

USC Marshall School of Business

MOR 560: Managerial Judgment and Decision-Making (3 units) Fall 2024

Section	16693; TTh 5:00pm - 6:20pm; JKP 204
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Course Description

Decision-making is a constant feature of our lives. Every day, we make hundreds of decisions including personal decisions (e.g., what to eat for lunch, where to go on vacation) and professional decisions (e.g., who to hire, what project to prioritize). Our success in business and in life depends in large part on the quality of the decisions we make.

MOR 560, *Managerial Judgment and Decision-Making*, provides training in both the theory and practice of decision-making. The course covers the key concepts, frameworks and principles of decision-making in an organizational context. It provides you with the knowledge, skills and business judgment required to make better, smarter decisions that can help you achieve your goals and set you apart from your peers.

The course takes a systematic approach to improve your decision-making knowledge and skills. It begins with a descriptive approach focusing on *how people actually make decisions*. Scholarly research has identified many cognitive and motivational biases that can cloud our judgment and hinder our decisions. We will cover the key psychological traps that can interfere with effective decision-making and how to avoid them.

In the second part of the course, we take a normative approach focusing on *how we should make decisions* if we wish to behave rationally. We will cover a systematic, step-by-step process for making decisions and learn how each step contributes to an excellent decision. Topics include framing a decision, specifying objectives, creating and evaluating a set of alternatives and coming to a conclusion. The third and final part of the course focuses on decision-making in teams and organizations. We will examine the key challenges groups face in decision-making and how to manage team and organizational decisions for optimal performance.

This theoretical treatment is complemented by weekly decision exercises, case analyses and simulations covering a wide range of business situations in both domestic and international settings. These exercises will help course participants gain first-hand experience in decision-making and develop decision-making skills experientially to become skilled, confident and effective decision-makers.

Learning Objectives

Upon successful completion of the course, students will be able to:

- explain the nature, causes and consequences of deviations from optimal choice
- identify common errors and systematic biases that can hinder effective decision-making and avoid them in decision situations
- frame a decision correctly to solve the right problem
- generate a set of quality alternatives and evaluate them, assessing their consequences and making appropriate trade-offs
- gather intelligence and use it effectively in decision-making
- select and apply decision tools to solve decision problems and come to a final conclusion
- manage uncertainty and risk and determine when to rely on intuition in decisions
- use Artificial Intelligence (AI) to enhance decision-making
- explain the factors that contribute to effective team decision processes and outcomes and manage team and organizational decisions effectively
- learn from personal and professional decisions and experiences and use this learning to enhance the quality of future decisions

Course Materials

Books. Required books are as follows:

1. Heath, C. and Heath, D. (2013). *Decisive: How to Make Better Choices in Life and Work*. 1st edition. Hardcover. NY: Crown Business.
2. Russo, J.E., & Schoemaker, P.J.H. (2001). *Winning Decisions: Getting It Right the First Time*. 1st edition. Hardcover. NY: Doubleday.

Cases and simulations. Assigned cases and simulations for this course are compiled in a digital coursepack available from Harvard Business School Publishing at the following link:

<https://hbsp.harvard.edu/import/1205809>

Additional readings and exercises may be distributed in class or posted to Brightspace.

Brightspace (BSp). I will post various course materials to Brightspace including the course syllabus, powerpoint slides and assignments. Please check Brightspace regularly for any new information or materials relevant to upcoming sessions. To access Brightspace, go to <https://brightspace.usc.edu/d2l/login> to login and enter your USC Net ID. You can find training and resources in the [Brightspace Student Tutorials](#). For technical support, please visit the [Brightspace Student Guides](#). You can also call the Brightspace Technical support line at 888-895-2812 or send an email to usc@d2l.com.

Laptop computer and headsets. Please bring your laptop computer to every class as you will need it to work on decision exercises, cases and simulations. You will also need headsets for in-class simulations.

Course Format

Lectures, discussions and videos will be used to elaborate on key theoretical concepts and frameworks. They are complemented by weekly decision exercises, simulations and case analyses, giving students the opportunity to develop decision-making skills experientially in a low-risk setting. Simulations provide a realistic business scenario where students can apply the concepts taught in the lectures to make decisions under pressure. They give students the opportunity to manage competing priorities, experiment with various strategies, make tough decisions and face consequences in real-time amidst a constant influx of information.

Cases provide a natural "test-bed" for theory and allow you to develop skills at problem definition in addition to problem solving. They also give you a chance to deal with ambiguity. Most cases do not have obvious "right" answers. Managers must be able to function in situations where the right answer is not known, without falling into the trap of assuming that any answer is as good as another. Some analyses and proposed strategies are clearly wrong, and some are clearly better than others are. A popular phrase in case analysis classes is "There are no right answers, but there are wrong answers." There will be many times when I will not reveal my own opinions about a particular issue, and there will be many cases that do not end up neatly packaged with an "answer".

