MN4244 – BEHAVIOURAL DECISION MAKING

MODULE TYPE/SEMESTER: Honours/Option (20 Credits)/Semester 1

PRE-REQUISITE(S): MN2001 and MN2002

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AIM:
The aim of this module is to provide a critical appreciation of the rationality of choice and the nature of human judgement.

This module explores the psychology of decision making and judgement, with an eye toward management and leadership contexts. It draws upon material from a wide range of disciplines that include social psychology, cognitive psychology, organisational behaviour and managerial cognition. We examine the problem of determining “better judgement” — rationality — in a range of contexts, and we will explore the nature and effectiveness of our intuitive inclinations. You will be encouraged to examine how the characteristics of the decision maker and the immediate environment can help or hinder judgements and decisions, and to develop an informed understanding of the ability of individuals, including yourselves, to make good decisions.

METHOD OF TEACHING & LEARNING:
The taught component is organised around a two-hour interactive lecture, which involves class discussions. Because the module relies on student participation, attendance is important; students are expected to come to lectures prepared.

A one-hour tutorial will usually follow the lectures, on the same day.

LEARNING OUTCOMES:
By the end of the module, students should be able to:

- Understand the basic principles of rational choice theory and apply these to evaluate a particular course of action
- Understand the basic psychological processes that may lead to faulty choice or cognitive bias
- Evaluate the benefits and pitfalls of intuition across contexts
• Be familiar with common decision traps
• Draw on the literature to critically reflect on their own judgement and that of others
• Apply psychological theories and concepts to evaluate decision making across a range of contexts, personal or professional
• Evaluate and design decision environments that help people make better decisions

INDICATIVE TOPIC OUTLINE:
Lecture Topics per week:
Week 1: Introduction: Problems of choice
Week 2: Rationality
Week 3: Heuristics and biases
Week 4: Wishful thinking
Week 5: Intuitive decision making
Week 6: Independent Learning Week
Week 7: Choice architecture
Week 8: Expert decision making
Week 9: Practitioner session: Entrepreneurial decision making
Week 10: Practitioner session: Strategic decision making
Week 11: Conclusion: Revision and discussion

ASSESSMENT:
• Mid-semester critical essay (max 2000 words; 40% of module mark)
• End-of-semester critical essay (max 3000 words; 60% of module mark)

Further details will be provided in the first session of the module.

CORE READING LIST:
• There is no core textbook for the module, but the following provide comprehensive overviews of key concepts:


• These edited volumes provide in-depth treatment of module topics:


- For further material, students are encouraged to browse the following journals:
  
  *Judgment and Decision Making*
  *Journal of Behavioural Decision Making*
  *Journal of Applied Psychology*
  *Journal of Occupational and Organizational Psychology*
  *Management Science*
  *Organizational Behaviour and Human Decision Processes*

- There is also related material in the following more general management journals:
  
  *Academy of Management Journal*
  *Academy of Management Review*
  *Administrative Science Quarterly*
  *Harvard Business Review*
  *Human Relations*
  *Journal of Management*
  *Journal of Management Studies*
  *Journal of Organizational Behavior*
  *Strategic Management Journal*

A more detailed weekly reading list will be provided in the first session of the module.