

Behavioural Economics: Irrational Human Behaviour

Have you ever thought about why people willing to take the offer to buy 1 free 1 even though they know the selling tag in the product price and need one of the products?

Do you know why business people find it challenging to let go of the business even if they are losing each month?

Introduction

Classical economic theory assumes that individuals are rational. However, in the real world, we often see irrational behaviour – decisions that don't maximise utility but can cause a loss of economic welfare. Irrational behaviour is not just isolated to a few 'irrational individuals.' Still, it can become the dominant choice for most. Irrational behaviour, leading to market failure, loss of economic welfare, and personal issues such as drug addiction and poor health. Therefore, irrational behaviour has implications for formulating economic policy. It means economists need to take into account the potential for irrationality. Mastery irrationality helps you to create unbelievable strategies that grow the organisation. Since it is so important, join the program now to learn more.

Program Objectives

This program aims to:

- Expose different type of irrational human being
- Equip participants with knowledge of behavioural economics to create a strategy to achieve the desired goals.

Learning Outcomes

After completing this program, the participants should be able to:

- Understand in-depth human behaviour
- Understand the irrationality of human decision-making behaviour
- Create strategy according to irrationality human behaviour
- Apply nudges in the various business setting, including human resource, marketing

Methodology

Gamification, case study, interview, case simulation, quiz, group discussion, lecture, videos.

Who should attend?

Human resource personnel, marketing personnel, financial personnel, senior management, and anyone who would like to apply behavioural biases into the business strategy.

Program Outline

Day One	
Time	Topics
9:00am – 10:30am	<p>Fundamental of Behavioural Economics</p> <p>In this module, the participants would learn the antecedents of behavioural economics such as the history, the methodology, the application, the approaches and the application of behavioural economics.</p>
10:30am – 11:00am	Tea Break and Networking
11:00am – 1:00pm	<p>Behavioural Economics of Risk, Uncertainty, and Ambiguity</p> <p>This module starts to understand the human choice under risk and uncertainty, the behavioural models on decision making, application of behavioural decision theory, and human behaviour under ambiguity</p>
1:00pm – 2:00pm	Lunch and Networking
2:00pm – 3:30pm	<p>Behavioural Time Discounting</p> <p>In this module, the participants would learn the evidence on temporal human choice, behavioural models of time discounting, applications of present-biased preferences.</p>
3:30pm – 4:00pm	Tea Break and Networking
4:00pm- 5:00pm	<p>Bounded Rationality</p> <p>In this module, the participants would learn how judgment heuristics, mental discounting influence human decision. In addition, the participants would learn through a case study on bounded reality in the financial market in this module.</p>
Day Two	
Time	Topics
9:00am – 10:30am	<p>Behavioural Game Theory</p> <p>This module trains participants on strategic human choice by explaining decision making using experimental data. The theory allows for rational and irrational choices because both are examined using real-life experiments. Specifically, the behavioural game theory attempts to explain factors that influence real-world decisions.</p>
10:30am – 11:00am	Tea Break and Networking
11:00am – 1:00pm	Choice Architecture as Behavioural Economics Application

	Choice architecture can be used to help nudge people to make better choices. In this module, the participants would look at the basic concept of choice architecture, how choice architecture works. The participants would learn how to apply defaults, expecting error, understanding mappings, giving feedback, structuring complex choices, and Creating incentives
1:00pm – 2:00pm	Lunch and Networking
2:00pm – 3:30pm	<p>Nudges as Behavioural Economics Application</p> <p>Nudges help people make better decisions while respecting their freedom of choice. In this module, the participants would learn how to create nudges in the strategy. The participants would apply default rules, simplification, uses of social norms, increase in ease and convenience, disclosure, warnings, graphic or otherwise, pre-commitment strategies, reminders, eliciting implementation intentions and informing people of nature and consequences of their own past choices.</p>
3:30pm – 4:00pm	Tea Break and Networking
4:00pm- 5:00pm	<p>Behaviour Insights as Behavioural Economics Application</p> <p>Behavioural insights have been used across public services to generate low-cost interventions to improve service outcomes. The approach is based on the idea that interventions aimed at encouraging people to make better choices for themselves and society will be more successful if they are based on insights from behavioural science. In this module, the participants would learn the framework of EAST when designing strategies.</p>