Course Evaluation

Your final course grade is determined as follows:

Individual work (80% of total)

Class Participation	15%
Decision Analysis Report	10%
Journal	15%
Midterm Exam	20%
Final Exam	20%

Team work (20% of total)

Team Final Project	15%
Team Final Presentation	<u>5%</u>
	100%

In order to pass this course successfully, a passing grade (> 50%) must be achieved in the combined average of the individual components and in the combined average of the team components. *Please note that if your individual performance in the course is unsatisfactory, it will not be brought up by a good team grade.*

Final grades represent how you perform in the class relative to other students. Three items are considered when assigning final grades:

1. your weighted score as a percentage of the available points for all assignments (the points you receive divided by the number of points possible).
2. the overall average percentage score within the class.
3. your ranking among all students in the class.

Class Participation (15%)

Attendance Policy. MOR 560 is a residential class. In-person attendance is critical in this course. All missed classes will be noted. The policy on missed classes is to allow each student **three (3)** absences, no questions asked, no penalty. All further absences over this limit will reduce the student's participation grade and final course grade, no questions asked, no excuses of any kind accepted. **Students with an excessive number of absences are at risk of failing the course.** Only official university engagements, such as officially scheduled USC Marshall sponsored case competitions and sports events, will be accepted as exceptions to this policy. Job interviews are not excused so choose your absences carefully. Habitual lateness and leaving class early, for whatever reason, will be noted as evidence of low course commitment and penalized. **Simply put, you cannot learn from our class discussions, and your classmates cannot learn from you, if you are not present.**

Class Preparation. When we have a case assigned for discussion, I expect you to be well-prepared. Unless you have read the case and thought about it, it is very difficult for you to contribute to the class discussion and learn from others' contributions. It is expected that you will make notes while preparing a case for class discussion. Case notes are typically 1-2 pages long and include your analysis of key decisions to be made in the case and your proposed solutions. I expect you to rely on your notes when contributing to the class discussion. In order to test the level of student preparation for a case discussion, I may give a short pop quiz at the beginning of class. The pop quiz will generally consist of multiple-choice, true/false and/or short-essay questions related to the case.

Class Participation. Because this course relies heavily on cases, simulations and class discussions, your active contribution is required to ensure the class' success. Participation includes both oral participation and written participation in various exercises. Each student has a responsibility to participate in class and to enhance the learning experience of all class participants. If you are not comfortable with oral participation, please let me know at the beginning of the semester and I will work with you to help you overcome this barrier.

Your overall class participation will be closely monitored. In grading oral participation, I will look at both the quality and quantity of your oral contributions. With regard to quality, the dimensions that I look for include:

- Clarity – is the comment succinct and understandable?
- Relevance – does the comment bear on the subject at hand? Comments that do not link up with what the discussion is focusing on can actually detract from the learning experience.
- Causal Linkage – are the logical antecedents or consequences of a particular argument traced out? Comments that push the implications of a fact or idea as far as possible are generally superior.
- Responsiveness – does the comment react in an important way to what someone else has said?
- Analysis – is the reasoning employed consistent and logical?
- Evidence – have data from the case, from personal experience, from general knowledge been employed to support the assertions made?
- Importance – does the contribution further our understanding of the issues at hand? Is a connection made with other cases we have analyzed?

Decision analysis report (10%). Identify a meaningful, current and real problem that you are facing (not a hypothetical one). This can be a personal problem (e.g., where to live) or professional problem (e.g., who to hire). You may also consult with a friend who has a decision to make. You would assume the role of a consultant, elicit the information needed to complete the assignment and help your friend make a better decision. Utilizing appropriate course concepts and tools, (1) illustrate the use of multiple lenses and converge on a problem frame, (2) generate and evaluate possible alternatives, (3) gather and analyze appropriate data, (4) formulate a solution/decision, and (5) identify possible pitfalls and how they can be addressed. More detailed instructions will be discussed in class and posted to Brightspace.

Journal (15%). Improving your decision-making knowledge and skills requires your active reflection and self-evaluation. You will maintain a journal where you identify and reflect on

- key insights you learned from the lectures and class discussions. How will you use these insights in upcoming decisions?
- key insights from the decision exercises, cases and simulations. How will you use them to improve your decision-making?
- meaningful personal and professional decisions you make throughout the course. How did you make these choices? How would you evaluate the effectiveness of your decision-making process and outcomes? What did you learn and how will you use these lessons to improve your decision-making?

