Choice Architecture in Practice
UCLA Anderson School of Management
MGMT 223 - Spring 2019

Course Information

Professors:  Dr. Heather Caruso
            heather.caruso@anderson.ucla.edu
            Dr. Suzanne Shu
            suzanne.shu@anderson.ucla.edu

Teaching Assistant:  Kate Christensen
                    kateandchristensen@gmail.com

Meeting Times:  Thursdays in D310 (Cornell Hall), 1:00-3:50 pm, 7:10-10:00pm

Course Objectives

It is perhaps the most central demand of a leader: Make good choices. Everyone wants to be good at it. Great, even! But short of wishing and hoping and trying to be pretty smart in general, is it possible to learn how to systematically improve the choices we make? Perhaps more importantly, can we systematically improve the choices our organizations, partners, and customers make?

Yes. And we designed this course to help you start practicing right away.

The leverage you’ll have in developing this skill comes from seizing on an underappreciated reality: All choices are architected. Whether in finance, public welfare, environmental health, marketing, medicine, or any other domain of life, choices are always presented in certain ways—including the highlighting of certain options, specific sorting, vivid (or dull) language, and much more—that shape the ultimate actions of decision makers. The power of such choice architecture was recently recognized as so great that it helped to earn Richard Thaler the 2017 Economics Nobel Prize, and skill in mastering it is now understood to be a clear competitive advantage for every serious leader. Indeed, recognizing this during his time as Prime Minister of the United Kingdom, David Cameron formed a cabinet office to inform government initiatives with skillful choice architecture (the first popularly-known “Nudge Unit”), and since then numerous public and private sector leaders across the globe have followed. The White House created a nudge unit for US policy, and similar offices or initiatives were launched in Australia, Canada, Netherlands, Germany India, Indonesia, Peru, Singapore, and many others. International institutions such as the World Bank, UN agencies, OECD, and EU have also established initiatives to incorporate skill choice architecture into their work, as have leading private sector firms including Merrill Lynch, Uber, Morningstar, Walmart, and Uber.
More recently, large health care systems like that of Penn Medicine have also taken their place among the pioneers, bringing choice architecture to bear on myriad efforts to improve patient well-being and health care system efficiency. Choice architecture is a skill leaders in every industry cannot afford to be without.

This course is designed to give you a place among these skilled leaders of the future. Working in hands-on project teams to address problems facing real-world organizations (including UCLA Health, the State of California, and the Consumer Financial Protection Bureau), you will identify, investigate, and provide evidence-driven guidance to leaders regarding practical steps they can take to improve outcomes through choice architecture. Think of it like doing a quarter-long internship in a new nudge unit, just starting up at UCLA Anderson! Not only will you learn by leading this choice architecture consulting effort in your teams, but also by contributing input and feedback to promote the success of our other teams.

To be clear: This course is not for a passive or merely reactive student. You will be prompted and coached, but the course will require that you—as individuals and teams—be resourceful and proactive in building the case for particular choice architecture improvements for your project sponsor.

Preparation, Enrollment, and Useful Materials

- **Course Application:** In order to be in the course, students must bid and enroll through the UCLA registrar, AND fill out an online project application no later than February 28 (so that they can be assigned to a project team). Students without this application submitted on time will be unenrolled from the course; bidding points will not be refunded.
- **Course Website.** Where possible, readings and other materials for coursework will be posted to the course website (Section 1 site; Section 2 site).
- **Recommended pre- or co-requisite courses.** Mgmt 214 (Managerial Decision Making), Mgmt 252 (Persuasion and Influence)
- **Recommended pre-reading.**
Course Grading
Grades for this course will be determined as follows: 50% for individual participation in all course activities and 50% for team performance on the final project. Each of these components will be determined by the professors’ holistic appraisal of performance across multiple constituent deliverables, described below.

Individual Participation (50%)
Much of the knowledge you will gain in this class will come from actively engaging with speakers and other students during class sessions – from hearing, evaluating, and discussing the ideas presented. Therefore, high-quality (not necessarily high-quantity) participation in class and in your groups is extremely important for performance in this class. Throughout the course, this participation will be evaluated by your professors based on your individual questions and comments in class, your individual written assignments, as well as on 2 sets of peer evaluations:
First, at the end of the course all class members will be invited to nominate excellent participators (those whose comments and questions in class consistently reflected preparation and constructive additions to the in-class discussion) in a year-end survey. Second, after final project papers have been submitted, all class members will be invited to provide peer evaluations of their teammates’ contributions to the final project.

Final Project (50%)
For the final project, each student will work within a project team to assist an organization partner in exploring and evaluating improvements to choice architecture. This assistance will require that the project teams progress through several steps of a Choice Architecture Audit, which will be introduced in class. Along the way, the final project deliverables below will be submitted by your team as a whole, each one given a single grade shared by all team members.

   Team contract. In order to facilitate group participation, you and your group members will be expected to draw up a “team contract” during your initial meeting. This contract is expected to lay out what the team norms and responsibilities are, so as to facilitate effective and efficient group work. Expect to update and revise the contract throughout the course to reflect the evolving demands of your final project.

