

JSGS 865 – Decision Making in Organizations

UNIVERSITY OF SASKATCHEWAN CAMPUS		
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OFFICE LOCATION:	146 Diefenbaker Building, Saskatoon Campus	156 Diefenbaker Building, Saskatoon Campus
TERM/SEMESTER:	Fall 2022	Fall 2022
ROOM:	via Zoom	
DATE AND TIME:	Wednesday, 9-12 CST	

The syllabus for this course is comprised of this document; as well as the “JSGS Common Syllabus 2022-23” (available on Canvas).

CALENDAR DESCRIPTION

In this course, students examine the manner in which decisions are made in organizations, with a particular focus on policy decisions. The course uses a wide variety of behavioral theories to look at phenomena such as policy traps, framing, unwarranted optimism, and group think.

COURSE CONTENT AND APPROACH

All students are expected to (a) complete the readings before each seminar, (b) participate in surveys or experiments as directed and (c) participate in the breakout groups and discussions.

Students will be assigned to lead the discussion in a week. It is their job to divide up the readings and to present a coordinated presentation on the readings and their content. Students will be expected to each prepare a written review of one of the weekly readings for marking.

To help with the assignments, we’ve prepared templates for some of the important documents we’ll be using in this class. There are templates for:

1. *Email* – A shocking amount of policy happens via email. No matter your career goals, knowing how to write a good email will distinguish you. We’ve provided a basic template. Please use this when corresponding with us and each other.
2. *Research paper* – The first step to publication is knowing the journal’s expectations. We’ve provided a Research Article template from the *Journal of Behavioural Public Administration*. The final product should be no more than 4,000 words, excluding the abstract and any endnotes, references, tables, figures, charts, and appendices.

3. *Final assignment* – Whether you choose the essay or deck/presentation, we’ve made it easy for you to demonstrate your knowledge.

Each of these is provided on Canvas.

COURSE FORMAT

This course always has students at two or more sites, and so is taught through Zoom. It is designed for synchronous instruction that complements learning material that you will access through URCourses or PAWS/Canvas. Your regular attendance at synchronous sessions offers the best opportunity to ask questions, make connections, and participate in learning based on the learning material.

COURSE OUTLINE

Part I: Foundations (Weeks 1-2)

Week 1: Experimental Design

Randomized experiments are the bedrock of behavioural science. We’ll review the logic behind randomization and basic experimental design. We’ll also introduce this semester’s policy challenge.

- Glennerster, R., & Takavarasha, K. (2013). *Running randomized evaluations*. Princeton University Press. (Just chapter 1, “Introduction: The Experimental Approach”)
- Mutz, D. C. (2011). *Population-based survey experiments*. Princeton University Press. (JUST READ chapter 1)
- Grady, Christopher. EGAP: 10 Things to Know about Survey Experiments ([here](#))

Week 2: Workshop on academic manuscript writing

Hands-on introduction to writing for an academic audience. We’ll also welcome a guest visit from members of the policy community.

- Evans, D. 2021. “How to Write the Abstract of Your Development Economics Paper,” <https://www.cgdev.org/blog/how-write-abstract-your-development-economics-paper>
- Evans, D. 2021. “How to Write the Introduction of Your Development Economics Paper.” <https://www.cgdev.org/blog/how-write-introduction-your-development-economics-paper>
- Babcock, L., Congdon, W. J., Katz, L. F., & Mullainathan, S. (2012). Notes on behavioral economics and labor market policy. *IZA Journal of Labor Policy*, 1(1), 1-14.

Part II: Individuals and Decision Making (Weeks 3-8)

Week 3: Decision making in theory and practice

We'll explore major controversies of public sector decision-making: How people think about, frame and operationalize policy choices, and how to think about rationality in public administration.

