INGENIERIA INDUSTRIAL
UNIVERSIDAD DE CHILE

ISCI
INSTITUTO
SISTEMAS COMPLEJOS DE INGENIERÍA

PROGRAMA

Empirical Workshop in Management Science and Applied Economics

Miércoles 20 de marzo 2013
Sala 31, Departamento de Ingenieria Industrial[1]

09:30 – 10:00	Recepción/Desayuno
10:00 – 10:45	"*Revisiting the Gift-Exchange: Theoretical Considerations and a Field Test*" **Rosario Marcera**, Pontificia Universidad Católica de Chile
10:45 – 11:30	"*The Importance of Feature and Object Fixations in Choice-based Conjoint Analysis*" **Andrés Musalem**, Universidad de Chile
11:30 – 12:00	Coffee Break
12:00 – 12:45	"*Group Incentives and Standardization: An Application to Hospital-Physician Gainsharing*" **Claudio Lucarelli**, Universidad de Los Andes
12:45 – 13:30	"*P-curve: a Key to the File Drawer*" **Uri Simonsohn**, The Wharton School
13:30 – 15:30	Almuerzo (Restaurant Club House Piscina, Club Hípico)
15:30 – 16:15	*"Facial Expression Intelligence Scale: Recognizing and Interpreting Facial Expressions and Implications for Consumer Behavior"* **Meghan Pierce**, Pontificia Universidad Católica de Chile
16:15 – 17:00	*"Judgment Error in Lottery Play: When the Hot-Hand Meets the Gambler's Fallacy"* **Cynthia Kong**, Universidad Adolfo Ibáñez
17:00 – 17:30	Coffee Break (Patio interior DII)

[1] Se adjunta mapa en la última hoja de este documento.

ABSTRACTS

"Revisiting the Gift-Exchange: Theoretical Considerations and a Field Test"

Rosario Marcera, Pontificia Universidad Católica de Chile

There is conflicting laboratory and field evidence on whether gift-exchange---the exchange of above-market-clearing wages for above-minimal effort---exists as an incentive mechanism and if so, its effectiveness. We develop a novel unifying model of reference-dependent social preferences highlighting the potential sources of the conflicting evidence: habituation to excess wages, separability of the effort cost, and gift size. In particular, the habituation to the gift occurs through a change in the agent's reference-point defined as his rational expectations about future wages and effort. We test our model in a randomized field experiment by hiring workers for a one-time data-entry task evenly split in three weeks. Our experimental design not only addresses the factors detailed in our model but also addresses others that could hamper reciprocal effort, such as the selection of higher-ability workers and ambiguous intentions of the principal. Despite dealing with these confounds we find no evidence of gift-exchange: workers do not exert more effort in response to excess wages, but they do respond to piece rates. We also find no correlation between prosocial behavior in the field and in the laboratory: those who exhibited the most reciprocity in post- field experiment laboratory games did not repay excess wages with excess effort during the field experiment, although they responded to piece rates.

Workers in our field setting behaved according to the classical model of preferences.

"The Importance of Feature and Object Fixations in Choice-based Conjoint Analysis"

Andrés Musalem, Universidad de Chile

Researchers from different disciplines have worked on the question of how attention and preference are related in everyday decisions. One stream of research has demonstrated that preferential looking takes place, i.e. that subjects focus their attention on features and objects they like. Another stream of research found evidence for mere exposure effects, showing that subjects more likely choose objects they (are forced to) pay more attention to. Bringing together that knowledge, it has been argued that attention directed and preference directed processes are connected in a positive feedback loop leading to the final decision, which means that attention gradually shifts to the finally chosen objects in the form of a cascade process.

