Winter 2012 Newsletter

INFORMS Behavioral Operations Management Section

If you have any information for the next issue of this newsletter please forward an announcement to kschultz@afit.edu. General topics include:

1. Section News
2. Meetings
3. Research
4. People

1. Section News:
   a. Lisa Yeo myeo@ualberta.ca of The University of Alberta Business School has agreed to be our web administrator. The website is http://www.informs.org/Community/BOM
   b. Elections for new officers are coming up. Enno Siemsen will step up as President. All other positions are open. Please send nominations for VP, Secretary and Treasurer to kschultz@afit.edu

2. Meetings:
   a. The POMS Annual Meeting is in Chicago, Illinois this year from April 20 to the 23rd. There will be a Behavioral Operations Track chaired by Feryal Erhun of Stanford University, ferhun@stanford.edu and Yaozhong Wu of the National University of Singapore, bizwyz@nus.edu.sg The call for papers is:

We invite papers with focus on the analysis of human behavior with relevance to operations management. This track is open to studies of all aspects of behavior that is not completely determined by perfect rationality. Examples include decision making under uncertainty and complexity, social preferences, team dynamics, decision making across cultures, collaboration across cultures, etc. Research submitted to this track should have a clear operations context. Examples include inventory planning and control, resource allocation, supply chain management, project management, and product development. We encourage submission of research focusing on design of management interventions (e.g., mechanisms) for suboptimal human behavior. All research methodologies are welcome.
b. The 7th Annual Conference on Behavioral Research in Operations Management, the Summer Conference, is being hosted by Wedad Elmaghraby at the University of Maryland this year and will be in Washington D.C. from June 9 to the 11. http://lema.smeal.psu.edu/conference/2012/ Registration deadline is April 30.

The goal of this conference is to bring together researchers with a common interest in the operations interface between human behavior studies and analytical modeling, with the aim of sharing current work, identifying new research problems, and developing relationships between scholars in the field.

The format will be the same as in the past years. We will begin in the morning on Sunday, June 10, and conclude by about 5pm on Monday, June 11. There will also be one exciting addition:

There will be a Young Scholars’ Workshop held on Saturday June 9th. This workshop targets PhD students and junior faculty, but all interested conference participants are welcome to attend. The workshop will be comprised of two parts: The morning and early afternoon sessions will include several tutorials on Behavioral Research. The late afternoon session will be a research incubator, in which young scholars will have the opportunity to present their ideas and receive feedback in small groups. We especially encourage all conference participants to help us with the the research incubator portion of the workshop by attending it.

This year’s registration fee, covering food and conference amenities, will be $200. There will be a limited number of fee waiver scholarships for PhD students. Please contact one of the conference organizers to apply.

c. INFORMS 2012 Annual Meeting is in Phoenix from October 14th to the 17th. The Behavioral Operations Management section is organizing a cluster of presentations. This cluster is targeting research in dynamics and modeling in management, policy and practice which expressly includes consideration of real decision makers. Session chairs are organizing invited sessions in several areas, including behavior in supply chains, decision analysis, revenue management and healthcare. If you have research that may fit for a session, please contact the cluster chair, Brent Moritz [bmoritz@psu.edu], for further information.

3. Research:

We will use this forum to keep members updated on papers published in the area of Behavioral Operations Management. This is a great opportunity for you to get the word out on your research. Papers qualify if they are aimed principally for an Operations Management audience and if they explicitly include consideration of behavioral factors other than strict profit maximizing, or if they empirically test that assumption. Normally we include papers on individual, not organizational behavior but for the purposes of this newsletter we will accept both. Papers do NOT have to be empirical.
Please send citations and abstracts of any paper you publish in 2012 to KSchultz@afit.edu

Papers submitted for 2011 are:


This paper investigates the capacity investment decision of a supplier who solicits private forecast information from a manufacturer. To ensure abundant supply, the manufacturer has an incentive to inflate her forecast in a costless, nonbinding, and nonverifiable type of communication known as "cheap talk." According to standard game theory, parties do not cooperate and the only equilibrium is uninformative—the manufacturer's report is independent of her forecast and the supplier does not use the report to determine capacity. However, we observe in controlled laboratory experiments that parties cooperate even in the absence of reputation-building mechanisms and complex contracts. We argue that the underlying reason for cooperation is trust and trustworthiness. The extant literature on forecast sharing and supply chain coordination implicitly assumes that supply chain members either absolutely trust each other and cooperate when sharing forecast information, or do not trust each other at all. Contrary to this all-or-nothing view, we determine that a continuum exists between these two extremes. In addition, we determine (i) when trust is important in forecast information sharing, (ii) how trust is affected by changes in the supply chain environment, and (iii) how trust affects related operational decisions. To explain and better understand the observed behavioral regularities, we also develop an analytical model of trust to incorporate both pecuniary and nonpecuniary incentives in the game-theoretic analysis of cheap-talk forecast communication. The model identifies and quantifies how trust and trustworthiness induce effective cheap-talk forecast sharing under the wholesale price contract. We also determine the impact of repeated interactions and information feedback on trust and cooperation in forecast sharing. We conclude with a discussion on the implications of our results for developing effective forecast management policies.


A social dilemma occurs when it is optimal for each member of a team to act in his own interest but, if all participants do so, everyone is worse-off than if they had done otherwise. Social dilemmas are often observed in operational processes involving teamwork, such as developing new products or implementing total quality programs. The extent to which an employee cooperates with others is driven not only by material incentives but also by social preferences: individuals have an interest in the welfare of others as well as their own. Two known social preferences are status and relationship maintenance. Multiple studies have shown that status seeking leads team members to compete more whereas relationship building leads them to cooperate more. The question remains of whether these two preferences can coexist and complement one another (as when status seeking triggers effort and relationship building encourages
cooperation) or whether they are at odds. In this experimental study we demonstrate that these two social preferences hinder one another: status reduces the collaboration benefit from relationships, and increases only individual, but not collaborative, effort. These results suggest that managerial interventions that promote status seeking and relationship building behavior cannot easily be used simultaneously when motivating teams to perform in situations involving social dilemmas.

4. People: Congratulations to: (In some cases, please note changes in email addresses.)
   
   a. Andrew Davis has taken a job at The S.C. Johnson Graduate School of Management at Cornell University adavis@cornell.edu
   
   b. Christoph Loch has become the Director of the Cambridge Judge Business School. c.loch@jbs.cam.ac.uk
   
   c. Ken Schultz moved to the Air Force Institute of Technology in Dayton Ohio. kschultz@afit.edu
   
   d. Yaozhong Wu was promoted to Associate Professor
   
   e. Karen Zheng has taken a job at the Massachusetts Institute of Technology Yanchong@mit.edu.
   
   f. Elena Katok has accepted a position at the University of Texas at Dallas.