   Choice Architecture Audit components. For the first several weeks in the course, project teams will be required to write up the results of their progress through various stages of the “Choice Architecture Audit” -- a framework we will introduce in class to structure your project work. Details on what to present at each stage will be provided one week in advance of the due date, to ensure that teams work deeply and conscientiously on each stage of their effort, without hastily rushing ahead.

   Case Write-up (Final Project Paper). At the end of the quarter, project teams will synthesize the work they’ve done in a brief case write-up. The write-up will be written for an educated
executive audience, and present the choice architecture intervention opportunity for consideration in a style similar to that of a traditional business school case. The case write-up will have multiple sections, including: Background, Potential Interventions, Method, Findings, and Future Directions.

Course Policies & Norms

Grading Scale
All written assignments with the exception of the final paper will be graded check, check-plus, check-minus.

Project Team Assignments
On the basis of your application to the course, we will assign you to final project groups based on our perception of fit between student experience and organization partner preferences, as well as our perception of likely complementarities among members of each group. However, if you have a strong preference for changing groups and have identified another student in the course with whom to make a Pareto-optimal switch in group membership, you can seek approval for such a switch with an email to your professors submitted no later than noon on April 5.

Submission of Assignments
To receive official credit, all written assignments must be submitted through the course website at 9 am on the due date indicated in the assignment, unless otherwise specified. Students are also expected to bring physical copies to class where appropriate for in-class presentations or activities. Note that assignment details will be posted on CCLE one week before the assignment will be due.

Attendance
This course relies substantially on in-class and group discussions. Thus, your physical presence and advanced preparation are necessary to achieve the goals of this course. All students will be expected to reserve the course timeslot for work each week.

Also, please note that while we are reserving some time during our regular timeslot for work within your final project groups, you should expect to conduct the majority of such meetings outside of class. Further, unless otherwise communicated by the professors, is expected that you will be present for the entirety of each of the scheduled class sessions. Please be sure to let the Teaching Assistant know if you believe you will have to miss a class.
SCHEDULE OF CLASS SESSIONS

All assignments are due before the beginning of the section in which you are enrolled.

Note: The information below provides only a rough guide to the content we expect to address. Much will be tailored to the specific projects confirmed for each section, and particular readings and topics may be adjusted as we proceed. Material on CCLE will be updated weekly, including assignment details for the following week.

Week 1 (Apr 4): Overview of implementing choice architecture; hotel water conservation example

Session Foci:
- Overview of course structure and student responsibilities
- Introduction to Choice Architecture Audit process
- In-class walkthrough of real intervention work as intro to course deliverables

Assignment:
- See CCLE for assignment details

Readings (on website, except for Nudge):
- Course project overviews
- WaterSense Hotel Challenge Flier
- (lightly skim, focusing on Sections 1.1, 3.6, and A.3) WaterSense at Work: Best Management Practices for Commercial and Institutional Facilities

Week 2 (Apr 11): Understanding the Status Quo, Information Gathering

Session Foci:
- Continuation of choice architecture audit discussion from Week 1
- Understanding organizational priorities and the present situation

Assignment:
- See CCLE for assignment details

Readings (on website):
- Selected chapters from Inside Nudging
Week 3 (Apr 18): Behavioral Science Concepts and Intervention Menu

Session Foci:

- Behavioral science literature: exploration of major concepts
- Brainstorming of possible explanations for current behaviors

Assignment:

- See CCLE for assignment details

Potential Readings (on website):


Week 4 (Apr 25): Project Problem Presentations

Session Foci:

- Opening up future possibilities; generating ideas for change through choice architecture intervention

Assignment:

- See CCLE for assignment details

Readings:

- Generated by your project team

Week 5 (May 2): Experimental Study Design (RCTs) and Analysis
Session Foci:
● Designing the study to test your hypotheses and proposed intervention

Assignment:
● See CCLE for assignment details

Readings (on website):
● Data analysis handout

Week 6 (May 9): Running an Online Study

Session Foci:
● Launching your study and preparing for data analysis

Assignment:
● See CCLE for assignment details

Readings (on website):
● MTurk instructions handout (in-class session to oversee study posting)

Week 7 (May 16): Project Data Presentations

Session Foci:
● Presentations of data collection results per project

Assignment:
● See CCLE for assignment details

Week 8 (May 23): Persuasion

Session Foci:
● Understanding barriers to implementation within organizations; how do we get internal stakeholders on board for change?

Assignments:
● See CCLE for assignment details

Readings (on website):
● Behavioral Insights Team Annual Report
Selected chapters from *Inside Nudging*

**Weeks 9 (May 30): Guest Speaker Panel**

*Session Foci:*
- Stories from the field: real problems and opportunities for behavioral nudges

*Assignment:*
- See CCLE for assignment details

*Readings:*
- Provided the prior week by guest speakers

**Week 10 (June 6): Student presentations**

**Week 11 (Final Exam Week): Final Project Cases Due**

*Assignment:*
- Written case write-up of the project (with background, audit insights, intervention options, and method, findings, and recommendations from the team’s experimental research)

*Additional Readings (selections from this list may be assigned according to student project and behavioral science domains)*

**Medical and health projects**
Financial projects


Environmental projects


Policy issues