

Psychology 271: Judgment and Decision Making

Spring 2017

Monday, Wednesday 1:30-2:50 in Olin 203

Instructor: Kristin Lane (lane@bard.edu)

Office Hours: Thursday 1:30-3:30 and by appointment
106 Preston



Goals

By the end of the semester, you should:

1. Understand different models of judgment and decision making and understand specific decision-making processes;
2. Appreciate how scientific knowledge can be used in individual and public policy decisions;
3. Have improved your facility with reading empirical research; and
4. Have increased your effectiveness in oral and written communication.

Materials

Readings are posted on Moodle and must be printed out and brought to class. I suggest you buy a three-ring binder to keep these readings organized. Go to <http://moodle2.bard.edu>. The enrollment key is **decideS17**.

POLICIES

Attendance. Attendance will be noted and excessive absences will have a negative influence on your grade. Late arrivals are disruptive to the class. Consistent patterns of lateness will be addressed and will detract from your grade. Please be on time.

Plagiarism. Plagiarism is unacceptable. In its most easily identifiable form, plagiarism represents copying someone else's words. This kind of offense is rare. More common are other, similarly damaging ways to plagiarize. Use of someone else's ideas, arguments (including the structure of their writing), or words without citing them constitutes plagiarism, and is unacceptable. Unless explicitly stated otherwise, work independently on every assignment. Any violation of academic integrity will result at the least in loss of credit for the assignment, and may result in failure in the class.

Cell Phones and Laptops. Please turn off all cell phones before class. No laptop computers will be allowed. If you text or access non-course materials during our class time, you are mentally absent from class, which will be treated just as a physical absence.

Late Assignments. Late written assignments will immediately lose 15% of their point value, and an additional 10% every 24 hours beyond the original deadline. Your written assignments will be posted on Moodle.

ASSIGNMENTS

(THE NUMBERS IN PARENTHESES INDICATE THE COURSE GOALS ASSOCIATED WITH THE ASSIGNMENT)

Exams. There will be two non-cumulative examinations. They will consist of multiple-choice, short answer, and essay questions, and will be closed-book. Make-up exams will be 1 hour and 20 minute oral exams covering the material, and only offered with a written excuse from the Dean of Students. **75 points each (150 points total).** *If you need accommodation for the exams, please speak with me after the first class.* (1, 2, 3, 4)

Class Participation. Participation from everyone is crucial. The most participation need not be the best participation. Come to class prepared to discuss the readings and topics. Class participation consists both of thoughtful speaking and careful listening - you should also respond with thought to your classmates' comments. If you are uncomfortable speaking in classes, please talk to me early in the semester to discuss ways to help you succeed. Occasionally I will ask you to complete a small assignment in preparation for class, and consistent completion of these assignments will count toward your participation grade. We will also conduct several case studies in class, and your contributions to them will be factored into your participation grade. **50 points.** (1, 2, 3, 4)

Heuristics and Biases Presentation. In groups you will creatively demonstrate a bias or heuristic. This presentation can take many forms – a skit, a movie, a song, etc. – as long as it clearly defines, illustrates, and explains the effect. You do not need to describe the specific studies in your paper, but your presentation should make clear *why* the effect occurs in addition to describe *what* the effect is. Presentations should be 10-15 minutes long. You should also be prepared to answer questions about the article. **35 points.** (1, 3, 4)

Journal. It is difficult not to see the principles of the class in the behavior of yourself and others. You will write three journal entries relating the material to your own experiences. These entries should show diversity of experience and of content. See more details at the end of the syllabus. **15 points each (45 points total).** (1, 2, 4)

Midterm and Final Papers. You will complete two papers for the class. More details on the final paper are at the end of the syllabus, details on the midterm paper will be distributed in class. **Midterm paper 40 points; Final paper 80 points.** (1, 2, 3, 4)

GRADING

Grading is on a 400-point scale. Grades will be assigned based on total points earned within the following ranges – pluses and minuses will be assigned at the top and bottom of each range.

