



Laboratoire d'Économie  
Appliquée de Grenoble



Centre de Recherche en  
Économie de Grenoble



IREPE

Institut de Recherche pour l'Économie Politique de l'Entreprise



ÉCOLE DOCTORALE  
Sciences Économiques

The Grenoble Applied Economics Lab (GAEL), the Grenoble Economic Research Center (CREG) and the Research Institute for the Political Economy of the Firm (IREPE) in partnership with the Grenoble Doctoral School of Economics (EDSE) invite you to the fourth

## Webinar “Institutional and Organizational Economics”

June 2, 2022, from 2:00 p.m. to 3:30 p.m

### Managerial Leadership, Truth-Telling and Efficient Coordination

**Jordi Brandts**

Barcelona School of Economics, Spain

We study the MS game, a novel coordination game played between a manager and two subordinates. Unlike commonly studied coordination games, the MS game stresses asymmetric payoffs (subordinates have opposing preferences over outcomes) and asymmetric information (subordinates are better informed than managers). Efficient coordination requires coordinating subordinates' actions and utilizing their private information. We vary how subordinates' actions are chosen (managerial control versus delegation), the mode of communication (none, structured communication, or free-form chat), and the channels of communication (i.e. who can communicate with each other). Achieving coordination per se is not challenging, but total surplus only surpasses the safe outcome when managerial control is combined with three-way free-form chat. Unlike weak-link games, advice from managers to subordinates does not increase total surplus. The combination of managerial control and free-form chat works because under these conditions subordinates rarely lie about their private information. Our results suggest that common findings from the experimental literature on lying are not robust to changes in the mode of communication.

*Jordi Brandts is a research Professor at IAE-CSIC and BSE Research Professor. He is also a Research Fellow of CESifo. His research is experimental in areas such as the study of cooperation, organizational economics, industrial organizational and market analysis, conflict and the effects of communication on strategic interaction. From 2008-2013 he held the Serra-Ramonedà/Catalunya Caixa Chair at the Department of Business at UAB. From 2007-2011 he was Editor-in-Chief of the journal Experimental Economics. He currently serves as Advisory Editor for Games and Economic Behavior, Associate Editor of Review of Economic Design, and Senior Editor of the Oxford Research Encyclopedia of Economics and Finance. He is also European Vice-President of the Economic Science Association.*

**Registration:** <https://framaforms.org/webinar-institutional-and-organizational-economics-june-2-2022-from-200-pm-to-330-pm-1651485601>

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