



APPLIES TO ACADEMIC YEAR 2007/2008

## GRA 2204 Judgment and Decision Making in Organizations

### Program

Master of Science in Business and Economics, Master of Science in Business and Economics (Organizational Psychology), Master of Science in Leadership and Organizational Psychology, Master of Science in Marketing (Management), Specialization Course

### Responsible for the course

Thorvald Hærem

### Department

Leadership and Organizational Management

### Term

According to study plan

### ECTS Credits

6

### Language of instruction

English

### Objective

Despite the fact that decision-making is an integrative part of most managers' professional lives, most managers have never had any systematic training in how to make decisions. Judgment and decision making research shows that decision makers repeatedly make the same types of mistakes and errors when making decisions. By focusing on decision making failures and how decisions are actually made by individuals, groups and organizations, the objective of this course is to improve participants' ability to make decision, as well as their capacity to observe and learn from decision-making processes.

### Prerequisites

Bachelor degree in Business, Marketing or eq. qualifying for admission to the MSc Program

### Compulsory literature

#### Books:

Plous, Scott. 1993. The psychology of judgment and decision making. New York: McGraw-Hill

### Collection of articles:

A collection of research articles will be made available before the course starts

### Recommended literature

#### Books:

Bazerman, Max H. 1999. Smart money decisions: Why you do what you do with money (and how to change for the better). New York: John Wiley

Bazerman, Max H. 2006. Judgment in managerial decision making. 6th ed. Hoboken, N.J. : J. Wiley

Mitroff, Ian I. 1998. Smart thinking for crazy times : the art of solving the right problems. San Francisco : Berrett-Koehler Publishers

Russo, J. Edward and Paul J. H. Schoemaker. 1989. Decision traps : ten barriers to brilliant decision-making and how to overcome them. New York: Simon & Schuster

### Course outline

- The psychological foundations of judgment and decision-making
- Problem formulation and psychological context
- Normative and descriptive models of individual judgment and decision making
- Cognitive heuristics and biases
- Individual differences in judgment and decision-making
- Group dynamics and group decision-making
- Strategic and organizational decisions

- Decision making tools

**Computer-based tools**

Presentation tool such as PowerPoint. Blackboard/homepage.

**Course structure**

The course is structured as a combination of lectures, discussions, in-class activities, and compulsory student presentations. It requires substantial amount of preparation by the students and active involvement during class. 36 hours.

**Evaluation**

30% - Class based activities (in the form of a mix of some/ all of the following: hand in of case write ups, projects, and homeworks; case presentations and class participation; in class midterm and quizzes).

70% - Term paper (group work)

In this course class attendance is mandatory. Unexcused absence can result in a lower score. Specific Information regarding student evaluation will be provided in class.

**Evaluation code(s)**

GRA22044 accounts for 100% of the final grade in the course GRA 2204.

**Aids at the examination**

Not applicable

**Makeup exam**

Re-takes are only possible at the next time a course will be held. When course evaluation consists of class participation or process elements, the whole course must be re-evaluated when a student wants to retake a exam. Retake examinations entail an extra examination fee.

**Honor Code**

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academy integrity. If you have any questions about your responsibilities under the honor code, please ask.