



THE UNIVERSITY of NORTH CAROLINA
GREENSBORO
Bryan School of Business and Economics

Decision Making in Organizations MGT 403 Fall 2020

<u>Location:</u>	Hybrid: Bryan 111 & On-line
<u>Time:</u>	MW 2:00 – 3:15PM (see Course Logistics)
<u>Professor:</u>	Jason Pierce, PhD
<u>E-mail:</u>	jrpierc2@uncg.edu
<u>Office hours:</u>	MW 3:30PM – 5:00PM or by appointment
<u>Office:</u>	Bryan 372

COURSE OVERVIEW

All of us make numerous decisions every day. Some we make with little to no thought and others with a great deal of contemplation and consternation. Regardless of how we our decisions, any single one can bring tremendous consequences. When we make decisions on behalf of organizations, those consequences often have greater and farther-reaching impacts. The goal of this course, therefore, is to provide the insights and tools you will need to increase the probability that the consequences of your decisions will be positive rather than negative. We do so by introducing the formal study of decision making which involves examining our cognitive processes, biases, and limitations. Understanding how those elements influence the quality of our decisions enables us to establish guidelines for optimizing the processes through which we make them.

COURSE LEARNING OBJECTIVES

Upon successful completion of this course students will be able to:

- Analyze decisions from psychological, behavioral, and rational model perspectives.
- Demonstrate how bounded rationality and satisficing affect managerial decisions.
- Explain fair and ethical approaches to decision making.
- Analyze the influence of interpersonal and cognitive processes on decisions making and managerial judgments.
- Apply models to make decisions under uncertainty and crisis.
- Apply the principles of conflict and negotiation in a decision-making environment.

COURSE LOGISTICS (HYBRID DETAILS)

Starting in Fall 2020, this course will have *hybrid* delivery to mitigate the risks associated with the COVID-19 pandemic. Hybrid means that half of the class sessions will occur in person and half on-line. We have two subsections: A & B. Group A will attend Mondays while Group B engages online. Group B subsection will attend in person on Wednesdays while Group A engages online. Most online engagements involve completing exercises and watching pre-corded lectures. We will have two “Live” sessions, however, which require remote attendance by half the class (once for Group A and once for Group B).

COURSE METHODOLOGY

The course will employ readings, lectures, class discussions, and in-class exercises. A series of exercises are used to illustrate principles of judgment and decision making. Exercises include the taxi problem (an illustration of Bayesian reasoning), a group decision-making exercise, the prisoner’s dilemma, a two-person negotiation exercise, a variety of case examples, and a semester-long virtual investing game.

COURSE MATERIALS

Required text:

- *Judgment in Managerial Decision Making* (8th ed.) by Max Bazerman & Don Moore. Wiley, 2013.

Recommended resources:

- *Predictably Irrational* by Dan Ariely. Harper Collins, 2008.
- *Thinking, Fast and Slow* by Daniel Kahneman. Farrar, Straus and Giroux, 2011.

Other readings in order assigned (all downloadable through links & the [UNCG library](#)):

- [Harrison, E. F.](#) (1993). Interdisciplinary models of decision making. *Management Decision*, 31(8): 27-33.
- [Probst, G., Raisch, S.](#) (2005). Organizational crisis: The logic of failure. *Academy of Management Executive*, 19(1): 90-105.
- [Maule, A. J., & Hodgkinson, G. P.](#) (2002). Heuristics, biases and strategic decision making. *The Psychologist*, 15(2): 68-71.
- [Milkman, K.L., Rogers, T., & Bazerman, M.H.](#) (2008). Harnessing our inner angels and demons: ... want/should conflicts ... *Perspectives on Psychological Science*, 3: 324-338.

