

**MNO2705 / MNO2007**

**LEADERSHIP AND DECISION MAKING UNDER UNCERTAINTY**

**Semester 2, AY 2020-2021**

**Instructors:**

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**1. Module Description**

The decisions you make every day will shape your life. In an organization, the decisions you make will impact outcomes for you, your team, and your organization and will cumulatively affect the trajectory of your career. This module aims to help you navigate the pathways of decision making in organizations. We will adopt an evidence-based approach, tapping several streams of research – including behavioural psychology and economics, and intuitive judgment – to give a rigorous account of what separates good decisions from the rest. These conceptual tools will empower you to make good decisions in an uncertain world, to influence, and to lead. This module addresses the foundations for decision making in modern organizations, where the requirements of speed, global reach and change that our organizations face also create conditions for unsafe and unethical business practices to persist. Reports of insider trading, graft and cronyism, unsafe products, unfair trade practices, and environmental waste are commonplace in the media. Thus, our concern is with anchors for morally decent or ethical decision making. The foundations for this module are drawn from established frameworks for decision making from the fields of behavioural economics, social psychology and management. Working with those concepts, we give focused attention to the challenges of decision making within the context of Singapore and Asia. This aspect of the Asian context is reflected in the readings and cases covered, as well as in class discussion.

**2. Module Objectives**

The key objectives of this module are:

- (a) to examine how individual and collective decisions are made in organizations;
- (b) to develop an understanding of the effects of cognitive biases, heuristics, emotions and social dynamics on decision processes and outcomes; and
- (c) to be able to suggest practical ways for leaders to become more effective in making decisions and implementing them.

**3. Module Materials**

Recommended reading: Kahneman, D. (2013). *Thinking, Fast and Slow*. New York: Farrar, Straus & Giroux.

Additional materials: Recommended and assigned readings are available through the online NUS library portal, as well as through LUMINUS.

#### 4. Modes of Teaching and Learning:

This module will be conducted online. Materials will be presented by the instructor and there will be student presentations, exercises, simulations, assignments, etc. In all of these, student participation is key. Students will also learn independently and study the assigned readings. The success of this module relies heavily on everyone in creating a supportive and safe online learning environment. Therefore, you are encouraged to listen carefully to each other and to articulate your own perspectives in a civil and respectful manner. Your active participation and open sharing is essential. You will learn through interaction with your classmates in online lessons and while working on projects in teams with members coming from different backgrounds.

We strive for a *culture* that maximizes collective learning by stimulating participation, creativity, and spontaneity. Be open and use experiences for learning. Be appreciative, active, and questioning in order to maximize your own and others' learning.

#### Learner responsibilities

To benefit the most from each session, you should:

- Prepare for lesson by completing the assigned readings and exercises;
- Participate actively in class;
- Dive deep: question, think critically and learn from others.

Group exercises are central to the learning process - take your responsibility to your group seriously by being prepared for the exercise and playing your part.

Our main modes of communication are through e-mail and LUMINUS. Check your NUS mailbox and LUMINUS regularly for announcements, updates and materials uploaded.

The **role of the instructor** is to facilitate learning. The instructor structures processes, facilitates discussions and gives feedback. However, he/she will spend little time in providing anything that you can read on your own. Lesson time is used for exchanging ideas and generating new learning.

#### 5. Evaluation

Overall module grades are based on evaluations of both individual and collaborative work. As for all graded exercises in Singapore schools, final grades reflect relative performance among peers. Foreign students should take note of this and consult your instructor if you are in doubt.

##### *Individual-based coursework*

- |                       |       |
|-----------------------|-------|
| ▪ Class participation | 15%   |
| ▪ In-person Quiz      | 42.5% |

##### *Collaborative coursework*

- |  |       |
|--|-------|
| ▪ Decision Challenge Team Project (5-7 people) | 42.5% |
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#### Details of Grading Components

##### 5.1 Class Participation (Individual, 15%)

We expect students to participate actively in the sessions by asking thoughtful questions, making insightful comments, challenging assumptions, providing examples, and building on others' ideas. Grading of class participation will reflect the instructor's assessment of your consistency and quality of contribution to learning throughout the semester. The following are criteria for evaluating class participation.

<i>Level of Performance</i>	<i>Criteria</i>
Need Improvement	<ul style="list-style-type: none"> <li>▪ Absent</li> <li>▪ Does not respond or participate in discussions and activities</li> <li>▪ Demonstrates passive or very infrequent involvement</li> </ul>
Acceptable	<ul style="list-style-type: none"> <li>▪ Prepares for lessons: understands the topic but does not try to answer or elaborate when called upon</li> <li>▪ Occasionally contributes general comments and participates in discussions and activities</li> <li>▪ Demonstrates a fair level of involvement</li> </ul>
Good	<ul style="list-style-type: none"> <li>▪ Prepares well for lessons: provides thoughtful comments with relevant points</li> <li>▪ Frequently participates in discussions and activities</li> <li>▪ Demonstrates active and consistent involvement</li> </ul>
Excellent	<ul style="list-style-type: none"> <li>▪ Prepares fully for lessons: offers insightful perspectives, experiences, or reflections</li> <li>▪ Always participates in discussions and activities</li> <li>▪ Asks thoughtful questions</li> <li>▪ Demonstrates impactful and very active involvement</li> </ul>

### **5.2 Quiz on March 20<sup>th</sup> (Saturday) from 9.00 AM - 11.00 AM (Individual, 42.5%)**

This in person quiz will test your understanding of and ability to work with course concepts and frameworks. The Quiz covers the subject-matter from online lessons and assigned readings.

