

Organizational Economics

Lecturer: Prof. Dr. Elisabeth Schulte

Content: The course explores the roles of the assignment of decision making rights, the reward system and the evaluation system for the success (and failure) of organizations.

Objectives: The aim is to enable students to identify and distinguish different sources of frictions in organizations, and to relate them to the incentive structure. Students shall be enabled to summarize and discuss selected contributions to the literature on organizational economics, and to apply the insights to the assessment of specific problems. Students take an active role in preparing the content of the course, enabling them to critically discuss and to make educated comments to theoretical economic research on organizations.

Time and room: See Marvin

Examination: Exam (120 minutes)

Week	Topic	
1	Course organization	
2	The organizational architecture	BASICS
3	Assignment of decision making rights	
4	Reward structures	
5	Evaluation systems	
6	Corporate governance, integration & outsourcing	
7	Organizational change, the business environment & regulation	
8	Multi-tasking and short-termism	
9	Coordination (failures)	
10	Communication (failures)	
11	Organizational rigidities	
12		
13	Failures in the absence of incentive problems	
14		

Resources:

- The BASICS are based on the textbook: Brickley, Smith & Zimmerman: „Managerial Economics and Organizational Architecture“, Chapters 11-21.
- When we start DIGGING DEEPER, our course work will be based on selected papers.
- All learning material is available via ILIAS.
- You get access to the ILIAS a day after your registration via Marvin.

Complementary seminar:

The course is complemented by a seminar (6 ECTS) on "Topics in Organizational Economics". Though they are highly complementary, both courses can be studied independently of each other. Participation in the seminar requires a binding registration (via Marvin) before April, 15. The number of seminar places is limited to 20 (first-come-first-serve).