- Atkinson, M. M. (2013). *Policy, Politics and Political Science: Presidential Address to the Canadian Political Science Association*, Victoria, June 5, 2013. *Canadian Journal of Political Science* 46(4), 751-772.
- Battaglio Jr, R. P., Belardinelli, P., Bellé, N., & Cantarelli, P. (2019). Behavioral public administration ad fontes: A synthesis of research on bounded rationality, cognitive biases, and nudging in public organizations. *Public Administration Review*, 79(3), 304-320.
- Behavioural Insights Team. 2015. *EAST: Four Simple Ways to Apply Behavioural Insights*, Just pgs. 3-8 ([here](#))

Week 4: System 1 and System 2 thinking

Human thinking can be fast (system 1) or slow (system 2). Individuals often switch between these two styles unconsciously, depending on the choice task and the effort of deliberation.

- Kahneman, D. (2011). *Thinking, fast and slow*. Macmillan. Chapter 1.
- Weber, E. U., & Johnson, E. J. (2009). Mindful judgment and decision making. *Annual review of psychology*, 60, 53.

Week 5: Prospect Theory and Framing

Prospect theory and anchoring offer an alternative model to expected utility theory that captures the anomalies that exist between prediction and observation.

- Kahneman, D., and A. Tversky. 1984. Choices, values and frames. *American Psychologist* 39: 341-50.
- Belle, N., Paulo Belerdenille, Paola Canteriii, Prospect Theory Goes Public: Experimental Evidence on Cognitive Biases in Public Policy and Management Decisions *Public Administration Review* 78,6, 828-840.
- Vis, B. (2011). Prospect theory and political decision making. *Political Studies Review*, 9(3), 334-343.

Week 6: The vague future and temporal discounting

Expected utility theory precisely specifies how future utility is discounted. But decisions predicted by this theory often do not hold in practice. Instead of making choices in a manner that is consistent with a constant discount rate, individuals appear to make decisions using a discount rate that falls over time.

- Slovic, P. 1999. Trust, emotion, sex, politics, and science: surveying the risk-assessment battlefield. *Risk Analysis*. 19(4):689-701.
- Jacobs, A. and Scott Matthews. 2012. Why Do Citizens Discount the Future? Public Opinion and the Timing of Policy Consequences. *British Journal of Political Science* 42 (4): 903-935.

- Ruggeri, K., Panin, A., Vdovic, M., Večkalov, B., Abdul-Salaam, N., Achterberg, J., ... & Toscano, F. (2022). The globalizability of temporal discounting. *Nature Human Behaviour*, 1-12.

Week 7: Self Delusion

When two or more beliefs cannot be logically reconciled, people may deploy various strategies (including ignoring disconfirming information) to resolve the cognitive dissonance.

- Festinger, L. 1962. Cognitive Dissonance. *Scientific American* 207(4), 93-106.
- Nickerson, R. 1998. "Confirmation Bias: A Ubiquitous Phenomenon in Many Guises," *Review of General Psychology* 2: 175-220
- Strömbäck, C., Andersson, D., Västfjäll, D., & Tinghög, G. (2021). Motivated reasoning, fast and slow. *Behavioural Public Policy*, 1-16.

Week 8: Overconfidence and predictable surprises

Overconfidence skews perception and decisions. It manifests itself in governments overreaching and companies paying too much for acquisitions or making unprofitable investments and business decisions.

- Flyvbjerg, B. 2009. "Survival of the Unfittest: Why the Worst Infrastructure Gets Built-- and What We Can Do About It." *Oxford Review of Economic Policy* 25 (3): 344–67
- Hirshleifer, D., & Teoh, S. H. (2017). How psychological bias shapes accounting and financial regulation. *Behavioural Public Policy*, 1(1), 87-105.

Part III: Choice Architecture (weeks 9-12)

Week 9: Sludging, nudging and policy implementation

Government services aren't always user friendly. This is partly due to "sludge"—minor frictions that prevent people from accessing services. *Nudging* can help people make better decisions.