Reflecting these findings back to conjoint analysis, we explore the possibility that attention is focused on liked features and objects and attended features and objects come to be liked more. Using eyetracking technology we assess fixations for conjoint choice tasks. We then estimate a consumer utility model and find evidence of feature focus where attention to a feature amplifies its utility, increasing the utility of positive features and the disutility of negative ones. We also find evidence of object focus where attention to an object amplifies the magnitude of the utilities associated with all of its features. Furthermore, these two effects (feature and object focus) become stronger as the decision approaches. Finally, our findings underline the additional value of combining eye-tracking and choice data. In this regard, we find that a consumer choice model which includes feature and object fixations predicts holdout choices substantially better than one calibrated only based on choices.

"Group Incentives and Standardization: An Application to Hospital-Physician Gainsharing"

Claudio Lucarelli, Universidad de Los Andes

We theoretically establish that firms prefer group-based over individual incentives when standardization across agents reduces firm's costs. We test the theory in the context of hospital-physician gainsharing programs for cardiology. We analyze data to determine gainsharing's effects on device prices, standardization, quantities and costs and on patients' clinical outcomes. We find that gainsharing lowered device prices, mostly from within-brand price reductions, increased standardization, and lowered costs. These price and cost reductions were greatest for physicians previously farthest above their groups' averages. Device quantities and stent length fell but observed clinical outcomes did not worsen, leaving uncertain the effects on quality.

"P-curve: a Key to the File Drawer"

Uri Simonsohn, The Wharton School

The published record is a selectively reported record. Scientists primarily report and publish studies (publication bias) or analyses (p-hacking) that "work"; those that do not "work" are file-drawered and ignored. Accordingly, a reader must question whether a specific set of published findings are merely the result of selective reporting or whether they actually provide evidence that the studied effects exist. We introduce p-curve as a tool for answering that question. P-curve is the distribution of statistically significant p-values for a set of findings, and examining its shape allows one to make inferences about the evidential value of those findings. For example, because only studies examining true effects are expected to lead to right-skewed p-curves – more low (e.g., .01s) than high (e.g., .04s) significant p-values – a right-skewed p-curve suggests that a set of studies do contain evidential value. P-curve can aggregate across studies, no matter how similar or diverse they are, and it is powerful enough to allow for meaningful inference from even a small number of p-values. By telling us which sets of studies probably do contain evidential value and which probably do not, p-curve offers a solution to the age-old consequences of selective reporting on hypothesis testing.

"Facial Expression Intelligence Scale: Recognizing and Interpreting Facial Expressions and Implications for Consumer Behavior"

Meghan Pierce, Pontificia Universidad Católica de Chile

Each time we meet a new person, we draw inferences based on our impressions of a person's face. The face functions as one source of information, which we combine with the spoken word, body language, past experience, and the context of the situation to form judgments. We use facial expressions to help us understand the emotions that underlie what another person is thinking, saying, or feeling. While there is strong support for the universality of emotion recognition, the ability to identify and interpret facial expressions varies by individual. Existing scales fail to include the dynamicity of the face. Five studies examine the viability of the Facial Expression Intelligence Scale (FEIS) to measure individual ability to identify and interpret facial expressions. Consumer behavior implications are discussed.

"Judgment Error in Lottery Play: When the Hot-Hand Meets the Gambler's Fallacy"

Cynthia Kong, Universidad Adolfo Ibáñez

We demonstrate that lottery players can be influenced to believe erroneously in the existence of "hot" numbers, where past winning numbers are perceived to have a greater probability of winning in future draws, even though past and the future events are independent. We use two sets of lottery game data to show that both the gambler's fallacy and hot-hand fallacy can prevail under different gaming environments, contingent on the design (e.g., prize structures) of the lottery games. We develop a quasi-Bayesian model that is consistent with our empirical findings to investigate the conditions in the environment that determine which fallacy dominates. Our results also provide a new explanation for the "lucky store" effect (Guryan and Kearney, 2008)—why players in the US believe that lightning will strike twice in the case of lottery vendors, but not in the case of lottery numbers.