POINTS EARNED	GRADE	POINTS EARNED	GRADE
360 or greater	A	280-319.9	C
320-359.9	B	260-279.9	D
		Below 260	F

SUMMARY OF DUE DATES (WRITTEN WORK TO BE UPLOADED TO MOODLE BY 11:00PM)

Journal 1	Sunday, February 26	Journal 3	Sunday, May 07
Heuristics & Bias presentation	Monday, March 6	Exam 2**	Monday, May 08
Exam 1	Wednesday, March 15	Paper 2	Monday, May 22
Paper 1	Friday, March 31		
Journal 2	Sunday, April 9		

**Held during Board Week if needed.

SCHEDULE AND READING LIST

MONDAY, JANUARY 30 – INTRODUCTION

No reading

WEDNESDAY, FEBRUARY 1 – BIG IDEAS: DUAL SYSTEMS

Sanfey, A. G., & Chang, L. J. (2008). Multiple systems in decision making. *Annals of the New York Academy of Sciences*, 1128, 53–62.

MONDAY, FEBRUARY 6 – RESEARCH METHODS IN PSYCHOLOGY

Aronson, E. A., Wilson, T. D., Akert, R. M., & Fehr, B. (2013). *Social psychology* (8th ed.). New York: Prentice-Hall. Chapter 2, pp. 20-30.

WEDNESDAY, FEBRUARY 4 – RESEARCH METHODS IN PSYCHOLOGY

Aronson, E. A., Wilson, T. D., Akert, R. M., & Fehr, B. (2013). *Social psychology* (8th ed.). New York: Prentice-Hall. Chapter 2, pp. 30-43.

MONDAY, FEBRUARY 13 – READING EMPIRICAL ARTICLES

Jordan, C. H. & Zanna, M. P. (1999). How to read a journal article in social psychology. In R. F. Baumeister (Ed.), *The Self in Social Psychology* (pp. 461-470). Philadelphia: Psychology Press.

QALMRI (Adapted from: Kosslyn, S.M. & Rosenberg, R.S. (2001). *Psychology: The brain, the person, the world*. Boston: Allyn & Bacon.)

McGraw, A. P., Davis, D. F., Scott, S. E., & Tetlock, P. E. (2016). The price of not putting a price on love. *Judgment and Decision Making*, 11(1), 40-47.

WEDNESDAY, FEBRUARY 15 – BOUNDED RATIONALITY AND THE LIMITS OF INTROSPECTION

Simon, H. (1972). Theories of bounded rationality. In *Decision and organization*. (pp. 161-171). Amsterdam: North-Holland Publishing Company.

Maccoun, R. (2002). Why a psychologist won the Nobel Prize in economics. *American Psychological Society Observer*, 15.

Wilson, T. (2002). *Strangers to ourselves: Discovering the adaptive unconscious*. Cambridge, MA: Harvard University Press. Chapter 8: Introspection and Self-Narratives until p.175; pp. 175-end optional.

MONDAY, FEBRUARY 20 – PROBABILITY AND FREQUENCY JUDGMENTS

Belkin, L. (2002, August 11). The odds of that. *New York Times*.

Fiske, S. T., & Taylor, S. E. (2016). *Social cognition: from brains to culture*. Boston: McGraw-Hill Higher Education. Selections from Chapter 7.

Schmidt, H. G., Mamede, S., Van Den Berge, K., Van Gog, T., Van Saase, J. L., & Rikers, R. M. (2014). Exposure to media information about a disease can cause doctors to misdiagnose similar-looking clinical cases. *Academic Medicine*, 89(2), 285-291.

WEDNESDAY, FEBRUARY 22 – ANCHORING AND ADJUSTMENT

Hastie, R. & Dawes, R. M. (2010). *Rational choice in an uncertain world* (2nd ed.). Thousand Oaks, CA: Sage. Chapter 4: The Fundamental Judgment Strategy: Anchoring and Adjustment.

Englich, B., Mussweiler, T., & Strack, F. (2006). Playing dice with criminal sentences: The influence of irrelevant anchors on experts' judicial decision making. *Personality and Social Psychology Bulletin*, 32, 188-200.