- [Galotti, K. M.](#) (2007). Decision structuring in important real-life choices. *Psychological Science*, 18: 320-325.
- [Hyashi, A.M.](#) (2001, February). When to trust your gut. *Harvard Business Review*.
- [Miller, C. C. & Ireland, R. D.](#) (2005). Intuition in strategic decision making: Friend or foe in the fast-paced 21st century? *Academy of Management Executive*, 19: 19-30.
- [Staw, B.M., & Ross, J.](#) (1987, March). Knowing When to Pull the Plug. *Harvard Business Review*, 65(2), 68-74.
- [Bazerman, M. H., & Tenbrunsel, A. E.](#) (2011, April). Ethical Breakdowns: Good people often let bad things happen. Why? *Harvard Business Review*, 89(4): 58-65.
- [Shih, M., Pittinsky, T. L., & Ambady, N.](#) (1999). Stereotype susceptibility: Identity salience and shifts in quantitative performance. *Psychological Science*, 10: 80-83.
- [Willis, J., & Todorov, A.](#) (2006). First impressions: Making up your mind after a 100-ms exposure to a face. *Psychological Science*, 17: 592-598.
- [Lovallo, D., Viguerie, P., Uhlener, R., & Horn, J.](#) (2007, December). Deals without delusions. *Harvard Business Review*, 92-99.
- [Hardman, D. & Harries, C.](#) (2002). How rational are we? *Psychologist*, 15(2): 76-79.
- [Milkman, K.L., Chugh, D., & Bazerman, M.H.](#) (2009). How can decision making be improved? *Perspectives on Psychological Science*, 4: 379-383.

PERFORMANCE EVALUATION

Reflection Paper 1	15%	No A+ grades at Bryan School	A 93 and up	A- 90-92.999
Reflection Paper 2	25%	B+	B 87-89.999	B- 83-86.999
Final Exam	35%	C+	C 77-79.999	C- 80-82.999
Participation & Professionalism	25%			
TOTAL	100%	D 65-69.999	F below 65	

Final grades will be statistically curved **as needed** to ensure fairness. If so curved, the A- cutoff starts at 1 standard deviation (SD) above the mean, the C+ cutoff starts at 1 SD below the mean, and the D/F cutoff starts at 2 SD below the mean.

REFLECTION PAPERS

Reflective writing helps us integrate knowledge and advance our understanding of reality best. Therefore, you will write two reflection papers about your experiences with the investment game and your other decision-making experiences. The purpose of the reflection reports is for you to use our course material to make sense of and improve your own decision-making processes. See the course web-site for more detailed instructions.

FINAL EXAM

We will have a final exam at the end of the term. The exam will be primarily short answer questions, though I may include true/false and multiple-choice questions as I see fit. The exam time is indicated on the course schedule below as set by the registrar.

Make-up policy: If you miss an exam for any reason, you have **1 day** to contact me by email to schedule a make-up. The make-up will be given orally, and any course material will be fair game for questions. Most students prefer the written version and make every effort to be present on exam day.

PARTICIPATION & PROFESSIONALISM

Much of the learning in this course will come through interactive class exercises and discussions. To get the most learning from the course, therefore, you must do the readings, pre-work, and participate in class. You will earn points for each as follows:

Pre-work:

- 2 = Completed with valid data without reminder
- 1 = Completed with reminder and valid data
- 0 = Not completed or completed with invalid data

In-Class Participation:

- 3 = said/asked something meaningful
- 2 = said/asked something
- 1 = attended
- 0 = did not attend

The professionalism portion of this grade holds students accountable for general conduct throughout the course as prescribed in [the Bryan School policy](#). Disruptive conduct will result in point deductions in proportion to the disruption.

At the end of the course, I will sum your participation points and convert it to a score out of 100 based on normal distribution where average = 85 and the standard deviation = 5. However, **you must earn at least 40 points to receive a passing participation grade.**

COURSE SCHEDULE

INTRO:	COURSE OVERVIEW: THE SUM TOTAL OF OUR CHOICES?	19 & 24 AUG
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- Getting warmed up
- Defining good and bad decisions

In Class: How good of a decision maker are you?
Defining good and bad decisions.

