Volume 4, Part A*, Elsevier, p. 103-228.

Prerequisites

The seminar does not require specific previous knowledge of behavioral economics. Students should have a sound knowledge of microeconomic theory and econometrics (basic courses taught at the B.Sc. level). It is also recommended to familiarize yourself with the content of the key qualification “Wissenschaftliches Arbeiten” in advance.

Course Procedures and Timeline

- **Block 1: Introduction.** The course will be introduced by 1-2 lectures in the first three weeks of the semester. In the lectures, we will discuss possible topics for the seminar papers and provide an overview of the required theoretical and empirical methods.

- **Block 2: Writing Period.** Students work independently on their seminar paper (max. 15 pages), individual appointments for consultation. Tentative deadline for submission of the seminar paper: June 15, 2025.
- **Block 3: Seminar Presentations.** There will be a workshop (block seminar) where students present their seminar papers. Each student will also act as a discussant for one of the other workshop presentations. Attendance of the full workshop is mandatory. The planned date for the workshop is in the last week of June / first week of July (to be confirmed).

Seminar Paper

The seminar paper can take various forms. One possibility is to thoroughly analyze and discuss influential research articles on the selected topic. A second possibility is that students perform their own empirical investigation, based on the data underlying the selected article or based on additional data that students assemble themselves. Third, students can propose a design for an experiment or other empirical investigation to address a new research question on their topic of interest.

Topics Assignment

Seminar topics will be assigned in the first weeks of the semester. Please check the course descriptions for further information on possible seminar topics.