MONDAY, FEBRUARY 27 – PROSPECT THEORY

DUE SUNDAY, FEBRUARY 26: Journal 1

Kahneman, D. (2011). Thinking, fast and slow. New York: Farrar, Straus and Giroux. CHAPTERS 25 AND 26.

DeMartino, B., Kumaran, D., Seymour, B., Dolan, R.J. (2006). Frames, biases, and rational decision making in the human brain. *Science*, 13, 684-687.

WEDNESDAY, MARCH 1 – FRAMING/ CATCHING UP

Chumbley, J. R., Krajbich, I., Engelmann, J. B., Russell, E., Van Uum, S., Koren, G., & Fehr, E. (2014). Endogenous cortisol predicts decreased loss aversion in young men. *Psychological Science*, 25, 2102–2105.

It's Mine. (2008, June 21). It's mine, I tell you. *The Economist*, 387, 95-96.

Lakshminarayanan, V. R., Chen, M. K., & Santos, L. R. (2011). The evolution of decision-making under risk: Framing effects in monkey risk preferences. *Journal of Experimental Social Psychology*, 47, 689–693.

Mikels, J. A., Shuster, M. M., Thai, S. T., Smith-Ray, R., Waugh, C. E., Roth, K., ... & Stine-Morrow, E. A. (2016). Messages that matter: Age differences in affective responses to framed health messages. *Psychology and Aging*, 31(4), 409-414.

MONDAY, MARCH 6 – STILL MORE HEURISTICS AND BIASES

In groups of 2-3 people, you will present one of the biases or heuristics described in the following articles. (You only need to read the article that is relevant to your group.)

The hindsight bias

Fischhoff, B. (1975). Hindsight \neq foresight: The effect of outcome knowledge on judgment under uncertainty. *Journal of Experimental Psychology: Human Perception and Performance*, 1, 288-299.

Sunk cost

Arkes, H. R., & Blumer, C. (1985). The psychology of sunk cost. *Organizational Behavior and Human Decision Processes*, 35, 124-140.

Counterfactual thinking

Medvec, V. H., Madey, S. F., & Gilovich, T. (1995). When less is more: Counterfactual thinking and satisfaction among Olympic medalists. *Journal of Personality and Social Psychology*, 69, 603-610.

The false consensus effect

Ross, L., Greene, D., & House, P. (1977). The “false consensus effect”: An egocentric bias in social perception and attribution processes. *Journal of Experimental Social Psychology*, 13, 279-301.

The halo effect

Nisbett, R. E., & Wilson, T. D. (1977). The halo effect: Evidence for unconscious alteration of judgments. *Journal of Personality and Social Psychology*, 35, 250–256.

The bias blind spot

Pronin, E., Lin, D. Y., & Ross, L. (2002). The bias blind spot: Perceptions of bias in self versus others. *Personality and Social Psychology Bulletin*, 28, 369-381.

WEDNESDAY, MARCH 8 – CASE STUDY: CARTER RACING

Read the material distributed in the last class and decide whether you would recommend proceeding with the race. Prepare a one page summary of your recommendation and reasoning (to be handed in). Come prepared to discuss your decision with a small group and the class as a whole.

MONDAY, MARCH 13 – “NUDGING”

Sustein, C.R. (2016). The council of psychological advisers. *Annual Review of Psychology*, 67, 713-737.

Bell, C. (2013, February 11). Inside the coalition’s controversial “Nudge Unit.” *The Telegraph*. Retrieved from <http://www.telegraph.co.uk/news/politics/9853384/Inside-the-Coalitions-controversial-Nudge-Unit.html>

WEDNESDAY, MARCH 15 – EXAM 1

MONDAY, MARCH 20 AND WEDNESDAY MARCH 22 – NO CLASS (SPRING BREAK)

MONDAY, MARCH 27 – TIME I

Surowiecki, J. (October 11, 2010). Later: What does procrastination tell us about ourselves? *The New Yorker*.