The journal will begin with a statement of your goals for the continued improvement of your decision-making knowledge and skills this semester. You will then make 7 journal entries. You will end your journal with your five key take-aways from the course that you will refer to before important decisions.

The journal will be graded based on the quality and thoroughness of your journal entries and the extent to which you consistently reflect on your successes and failures, adjust appropriately for subsequent decisions, use the concepts and principles covered in class and effectively synthesize your learning in this course into five key take-aways. More detailed instructions will be provided in class and posted to Brightspace.

Midterm Exam (20%). I will give a midterm exam to test your understanding of material previously covered. The exam will consist of multiple-choice, true/false, short-essay questions and/or decision exercises and will cover the concepts and principles discussed in class to date as well as specific decision-making exercises, cases and simulations. More detailed instructions will be provided in class and posted to Brightspace.

Final Exam (20%). The final exam will be a two-hour exam and will consist of multiple-choice, true/false, short-essay questions and/or decision exercises and will cover the concepts and principles discussed in class to date as well as specific decision-making exercises, cases and simulations. The date and time of the final exam are determined by the University. More detailed instructions will be provided in class and posted to Brightspace.

Team Final Project and Presentation (20%). You will work with your team to analyze a real organizational decision that involved one or more of the biased decision processes covered in this course by drawing on publicly available documents. The decision should be sufficiently complex so that you have enough material to analyze and thereby demonstrate your ability to apply the many concepts and principles from the course to provide meaningful insight into what happened.

You will analyze the managerial setting/context, the decision made, its outcome and impact on the organization and its stakeholders, the errors involved and why they were made. You will also specify how the decision-makers could have behaved differently for a better outcome and how future leaders could prevent the same sort of biased process. The project will be graded based on your ability to successfully apply course concepts and principles to analyze the decision and offer thoughtful insights and key take-aways to the readers.

I have set aside class time during the last week of the course for oral presentations of your final project. The presentations allow each team to report their analysis to the class. More detailed instructions will be provided in class and posted to Brightspace.

Peer Evaluations. Each of you will complete a peer evaluation of the members of your team with respect to the team final project. Scores for individual student contributions to the team final project are assigned by me, based on my assessment of the team's project quality, my observations of the team's working dynamics and thoughtful consideration of the information provided through your peer evaluations.

➤ **If you experience any team-related problems (e.g. conflict, free-rider etc.), please let me know immediately. Do not wait until the end of the semester. If you report this problem too late, there is not much I can do.**

Course Policies

Open Expression and Respect for All. An important goal of the educational experience at USC Marshall is to be exposed to and discuss diverse, thought-provoking, and sometimes controversial ideas that challenge one's beliefs. In this course, we will support the values articulated in the USC Marshall "[Open Expression Statement](#)".

Classroom Conduct. Because the university classroom is a place designed for the free exchange of ideas, we must show respect for one another in all circumstances. We will show respect for one another by exhibiting patience and courtesy in our exchanges. Appropriate language and restraint from verbal attacks upon those whose perspectives differ from our own is a minimum requirement. Courtesy and kindness is the norm for those who participate in class. I also expect our discussion board to be a safe and respectful environment for sharing our thoughts and ideas.

Course Communication: Brightspace. A Brightspace website has been created for this course at <https://brightspace.usc.edu/d21/home>. You should develop the habit of checking Brightspace on a regular basis. The course syllabus, powerpoints, assignment information, and additional course materials will be posted on this site throughout the semester. Since e-mails sent to the class originate from the Brightspace system, it is your responsibility to ensure that my emails are forwarded to your preferred email account such as your personal Gmail account.

Communication and Entertainment Devices. Laptop and Internet usage is not permitted during class except when authorized by the professor. Personal communication and entertainment devices such as mobile phones are to be turned off and kept off throughout the class session. Receiving or sending communication during class disrupts the learning environment and is rude to class participants. Videotaping faculty lectures is not permitted, due to copyright infringement regulations. Audiotaping may be permitted if approved by the professor. Use of any recorded or distributed material is reserved exclusively for the USC students registered in the class.

Class Notes Policy. Notes or recordings made by students based on a university class or lecture may only be made for purposes of individual or group study, or for other non-commercial purposes that reasonably arise from the student's membership in the class or attendance at the university. This restriction also applies to any information distributed, disseminated or in any way displayed for use in relationship to the class, whether obtained in class, via email or otherwise on the Internet, or via any other medium. Actions in violation of this policy constitute a violation of the Student Conduct Code and may subject an individual or entity to university discipline and/or legal proceedings.

