

Department of Information and Systems Management
School of Business and Management
The Hong Kong University of Science and Technology

Seminar Announcement

*Social Preferences and Supply Chain Performance:
An Experimental Study*

by

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11:00 – 12:30 pm

Room 4379, ISMT Conference Room (L17/18)

~~~~~ All interested are welcome ~~~~~

### **Abstract**

Supply chain contracting literature traditionally has focused on aligning incentives for economically rational players. Recent work has hypothesized that social preferences, separate from economic incentives, may influence behavior in supply chain transactions. Social preferences refer to intrinsic concerns for the other party's welfare in the case of a positive relationship and intrinsic desires for a higher relative payoff compared with the other party's when status is salient. This article provides experimental evidence that social preferences systematically affect economic decision making in supply chain transactions. Specifically, supply chain parties deviate from the predictions provided by self-interested profit-maximization models, such that relationship preference promotes cooperation, individual performance, and high system efficiency, sustainable over time, whereas status preference induces tough actions and reduces both system efficiency and individual performance.

### **Biography**

Yaozhong Wu is an Assistant Professor in the Department of Decision Sciences at NUS Business School. He received his Ph.D. in Technology and Operations Management from INSEAD. His research interests are in the field of Behavioral Operations Management, with an emphasis on the effects of decision biases and social preferences on process and operations performance.