Berns, G., Laibson, D. and Loewenstein, G. (2007). Intertemporal choice—toward an integrative framework. *Trends in Cognitive Science, 11*, 482-488. Do not need to read box “Modeling Preference Reversals”

WEDNESDAY, MARCH 29 – TIME II

DUE FRIDAY, MARCH 31: Paper 1

Lerner, J.S., Li, Y., & Weber, E.U. (2013). The financial costs of sadness. *Psychological Science, 24*(1), pp. 72-79.

Ersner-Hershfield, H., Wimmer, G. E., & Knutson, B. (2008). Saving for the future self: Neural measures of future self-continuity predict temporal discounting. *Social Cognitive and Affective Neuroscience, 4*, 85–92.

Carr, P. & Steele, C. M. (2010). Stereotype threat affects financial decision making. *Psychological Science, 21*, 1411-1416.

MONDAY, APRIL 3 – EMOTIONS

Lerner, J.S., Li, Y, Piercarlo, V. & Kassam, K.S. (2015). Emotion and decision making. *Annual Review of Psychology, 66*, 799-823.

WEDNESDAY, APRIL 5 – MORAL DECISION MAKING I

Pinker, S. (2008, January 13). *The moral instinct*. New York Times.

Greene, J.D., Sommerville, R.B., Nystrom, L.E., Darley, J.M., & Cohen, J.D. (2001). An fMRI investigation of emotional engagement in moral judgment. *Science, 293*, 2105-2108

MONDAY, APRIL 10 – MORAL DECISION MAKING II

DUE SUNDAY, APRIL 9: Journal 2

Kern, M. and Chugh, D. (2009). Bounded ethicality: The perils of loss framing. *Psychological Science, 20*, 378-384.

Li, M., Vietri, J., Galvani, A. P., & Chapman, G. B. (2010). How do people value life? *Psychological Science, 21*, 163–167.

Tetlock, P.E. (2003). Thinking about the unthinkable: Coping with secular encroachments on sacred values. *Trends in Cognitive Science, 7*, 320-324.

WEDNESDAY, APRIL 12 – GUEST TO BE ANNOUNCED

MONDAY, APRIL 17 – GROUP DECISION MAKING

Baron, R. A., & Branscombe, N. R. (2012). Social psychology (13th ed.). Boston: Pearson. CHAPTER 11 (Selections).

WEDNESDAY, APRIL 19 – NEGOTIATIONS I

No reading. Come to class prepared to negotiate with a classmate.

MONDAY, APRIL 24 – NEGOTIATIONS II

Bazerman, M.H. & Moore, D. (2013). *Judgment in managerial decision making (8th Edition)*. Hoboken, NJ: John Wiley & Sons, Inc. Chapters 10 and 11 (Negotiations)

WEDNESDAY, APRIL 26 – CASE STUDY: MOUNT EVEREST

Roberto, M. A., & Carioggia, G. M. (2003). Mount Everest – 1996. *Harvard Business School*. Read carefully and come to class prepared to discuss in detail.

MONDAY, MAY 1: NO CLASS (ADVISING DAY)

WEDNESDAY, MAY 3 – IMPROVING DECISION MAKING

DUE SUNDAY, MAY 7: Journal 3

Bazerman, M.H. & Moore, D. (2013). *Judgment in managerial decision making (8th Edition)*. Hoboken, NJ: John Wiley & Sons, Inc. Chapter 12: Improving Decision Making

Bring the Mt. Everest (1996) case with you to class.

MONDAY, MAY 8 – EXAM 2

(Note: If we fall behind or need to cancel class at some point during the semester, this exam may be held during board days. Please keep the class times free.)

MAY 10 AND MAY 15 – NO CLASS: BOARD DAYS

MAY 17 AND MAY 22 – NO CLASS: COMPLETION DAYS

Meet with Kristin about final paper as needed

ASSIGNMENT DUE: FINAL PAPER BY MONDAY, MAY 22

GUIDELINES: JOURNAL ENTRIES

(Adapted from materials available at
http://www.haverford.edu/psych/ble/teaching/psy224/sp_journal_f2009.pdf and
<http://www.umich.edu/~psychol/380/sommers/005journal.html>)