- Madsen, J. K., Mikkelsen, K. S., & Moynihan, D. P. (2021). Burdens, sludge, ordeals, red tape, oh my!: A user's guide to the study of frictions. *Public Administration*. 1-19.
- French, R. and Philip Oreopoulos. 2017. "Applying Behavioural Economics to Public Policy in Canada." *Canadian Journal of Economics* 50 (3): 599-635.
- Johnson, E. J., Shu, S. B., Dellaert, B. G., Fox, C., Goldstein, D. G., Häubl, G., ... & Weber, E. U. (2012). Beyond nudges: Tools of a choice architecture. *Marketing letters*, 23(2), 487-504.

Week 10: The decision space and decision-making styles

Decisions in the policy space are seldom made with a single objective in mind. This session will explore the impact of big ideas on the institutions and individuals tasked with making decisions.

- Simon, H. 2000. "Public Administration in Today's World of Organizations and Markets." *PS: Political Science and Politics* 33(4): 749-756.
- Lindblom, C. 1959. "The Science of 'Muddling Through'." *Public Administration Review* 19: 79-88.

- Einfeld, C., & Blomkamp, E. (2021). Nudge and co-design: complementary or contradictory approaches to policy innovation?. *Policy Studies*, 1-19.

Week 11: When Organizations Fail

Organizations may contribute to, or even be essential to, decision making success, but that's not always the case. Sometimes the problems are too great or the organizations too weak; sometimes organizations have structural problems that actually reduce our collective cognitive capacity by generating dysfunctional or even pathological behaviours.

- National Audit Office (UK). 2013. Over-optimism in government projects ([here](#)).
- Ordóñez, L. M. Schweitzer, A. Galinsky and M. Bazerman. Goals Gone Wild: The Systematic Side Effects of Over-Prescribing Goal Setting. HBS Working Paper 09-083 ([here](#)).
- Mažar N., N. Robitaille, & J. House. 2021. *Do Behavioral Nudges Work on Organizations?* Harvard Business Review ([here](#)).

Week 12: Research Paper Presentations

ASSIGNMENTS

1. **Readings, presentations and participation (25% of marks)**: Each student will prepare and present on a number of assigned readings. They will be required to present their synopsis and assessment of the papers in a max 15 minute presentation and max 2 page summative reports. Students will also be assessed on class participation.
2. **Experimentally based research paper (50% of marks)**: Working in small groups, you will design and produce a behavioural experiment to assess some aspect of agenda setting, implementation or evaluation related to a topic of concern to a federal or provincial agency. The product should be a journal article, maximum 4,000 words that is ready for submission and review by an appropriate public policy or administration journal. Your group must submit a draft research question by week 3 (this will not be graded but is a requirement). The project will be completed in three phases,
 - First half (20%, due week 7, including context, method, instrument, ethics)
 - Second half (25%, due in week 11, including experiment, analysis, and conclusion)
 - Third a formal presentation in Week 12 (10%)
3. **Final assignment (25% of marks)**: The goal is to critically examine choice architecture in the policy system. Take one institution and use what you've learned to evaluate its effect and offer suggestions for improvements. One of the objectives of the assignment is to convey complicated material in a straightforward manner – there is no space for long-winded explanations. You must consider and address relevant models, methods

and metrics from the literature and discuss the implications of the choice architecture on decision-making. You can complete this in one of two ways (due December 8):

- a. 5-10 slide deck with 7 minute briefing presentation (video recorded, suitable for presentation to an Assistant Deputy Minister) OR
- b. 1000 word paper (suitable for submission in a university graduate seminar)

EVALUATION

- Readings and presentation: 25%
- Experimentally based research paper: 50%
- Final assignment: 25%

ENROLLMENT

Class enrollment will be normally limited to 30 students.

INTELLECTUAL PROPERTY ACKNOWLEDGEMENT

As with all courses in JSGS, we are “standing on the shoulders of giants.” The content chosen for this delivery is the result of efforts by a number of faculty over the past 11 years, including Michael Atkinson, Murray Fulton, Ken Rasmussen, Pat Gober, Alastair MacFadden and now the two of us. Furthermore, the students in past years have helped us shape and improve the delivery. Each offering changes based on the instructor and the larger policy context, but the underlying structure and core concepts and readings remain consistent.