BLOCK 1:	INTRODUCTION TO MANAGERIAL DECISION MAKING	19 – 26 AUG
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- Anatomy of Decisions
- System I vs System II Thinking
- Cognitive Limitations & Biases

Reading: Chapter 1
Harrison (1993)

Pre-work: Prisoners' Dilemma

TRADING 1:	INTRO STOCK TRADING & SIMULATION	(LIVE – GROUP B ATTENDS)	26 AUG
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- What are stocks and stock markets?
- Overview of semester-long simulation

Reading: None

Pre-work: Sign up on www.marketwatch.com/game
Make first trade (see course web site for instructions)

BLOCK 2:	OVERCONFIDENCE	31 AUG – 9 SEP
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- The Problems: Overprecision, Overestimation, & Overplacement
- A Simple Solution

Reading: Chapter 2
Probst & Raisch (2005)

Pre-work: Estimating our confidence (Watch email for link to exercise)

TRADING 2:	PEER REVIEW AND PRO RECOMMENDATIONS	(LIVE – GROUP A ATTENDS)	9 SEP
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- Peer review of partial reflection (one trade)
- Q&A about trading
- Pro trading tips

Reading: None

Due: **Draft reflection on one trade** (full report due in **Block 5**)

BLOCK 3:	COMMON BIASES	14 – 16 SEP
	<ul style="list-style-type: none"> ▪ Availability, Confirmation, & Representative Heuristics ▪ The Good and Bad of Heuristics 	
Reading:	Chapter 3 Maule & Hodgkinson (2002)	
Pre-work:	Assessing our biases (Watch email for link to exercise)	
In Class:	Taxi Problem	
BLOCK 4:	BOUNDED AWARENESS	21 – 23 SEP
	<ul style="list-style-type: none"> ▪ Intentional & Change Blindness ▪ Out of Focus ▪ Beyond the individual 	
Reading:	Chapter 4 Galotti (2007); Milkman, Rogers & Bazerman (2008)	
Pre-work:	Assessing our awareness (Watch email for link to exercise)	
In Class:	Winter Survival	
BLOCK 5:	FRAMING & REVERSAL OF PREFERENCES	28 – 30 SEP
	<ul style="list-style-type: none"> ▪ Irrational Framing ▪ Responses to (Un)Certainty ▪ Subjective Valuation & Mental Accounting 	
Reading:	Chapter 5	
Pre-work:	Prioritizing our preferences (Watch email for link to exercise)	
Due:	Reflection Paper 1 (on Friday)	
TRADING 3:	MID-TERM DEBRIEF (NO ONLINE PORTION)	5 – 7 OCT
	<ul style="list-style-type: none"> ▪ Reflection Report Debrief ▪ Review and Catch up ▪ Advanced Investing Techniques 	
Reading:	None	
BLOCK 6:	MOTIVATIONAL & EMOTIONAL INFLUENCES	19 – 21 OCT
	<ul style="list-style-type: none"> ▪ Thoughts vs Feelings ▪ Self-Serving & Other Emotional Influences 	
Reading:	Chapter 6 Hyashi (2001, February); Miller & Ireland (2005)	
In Class:	Heart-Rending Decisions (Watch email for link to exercise) Susan David & Danny Khaneman Ted Talk's	