Three times during the semester, you should select a process, phenomenon, theory, or psychological tendency from the course content and connect it to an experience from your own life. The body of each entry should begin with a description of an event or interaction in your life in four or five sentences. A page-long story about how you spent your weekend is too long, and one line reading, "I went out with my friends" is insufficient. You should pick a specific event or interaction and describe it in enough detail so that your subsequent discussion will make sense to someone who was not there. Next you should describe how the specific topic you have chosen is relevant to this event. You should be very specific and clear with your terms. Each entry should be approximately 250 words – less than 200 is probably too short, and more than 400 is too long. These are relatively informal writing exercises, but you should still follow the rules of basic grammar, and be sure to spellcheck and proofread your work.

The following prompts may help you get started. Do not feel bound to only answer these questions. Similarly, do not feel like you must answer all of these questions in a single entry.

- How can the phenomenon you have chosen be seen in this interaction?
- How does your current awareness of this phenomenon change the way you interpret what happened during this event?
- If you (or others) had been aware of research about this phenomenon during the event, how might the outcome of the interaction have been changed?
- How will your learning about this phenomenon influence your attitudes/behavior/perceptions in the future?
- What questions do you now have after considering the event in light of psychological theory?
- What type of experiment(s) might help address these issues?
- If your interaction was not consistent with your chosen social principle:
 - How was it inconsistent?
 - Why do you think the outcome of this interaction seems to be inconsistent with the phenomenon you chose?
 - What aspects of the situation, if changed, would have resulted in a less surprising outcome?
 - What type of experiment(s) might help answer these questions?

FINAL PAPER

Our class has students from many different backgrounds and with diverse interests. My goal for the final paper is for you to explore your interests in the context of the class material. To that end, there are several options for the final paper, and within each one, quite a bit of choice about the domain. There are several common features and grading criteria:

- You will apply the course material to a novel situation (or person).
- You will analyze this situation or person in light of the theories and evidence we have explored this semester.
- You will consider how your analysis opens up avenues for research, and pose a research question that is testable with an empirical study or quantitative data.
- Papers will contain between 4-6 pages of careful analysis of the course material. Final papers will be somewhere between 6-12 pages; this wide range reflects the variability in how much time and space will be required to present background information to the reader.
- Papers should be double-spaced and carefully proofread, with page numbers in the upper right hand corner of each page.
- All papers should use APA Style for in-text citations and end References. (A handout is on Moodle with these details.)

Grading criteria

- Does the paper meet the guidelines?
- Does the writer demonstrate analysis and application of the course material that goes beyond what we have discussed or covered in class? Is such analysis accurate?
- Is the author's logic clearly developed and articulated?
- Is the paper well-written? (e.g., Is prose straightforward and easy to follow? Do ideas connect naturally? Is it well-organized? Has it been proofread carefully?)

Option 1: Interview With a Decision Maker

- 1. Choose a decision maker.** Identify someone for whom making clearly-defined decisions is a major, if not central, part of their professional role, and is willing to speak with you for 45 minutes to one hour. Although all employees make decisions in some form, the key notion here is that the decisions are discrete and a primary focus of the job. If you choose this option, you must email me a one-paragraph précis describing your plans by April 17. In this proposal, identify the person you plan to interview, and explain how making decisions is a central part of his or her job. Also indicate if you have contacted the person and if he or she has agreed to be interviewed.
- 2. Prepare for your interview.** Your pre-interview research should familiarize you with the kind of decisions your interviewee faces as part of his or her career. Sources for this will vary, but may include statistical overviews of the profession, published interviews with members of the profession, popular media or academic work. Based on your research, identify specific issues from class that might be relevant to this profession. Generate a list of questions that you plan to ask your interviewee that connect his or her particular job to the course material.
- 3. Conduct the interview.** Begin by asking the interviewee to describe his or her profession, and the major decisions he or she faces. Ask the interviewee to describe, in detail, a decision that was particularly difficult and/ or memorable. Probe for information that elucidates the underlying decision making process. Be sure to ask the questions that you generated in Step 2. Be sure to take notes.