Your instructor will provide you further details nearer the date of the Quiz.

### **5.3 Decision Challenge Team Project (5-7 person teams, 42.5%)**

Your team will identify and investigate a challenging decision situation or topic that has received attention in the popular press within the last 5 years or it can be an ongoing decision challenge. It should be one that (a) is Asia-relevant, (b) you are curious and passionate about, and (c) involves aspects of uncertainty and risk - the sort of situation where you can use the knowledge from this module to gain insights and understanding.

Explain how the decision situation came about, the key players involved, and analyze the situation from the standpoint of the essentials for effective decision making. Be systematic in covering potential threats to effective decision making, including the role of biases and heuristics, group processes, ethical considerations and such.

#### **Additional Information:**

Elevator Pitch: In **Week 6**, your team will upload a video-recording (3-5 mins) to the Luminus folder of an 'elevator pitch' of your proposal.

- Formal Project Proposal: Your team will also prepare a one-page formal project proposal that describes the decision challenge that your team will work on, why it is interesting and important, and the methods/resources you will use in your analyses. Please submit both the video and written proposal by 5:00 pm, **19<sup>th</sup> Feb (Friday)**. Please note that the elevator pitch

video-recording and presentation proposal will be graded and accounted for 10% of your final presentation grade.

- **Team project presentation:** Your team presentation will be scheduled for Week 11 or 12. Each team will come up with a 15-min team presentation.
- **Assessment criteria:** Team presentations are evaluated on four criteria that are weighed equally:
  - 1) depth of understanding of the decision challenge
  - 2) clarity and depth the analyses
  - 3) practical wisdom drawn from the study
  - 4) overall quality and professionalism of the presentation.

## 6. Criteria for Evaluating Written Work

Managers and professionals have to communicate in a way that is clear, precise, and informative. They have to organize their thoughts clearly and make their points with logic and supporting rationale. We look for similar elements when evaluating your work:

- **Discipline:** Make sure your written work is organized and easy to follow. Convey main points clearly to readers and in a logical manner. Don't gloss over the foundations—spell words correctly and adhere to rules for grammar and usage.
- **Justified Arguments:** Support your assertions with evidence from relevant sources (e.g., text, reading, interviews). Be sure to acknowledge sources.
- **Specificity and Accuracy:** Make specific rather than vague assertions. You will have greater difficulty in justifying general observations/statements. Also, note that accuracy in the use of technical terminology is critical. It is better to use an everyday word that you understand than to use a nice-sounding technical term inappropriately.
- **Wisdom:** Think through the implications of your recommendations (well beyond the obvious). Recognize potential unintended consequences and inherent trade-offs that must be considered.
- **Originality:** The quality of your ideas is important. Show creative, independent thinking as much as possible. Other things being equal, we reward attempts at creativity and thinking “outside-the-box.”
- **Academic Integrity:** Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold these values at all times. Academic dishonesty is any misrepresentation with the intent to deceive, failure to acknowledge the source, falsification of information, inaccuracy of statements, cheating on the test or inappropriate use of resources.  
Plagiarism is ‘the practice of taking someone else's work or ideas and passing them off as one's own' (The New Oxford Dictionary of English). The University and School do not condone plagiarism. You have the obligation to make clear to the assessor which work is your own, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is entirely your own work. This is the minimum standard. In case of any doubt, please consult your instructor.

Additional guidance is available at:

- <http://www.nus.edu.sg/registrar/administrative-policies/acceptance-record.html#NUSCodeofStudentConduct>
- <http://emodule.nus.edu.sg/ac/>