No student may record any lecture, class discussion or meeting with me without my prior express written permission. I reserve all rights, including copyright, to my course syllabi, lectures, powerpoints, exams, answer keys, and all supplementary course materials available to the students enrolled in my class whether posted to Brightspace or otherwise. They may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all course note-sharing websites.

Policy regarding the use of Artificial Intelligence (AI) Generators in the course. Learning to use AI is an emerging skill. In this course, I encourage you to use AI-powered programs to help you with specific assignments that indicate the permitted use of AI. You should also be aware that AI text generation tools may present incorrect information, biased responses, and incomplete analyses; thus they are not yet prepared to produce text that meets the standards of this course. To adhere to our university values, you must cite any AI-generated material (e.g., text, images, etc.) included or referenced in your work and provide the prompts used to generate the content. Using an AI tool to generate content without proper attribution will be treated as plagiarism and reported to the Office of Academic Integrity. Please review the instructions in each assignment for more details on how and when to use AI Generators for your submissions.

Academic Integrity

The University of Southern California is foremost a learning community committed to fostering successful scholars and researchers dedicated to the pursuit of knowledge and the transmission of ideas. Academic misconduct is in contrast to the university's mission to educate students through a broad array of first-rank academic, professional, and extracurricular programs and includes any act of dishonesty in the submission of academic work (either in draft or final form).

This course will follow the expectations for academic integrity as stated in the [USC Student Handbook](#). All students are expected to submit assignments that are original work and prepared specifically for the course/section in this academic term. You may not submit work written by others or "recycle" work prepared for other courses without obtaining written permission from the instructor. Students suspected of engaging in academic misconduct will be reported to the Office of Academic Integrity. Other violations of academic misconduct include, but are not limited to, cheating, plagiarism, fabrication (e.g., falsifying data), knowingly assisting others in acts of academic dishonesty, and any act that gains or is intended to gain an unfair academic advantage.

Academic dishonesty has a far-reaching impact and is considered a serious offense against the university. Violations will result in a grade penalty, such as a failing grade on the assignment or in the course, and disciplinary action from the university itself, such as suspension or even expulsion. For more information about academic integrity see the [student handbook](#) or the [Office of Academic Integrity's website](#), and university policies on [Research and Scholarship Misconduct](#). Please ask your instructor if you are unsure what constitutes unauthorized assistance on an exam or assignment or what information requires citation and/or attribution.

Statement on University Academic and Support Systems

Students and Disability Accommodations:

USC welcomes students with disabilities into all of the University's educational programs. [The Office of Student Accessibility Services](#) (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined to be reasonable and appropriate, a Letter of Accommodation (LOA) will be available to generate for each course. The LOA must be given to each course instructor by the student and followed up with a discussion. This should be done as early in the semester as possible as accommodations are not retroactive. More information can be found at osas.usc.edu. You may contact OSAS at (213) 740-0776 or via email at osasfrontdesk@usc.edu.

Student Financial Aid and Satisfactory Academic Progress:

To be eligible for certain kinds of financial aid, students are required to maintain Satisfactory Academic Progress (SAP) toward their degree objectives. Visit the [Financial Aid Office webpage](#) for [undergraduate-](#) and [graduate-level](#) SAP eligibility requirements and the appeals process.

Support Systems:

[Counseling and Mental Health](#) - (213) 740-9355 – 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

[988 Suicide and Crisis Lifeline](#) - 988 for both calls and text messages – 24/7 on call

The 988 Suicide and Crisis Lifeline (formerly known as the National Suicide Prevention Lifeline) provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week, across the United States. The Lifeline consists of a national network of over 200 local crisis centers, combining custom local care and resources with national standards and best practices. The new, shorter phone number makes it easier for people to remember and access mental health crisis services (though the previous 1 (800) 273-8255 number will continue to function indefinitely) and represents a continued commitment to those in crisis.

[Relationship and Sexual Violence Prevention Services \(RSVP\)](#) - (213) 740-9355(WELL) – 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender- and power-based harm (including sexual assault, intimate partner violence, and stalking).

[Office for Equity, Equal Opportunity, and Title IX \(EEO-TIX\)](#) - (213) 740-5086

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

[Reporting Incidents of Bias or Harassment](#) - (213) 740-2500

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office for Equity, Equal Opportunity, and Title for appropriate investigation, supportive measures, and response.

[The Office of Student Accessibility Services \(OSAS\)](#) - (213) 740-0776

OSAS ensures equal access for students with disabilities through providing academic accommodations and auxiliary aids in accordance with federal laws and university policy.