BLOCK 7:	ESCALATION of COMMITMENT	16 – 28 OCT
	<ul style="list-style-type: none"> ▪ Escalation Paradigms ▪ Diagnosing Escalation 	
Reading:	Chapter 7 Staw & Ross (1987, March)	
In Class:	(\$20) Dollar Auction	
BLOCK 8:	FAIRNESS & ETHICS	2 – 4 NOV
	<ul style="list-style-type: none"> ▪ Perceptions of & Reactions to (Un)Fairness ▪ Bounded Ethicality, Favoritism & Conflicts of Interest 	
Reading:	Chapter 8 Bazerman & Tenbrunsel (2011, April); Shih, Pittinsky, & Ambady (1999) Willis & Todorov (2006)	
Pre-work:	Evaluating our ethics (Watch email for link to exercise) Implicit Social Attitudes Test (ISAT) (See assignment in course web site for details)	
BLOCK 9:	NEGOTIATING RATIONALLY	9 – 11 NOV
	<ul style="list-style-type: none"> ▪ Claiming & Creating Value in Negotiation ▪ Conflict Resolution Basics 	
Reading:	Chapter 10 & 11 Hardman & Harries (2002); Lovallo, Viguerie, Uhlaner, & Horn (2007)	
In Class:	Sugar Bowl & Your Next Negotiation (Watch email for link to exercise)	
Due:	Reflection Paper 2	
BLOCK 10:	COMMON INVESTMENT MISTAKES (NO ONLINE PORTION)	16 – 18 NOV
	<ul style="list-style-type: none"> ▪ Psychology of Poor Investing ▪ Active Trading & Action Steps 	
Reading:	Chapter 9	
In Class:	Final Exam Review & Results of Trading Simulation	
BLOCK 11:	IMPROVING DECISION MAKING (NO IN-PERSON PORTION)	23 NOV
	<ul style="list-style-type: none"> ▪ Seven Strategies 	
Reading:	Chapter 12 Milkman, Chugh, & Bazerman (2009); Pate (1987)	
FINAL EXAM	At 3:30PM	30 NOV

This schedule is subject to change. Any modifications will be announced in class or via the course web site, which will be our official communication channels during the semester.

COURSE POLICIES

ATTENDANCE: Students who miss the 1st week of class will be dropped from the course.

COURSE WEB SITE: You are responsible for all information posted to the course web site, including announcements, notes, slides, readings, assignments, and grades.

EMAIL COMMUNICATIONS: You are expected to check your UNCG email daily where you will receive updates from CANVAS and direct correspondence from your professor. Please use email only for communicating with the professor regarding **personal matters**. Again, **general concerns** should be posted on the discussion board.

ETIQUETTE: You are expected to abide by professional standards of conduct including:

1. RESPECT: treat everyone as you want to be treated
2. LISTEN: ensure you fully understand what others are saying before you respond
3. NETIQUETTE: write emails with proper tone, language, and formatting
 - a. Include a subject and signature
 - b. Mind your tone and use emphasis (CAPs, **bold**, underline) sparingly

CLASSROOM DECORUM:

1. When class begins, I will shut the door. If arriving late or leaving early, do so quietly.
2. Please hold private conversations outside the classroom. Students who fail to do so will be invited to take the place of the professor and teach the class.
3. During class, mobile phones must remain turned off completely. Those wishing to use computers or tablets for note taking must sit in the back row of the classroom.

DISRUPTIVE BEHAVIOR POLICY: The professor may withdraw students from the course for disruptive behavior (see <https://osrr.uncg.edu/faculty/disruptive-behavior/>).

UNCOVERED CIRCUMSTANCES: Any situation or complications not covered by the syllabus must be brought directly to the attention of the professor who will either render a decision or refer the matter to administrators such as the department chair or appropriate dean.

UNCG POLICIES

ACADEMIC SUPPORT SERVICES: Services available to students include ...

1. *Student Success Center*: You may contact the center at <http://success.uncg.edu/>
2. *Writing Center*. Visit <https://writingcenter.uncg.edu/> for help with written work.
3. *Office of Accessibility Resources and Services (OARS)*: You may contact OARS at <http://ods.uncg.edu/>
4. *Information Technology Services (ITS)*: You may contact ITS at <https://its.uncg.edu/>

INCLEMENT WEATHER: UNCG remains open unless the Chancellor decides to cancel classes. Students can obtain details on those decisions from Spartan Alerts at (336) 334-4400 or <http://spartanalert.uncg.edu>.

STUDENTS WITH DISABILITIES: UNCG complies fully with The Americans with Disabilities Act and section 504 of the Rehabilitation Act of 1973. Students requesting accommodations based on a disability must be registered with the Office of Disability Services in 215 Elliott University center, 334-5440, www.uncg.edu/ods.

RELIGIOUS OBSERVATIONS: Any student who cannot take an exam on the scheduled due date or participate fully in any other aspect of the course due to religious conflict must inform me by email within the first two weeks of class so that we can make alternative arrangements for him/her to take the exam and/or complete that part of the course.