## 7. Overview of Topics and Readings for each Week

<p><b>Week 1</b> (Jan 11 to 15)</p>	<p><b>Introduction: Leadership, Uncertainty, and Decision Making in Organizations</b></p> <p><u>Readings:</u> Watts, D. J. (2011). "Thinking about Thinking." Chapter 2 in Everything is obvious, once you know the answer: How common sense fails us. New York, NY: Crown Business/Random House (p. 30-53). (LUMINUS)</p>
<p><b>Week 2</b> (Jan 18 to 22)</p>	<p><b>Ethical foundations for Leadership</b></p> <p><u>Readings:</u> Ferrell, O. C., J. Fraedrich &amp; L Ferrell (2017) Individual Factors: Moral Philosophies and Values. (Chapter 6) In Ferrell, O. C., J. Fraedrich &amp; L (Eds) <i>Business Ethics: Ethical Decision Making and Cases</i> (p. 154-176). Singapore: Cengage Learning. (LUMINUS) Sandel, M. (2009) What matters is the motive / Immanuel Kant. Chapter 5 In M. Sandel, <i>Justice: What's the right thing to do?</i> (pp. 103- 139) New York: Farrar, Straus &amp; Giroux. (LUMINUS)</p>
<p><b>Week 3</b> (Jan 25 to 29)</p>	<p><b>Ethical Decision Making in Action</b></p> <p><u>Readings:</u> Case on Chris and Alison Weston (A) Bandura, A. (1999). Moral disengagement in the perpetration of inhumanities. <i>Personality and social psychology review</i>, 3(3), 193-209. <u>Note that only pages 193 to 201 are assigned.</u> (LIB) Antonakis, J., Fenley, M., &amp; Liechti, S. (2012). Learning charisma. Transform yourself into the person others want to follow. <i>Harvard Business Review</i>, 90(6), 127-30. (LIB) Cialdini, R. B. (2001). Harnessing the science of persuasion. <i>Harvard Business Review</i>, 79(9), 72-81. (LIB)</p>
<p><b>Week 4</b> (Feb 1 to 5)</p>	<p><b>Models of Judgment &amp; Decision Making I</b></p> <p><u>Readings:</u> Kahneman, Daniel. 2013. Bernouli's Error (270-277) &amp; Prospect Theory (278-288) in <i>Thinking, Fast and Slow</i>. New York: Farrar, Straus &amp; Giroux. Beshears, J., &amp; Gino, F. (2015, May). Leaders as decision architects: Structure your organization's work to encourage wise choices. <i>Harvard Business Review</i>, 93, 52-62. (LIB)</p>
<p><b>Week 5</b> (Feb 8 to 12)</p>	<p style="text-align: center;"><b>Chinese New Year (No class)</b></p>
<p><b>Week 6</b> (Feb 15 to 19)</p>	<p><b>Models of Judgment &amp; Decision Making II</b></p> <p><u>Readings:</u> Hammond, Keeney, R., &amp; Raiffa, H. (2006). The hidden traps in decision making. <i>Harvard Business Review</i>, 84(1), 118-126. (LIB)</p>

(Feb 20-28)

\*\*\*\*\* RECESS WEEK \*\*\*\*\*

<p><b>Week 7</b> (Mar 1-5)</p>	<p><b>Group Decisions: Collaborating</b></p> <p><u>Readings:</u> Garvin, D. A., &amp; Roberto, M. A. (2001). What you don't know about making decisions. <i>Harvard business review</i>, 79(8), 108-119. (locate in NUS library e-journals) Gross, Leib, Offerman, &amp; Shalvi (2018). Ethical free riding: When honest people fins dishonest partners. <i>Psychological Science</i>, 29, 1956-1968.</p>
<p><b>Week 8</b> (Mar 8-12)</p>	<p><b>Negotiated Decisions: Cooperating and Competing</b></p> <p><u>Readings:</u> Bazerman, M. H., Tenbrunsel, A., &amp; Wade-Benzoni, K. (2008). When "sacred" issues are at stake. <i>Negotiation Journal</i>, 24(1), 113-117. (LIB)  Thompson, Leigh L. (2012) "Preparation: What to do before negotiation" Chapter 2 in <i>The Mind and Heart of the Negotiator</i> (5th ed.). Boston: Pearson. (pp. 12-28). (LUMINUS)</p>
<p><b>Week 9</b></p>	<p><u>NO LESSON: QUIZ on March 20<sup>th</sup> (Saturday) from 9-11 AM</u></p>
<p><b>Week 10</b> (Mar 22 to 26)</p>	<p><b>Culture, Leadership and Decision Making</b></p> <p><u>Readings:</u> Chen, M. K. (2013). The effect of language on economic behavior: Evidence from savings rates, health behaviors, and retirement assets. <i>The American Economic Review</i>, 103(2), 690-731. (LIB) Ferraro, G. P. (2006) "Culture and International Business (Chapter 2) in <i>The Cultural Dimension of International Business</i>, 5th edn. Upper Saddle River, NJ: Pearson Prentice Hall, pp. 18-46). (LUMINUS) Talhelm, T., Zhang, X., Oishi, S., Shimin, C., Duan, D., Lan, X., &amp; Kitayama, S. (2014). Large-scale psychological differences within china explained by rice versus wheat agriculture. <i>Science</i>, 344(6184), 603-608.(LIB)</p>
<p><b>Week 11</b> (March 29 to Apr 2)</p>	<p><b>Team Presentations</b></p>
<p><b>Week 12</b> (Apr 5 to 9)</p>	<p><b>Team Presentations</b></p>
<p><b>Week 13</b> (Apr 12 to 16)</p>	<p><b>Wrap up &amp; Reflections</b></p>