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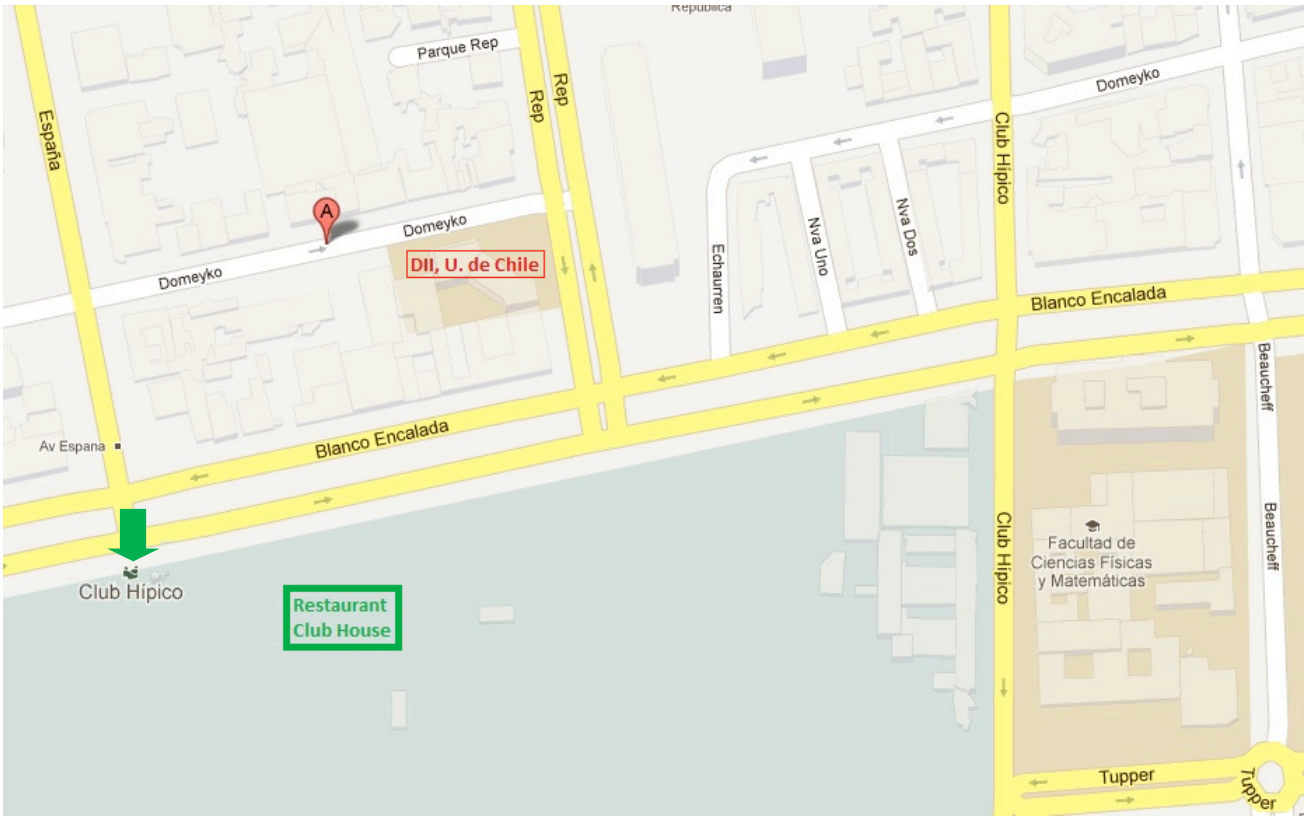

A: Departamento de Ingeniería Industrial, Universidad de Chile
Domeyko 2338, entre Av. España y República.
http://goo.gl/maps/zziJn

Estacionamientos: Se reservarán estacionamientos en la calle Domeyko, justo afuera del Departamento de Ingeniería Industrial.

Restaurant Club House Piscina, Club Hípico
Dentro del Club Hípico.
Entrada por Blanco Encalada con Av. España (sólo ingreso peatonal).