PANDEMIC PRECAUTIONS: As UNCG returns to face-to-face course offerings in fall 2020, the campus community must recognize and address concerns about physical and emotional safety. As such, all students, faculty, and staff are required to uphold UNCG's culture of care by actively engaging in behaviors that limit the spread of COVID-19. Such actions include, but are not limited to, the following:

- Wearing a face covering that covers both nose and mouth
- Observing social distance in the classroom
- Engaging in proper hand washing hygiene when possible
- Self-monitoring for symptoms of COVID-19
- Staying home if you are ill
- Complying with directions from health care providers or public health officials to quarantine or isolate if ill or exposed to someone who is ill.

Instructors will have seating charts for their classes. These are important for maintaining appropriate social distance during class and facilitating contact tracing should there be a confirmed case of COVID-19. Students must sit in their assigned seat at every class meeting and must not move furniture. Students should not eat or drink during class time.

A limited number of disposable masks will be available in classrooms for students who have forgotten theirs. Face coverings will also be available for purchase in the UNCG Campus Bookstore. Students who do not follow masking and social distancing requirements will be asked to put on a face covering or leave the classroom to retrieve one and only return when they follow these basic requirements to uphold standards of safety and care for the UNCG community. Once students have a face covering, they are permitted to re-enter a class already in progress. Repeated issues may result in conduct action. The course policies

regarding attendance and academics remain in effect for partial or full absence from class due to lack of adherence with face covering and social distancing requirements.

For instances where the Office of Accessibility Resources and Services (OARS) has granted accommodations regarding wearing face coverings, students should contact their instructors to develop appropriate alternatives to class participation and/or activities as needed. Instructors or the student may also contact OARS (336.334.5440) who, in consultation with Student Health Services, will review requests for accommodations.

Health and well-being impact learning and academic success. Throughout your time in the university, you may experience a range of concerns that can cause barriers to your academic success. These might include illnesses, strained relationships, anxiety, high levels of stress, alcohol or drug problems, feeling down, or loss of motivation. Student Health Services and The Counseling Center can help with these or other issues you may experience. You can learn about the free, confidential mental health services available on campus by calling 336-334-5874, visiting the website at <https://shs.uncg.edu/> or visiting the Anna M. Gove Student Health Center at 107 Gray Drive. For undergraduate or graduate students in recovery from alcohol and other drug addiction, The Spartan Recovery Program (SRP) offers recovery support services. You can learn more about recovery and recovery support services by visiting <https://shs.uncg.edu/srp> or reaching out to recovery@uncg.edu

COVID-19 Spartan Shield Video

UNCG Chancellor Frank Gilliam has challenged us to create a Culture of Care at UNCG where we all wear face coverings and social distance, less to protect ourselves but rather more to protect everyone around us. It shows that you care about the wellbeing of everyone around you. We have created this video featuring your student body presidents to better explain how and why this is so important. Please watch this video before the first day of classes.

<https://youtu.be/Mb58551qxEk>

UNCG ACADEMIC INTEGRITY STATEMENT

By the singular act of registering for this course, you are agreeing to abide by the UNCG Academic Integrity Policy. All written work submitted must be original and produced by the student/team for this class only. If you are for any reason unfamiliar with the contents of the code, please review it at: <https://osrr.uncg.edu/academic-integrity/>

Violations will be pursued. Academic Integrity applies to all aspects of this course. Please be aware that the following also constitute Integrity Violations in this course:

- You may not be in possession of any unauthorized exam or related materials, including old exams.
- No electronic devices are allowed to be on or visible during an exam.
- Signing an attendance sheet for another student and/or failing to attend the entire class is a falsification of your attendance and an academic integrity violation.
- Once an exam begins, you are not allowed to leave for any reason until you have submitted the exam.
- Falsification of any material used in the preparation or development of assignments is a code violation.
- The Bryan School of Business and Economics has recently developed and accepted Faculty and Student Guidelines focusing on the expected performance of each. Since these guidelines are new, please take the time to review them. They can be found at the following link:

http://bae.uncg.edu/assets/faculty_student_guidelines.pdf