



APPLIES TO ACADEMIC YEAR 2014/2015

GRA 2204 Judgment and Decision Making in Organizations

Programme

Master of Science in Business, Master of Science in Business (HRM), Master of Science in Leadership and Organizational Psychology, Specialization Course

Responsible for the course

Thorvald Hærem

Department

Department of Leadership and Organizational Behaviour

Term

According to study plan

ECTS Credits

6

Language of instruction

English

Introduction

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.

Learning outcome

KNOWLEDGE

Understand the concept of decision making
Know about the cognitive foundations for decision making
Know fundamental flaws in assumptions of rational decision making models
Understand the relevance and scope of behavioral decision making at different levels of aggregation, for micro to macro
Know about important heuristics and decision making techniques
Know about individual differences and implications for decision making
Understand implications for organizing for decision making in organizations

SKILLS

Be able to identify decision traps
Reflect upon the decision making process on the fly
Know techniques to avoid the most important decision traps
Know how to use appropriate measures mitigating against conditions that may trigger flawed decision making processes
Being aware of the shifting of "cognitive gears" in decision making processes
Being able to diagnose threats to faulty decision making processes in groups

REFLECTION

Developed a measured understanding about the relevance and scope of decision making in business
Be able to understand how decision making processes can be demystified
Have a realistic and empirically based attitude to the strengths and limits of human information processing in decision making processes
Developed a measured and empirically based understanding of how micro and macro conditions may interact to facilitate and inhibit effective decision making processes in a business context
Be able to identify the differences in decision process and decision outcome and reflect on the implications for management

Prerequisites

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

Compulsory reading

Books:

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

Collection of articles:

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

Other:

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination.

Recommended reading**Books:**

Bazerman, Max H., Don A. Moore. 2013. Judgment in managerial decision making. 8th ed. Wiley
Kahneman, Daniel. 2011. Thinking, fast and slow. Farrar, Straus and Giroux. 499
Mitroff, Ian I. 1998. Smart thinking for crazy times : the art of solving the right problems. Berrett-Koehler Publishers. Utsolgt fra forlaget

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. It's learning

Learning process and workload

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. A course of 6 ECTS credits corresponds to a workload of 160-180 hours.

Please note that it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.

Examination

The course grade will be based on the following activities and weights:

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

70% - Term paper (group work)

To get a final grade in the course, students need to complete and achieve a passing grade in all parts of the evaluation.

In this course class attendance is mandatory. Absences can result in a lower score. Specific information regarding student evaluation will be provided in class. This information may be relevant to requirements for term papers or other hand-ins, and/or where class participation can be one of several elements of the overall evaluation.

This is a course with continuous assessment (several exam elements) and one final exam code. Each exam element will be graded using points on a scale (e.g. 0-100). The elements will be weighted together according to the information in the course description in order to calculate the final letter grade for the course. You will find detailed information about the point system and the cut off points with reference to the letter grades on the course site in It's learning.

Examination code(s)

GRA 22044 continuous assessment accounts for 100% of the final grade in the course GRA 2204.

Examination support materials

Examination support materials at written examinations are explained under examination information in the student portal @bi. Please note use of calculator and dictionary in the section on support materials.

Re-sit examination

It is only possible to retake an examination when the course is next taught.

The assessment in some courses is based on more than one exam code.

Where this is the case, you may retake only the assessed components of one of these exam codes.

Where this is not the case, all of the assessed components of the course must be retaken.

All retaken examinations will incur an additional fee.

Additional information**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 academic integrity. If you have any questions about your responsibilities under the honor code, please ask.