[USC Campus Support and Intervention](#) - (213) 740-0411

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

[Diversity, Equity and Inclusion](#) - (213) 740-2101

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

[USC Emergency](#) - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

[USC Department of Public Safety](#) - UPC: (213) 740-6000, HSC: (323) 442-1200 – 24/7 on call

Non-emergency assistance or information.

[Office of the Ombuds](#) - (213) 821-9556 (UPC) / (323-442-0382 (HSC)

A safe and confidential place to share your USC-related issues with a University Ombuds who will work with you to explore options or paths to manage your concern.

[Occupational Therapy Faculty Practice](#) - (323) 442-2850 or otfp@med.usc.edu

Confidential Lifestyle Redesign services for USC students to support health promoting habits and routines that enhance quality of life and academic performance.

Course Schedule

#	Date	Session Topics & Deliverables	Readings
1	T 8.27	Course introduction and overview Introduction to managerial decision-making	Syllabus
2	Th 8.29	Psychological traps in decision-making	R&S Ch. 1 H&H Ch. 1
3	T 9.3	Organization Behavior Simulation: Judgment in a Crisis (CP)	
4	Th 9.5	Simulation Debrief	<u>Article</u> : Hidden Traps in Decision-Making (CP)
5	T 9.10	Framing the decision	R&S Ch. 2,3
6	Th 9.12	Case discussion	<u>Case</u> : Coffee Wars in India: Café Coffee Day takes on the global brands (CP)
7	T 9.17	Case discussion (cont'd)	<u>Case</u> : Coffee Wars in India: Café Coffee Day takes on the global brands (CP)
8	Th 9.19	Creating alternatives	R&S Interlude A: Improving your options H&H Ch. 2,3,4
9	T 9.24	Project session	
10	Th 9.26	Gathering intelligence Managing uncertainty and risk	R&S Ch. 4, 5 H&H Ch. 5, 6, 7
11	T 10.1	Specifying objectives Evaluating alternatives	
12	Th 10.3	Attaining distance before deciding New Venture Simulation: The Food Truck Challenge (CP)	H&H Ch. 8, 9
13	T 10.8	Simulation Debrief	
	Th 10.10	Fall Recess	
14	T 10.15	Coming to conclusion Implementing your chosen option Using AI to enhance decision-making	R&S Ch. 6; Interlude C: Implementing your chosen option H&H Ch. 10,11,12
15	Th 10.17	Midterm Exam	
16	T 10.22	Leadership Simulation: Patient Zero (CP)	
17	Th 10.24	Simulation Debrief	
18	T 10.29	Managing team and organizational decisions	R&S Ch. 7
19	Th 10.31	Team Decision Exercise (A)	<u>Cases</u> : Growing pains (CP); Decision-Making Exercise (A) (CP)
20	T 11.5	Team Decision Exercise (C)	<u>Cases</u> : The case of the unhealthy hospital (CP); Decision-Making Exercise (C) (CP)

21	Th 11.7	Team Decision Exercise (C) (cont'd)	<u>Cases</u> : The case of the unhealthy hospital (CP); Decision-Making Exercise (C) (CP)
22	T 11.12	Debrief Team Decision Exercises Decision analysis report due	
23	Th 11.14	Case discussion	<u>Case</u> : (Re)Building a global team: Tariq Khan at Tek (CP)
24	T 11.19	Case discussion	<u>Case</u> : Shellye Archambeau: Becoming a CEO (A) & (B) (CP)
25	Th 11.21	Learning from experience	R&S Ch. 8
26	T 11.26	Learning in organizations Journal due	R&S Ch. 9
	Th 11.28	Thanksgiving Holiday – No Class	
27	T 12.3	Final Project Presentations	
28	Th 12.5	Final Project Presentations	
	F 12.6	Team Final Project due	
	Th 12.12	Final Exam 4:30-6:30pm	

R&S: Russo & Shoemaker
H&H: Heath & Heath
CP: Harvard Course Package
BSp: Brightspace

Peer Evaluation Form

Your name: _____

Please allocate 100 points across all the members of your team including yourself to reflect your assessment of individual contributions to the team effort. I will treat your assessments as confidential.

Team member name:

Contribution

- | | |
|---------------------|-------|
| 1. Your name: _____ | _____ |
| 2. _____ | _____ |
| 3. _____ | _____ |
| 4. _____ | _____ |
| 5. _____ | _____ |
| 6. _____ | _____ |
| 7. _____ | _____ |
| 8. _____ | _____ |

Total: 100

In the space below, provide some summary comments regarding each of your team members:

Greatest Strength	Areas of Improvement
2.	
3.	
4.	
5.	
6.	
7.	
8.	