- 4. Write the paper.** Your final paper should be a synthesis of material from the class and what you discovered in your interview. Your final report should contain the following elements:
- Describe the person you interviewed. Be sure to include a thorough description of his or her profession. Relate any characteristics of the job that are relevant to the decision-making process. Explain why you chose this person for your project. *1-2 pages.*
 - Describe the specific incident that he or she told you about. *1 page.*
 - Analyze and integrate what you learned from your interviewee with the course material. You should address between 3-5 different course topics in this section. For example: Did his or her behavior illustrate (or contradict) a particular decision-making process that we've discussed? Make clear that you understand the concepts and evidence from the course – explain them to the reader. *3-4 pages*
 - What did you learn from the interview about decision making? Connect this back to the empirical study of decision making by proposing a direction for future research. This section does not need to include a fully-fleshed out study, but it should pose a specific research question that could be tested with social scientific methods and quantitative data. State a hypothesis about the answer to this question, and explain your logic. *1-2 pages*
 - Include an Appendix with the questions you generated during your interview preparation.

Option 2: Case Study Creation

- 1. Choose a situation.** Identify a specific situation that illustrates some processes that can lead people to use suboptimal decision making processes. The scenario can be a real life situation, a modification of a real life situation, or a situation that you create. Use this information to create a case study of the kind we will encounter in class (e.g., Carter Racing). Your goal is to create a situation in which a participant could take part in an experience that illustrates properties of decision making.
- 2. Your paper should have the following components:**
 - Participant experience.* In this part of the paper, you will create materials of the kind used in Carter Racing. This information should give the case-study participant 1. background on the situation he or she is facing; 2. relevant information or data needed to make the decision required; 3. information and data required to make a decision. *3-6 pages (intentionally wide because this may vary a great deal based on topic)*
 - Case study analysis.* In this part of the paper, you should analyze the case that you created. Think of this part of the paper as being “field notes” for a teacher who plans to use this case in class. Is there an objectively “right” answer based on the data given to case study participants? Are there particular decision making processes that you think will affect participants as they work through the case study? This section of the paper should be clear and detailed – define and explain each process. Elucidate very clearly how each one may influence decision making as participants work through the case study. You should engage with between 3-5 different course topics in this part of the paper. *3-4 pages*
 - What open questions does this case highlight about decision making? Connect this back to the empirical study of decision making by proposing a direction for future research. This section does not need to include a fully-fleshed out study, but it should pose a specific research question that could be tested with social scientific methods and quantitative data. State a hypothesis about the answer to this question, and explain your logic. *1-2 pages*

Option 3: Situation Analysis

- 1. Choose a situation.** Identify a situation from real life in which people used suboptimal decision making processes. This situation should be specific; for example, rather than analyze “factors that contributed to the economic collapse” you might analyze “factors that led to the issuance of many sub-prime loans prior to the economic collapse.” You can think of this assignment as being akin to the “Mount Everest” case study we will do in class, in which we apply principles of the course to a novel, specific situation. Your chosen situation should be a complex and public occurrence rather than something from your personal life.
- 2. Research the situation.** You should gain a nuanced understanding of the facts of the event. What happened? Who was involved? What were the primary contributing factors to the event? Sources should be mainstream research and media outlets (e.g., academic journals, newspapers, public data of high quality, interviews with people involved, etc.). You should become an expert in the situation.
- 3. Your paper should have the following components:**
 - a. Describe the situation to the reader in detail. Assume that the reader is not an expert in the situation – your summary should be thorough, non-technical, and fair. *2-3 pages.*
 - b. Analyze the situation given the course material we have covered. Are there particular decision making processes that you think affected the outcome of the situation? This section of the paper should be clear and detailed – define each process and explain it. Elucidate very clearly how each one may have influenced decision making in this situation. You should engage with between 3-5 different course topics in this part of the paper. *3-4 pages*
 - c. What open questions does this example highlight about decision making? Connect this back to the empirical study of decision making by proposing a direction for future research. This section does not need to include a fully-fleshed out study, but it should pose a specific research question that could be tested with social scientific methods and quantitative data. State a hypothesis about the answer to this question, and explain your logic. *1-2 pages*