Appendix

LEARNING OBJECTIVES

JSGS has developed a set of competencies that all graduates will be able to demonstrate. The specific readings, assignments and activities in JSGS 865 will help you both acquire and demonstrate the ability to:

- Management, governance and leadership
- Systems Thinking and Creative Analysis
- Continuous Evaluation and Improvement
- Policy Knowledge

In terms of objectives, by the end of the course you should be able to:

- Identify behavioural barriers to successful public policy (e.g. discounting, status quo bias, framing).
- Use different tools to remove behavioural barriers (e.g. the EAST Framework, the Delphi method, etc).
- Design a behavioural science experiment on an important topic of public policy.
- Prepare a research paper, which may be suitable for publication in an academic journal.

OPTIONAL MATERIALS

Week 1

- Yang, Y., & Hobbs, J. E. (2020). The power of stories: Narratives and information framing effects in science communication. *American Journal of Agricultural Economics*, 102(4), 1271-1296.
- Amy Finkelstein – Randomized evaluations & the power of evidence (video [here](#))
- J-PAL: Ethical Conduct of Randomized Evaluations ([here](#))

Week 2

- R. Michael Alvarez. 2014. Publishing tips from a journal editor: selecting the right journal ([here](#)).
- 2017. ECPR: Tips on Getting Published ([here](#)).
- Lebo, M. J. (2016). Managing your research pipeline. *PS: Political Science & Politics*, 49(2), 259-264.

Week 3

- Review of Expected Utility Theory – Video: Behavioral Economics - Expected Utility Review (video [here](#))
- Sanders, M., & Kirkman, E. (2019). *I've booked you a place, good luck: Applying behavioral science to improve attendance at high-impact job recruitment events. Journal of Behavioral Public Administration*, 2(1). Pgs 1-9.

Week 4

- US Department of Health and Human Services (Office of Planning, Research and Evaluation, Administration for Children and Families). 2014. *Behavioral economics and social policy: Designing innovative solutions for programs supported by the Administration for Children and Families*. (JUST READ ES1-ES11, [here](#))
- Scarcity and nudging ([here](#)).

Week 5

- Castelo, N., Hardy, E., House, J., Mazar, N., Tsai, C., & Zhao, M. 2015. Moving citizens online: Using salience & message framing to motivate behavior change. *Behavioral Science & Policy*, 1(2), 57-68.
- Why We Make Bad Decisions About Money (And What We Can Do About It) ([here](#))

Week 6

- Hyperbolic Discounting ([here](#))

Week 7

- Behavioural Insights Team – *Behavioural Government* (JUST READ pgs 29-31: [here](#))
- Robert Trivers – *Why do we deceive ourselves?* ([here](#))
- Robert Frank - *The Role of Luck* ([here](#))
- Julia Galef – Why you think you're right (even when you're wrong) ([here](#))
- Daniel Kahneman – The Trouble with Confidence ([here](#))

Week 8

- Michael Shermer – *The Pattern Behind Self-Deception* ([here](#))
- Katy Milkman interviews Don Moore ([here](#))

Week 9

- Interview with David Halpern ([here](#))
- *Don Moynihan – Compliance, Learning and Psychological Costs in the Administrative State* ([here](#))
- Richard Thaler – Nudge: An overview ([here](#))([here](#))
- BVA: A Brief History of Nudge ([here](#))

Week 10

- Daniel Kahneman on government decision making ([here](#))
- Dilip Soman – The Behaviourally Informed Organization ([here](#))
- Shane Snow – Why Commit? ([here](#))

Week 11

- Besley, T. and Maitreesh Ghatak. 2003. "Incentives, choice, and accountability in the provision of public services." *Oxford Review of Economic Policy* 19 (2): 235–249.

- Feng, B., Kim, M., & Soman, D. (2021). Embedding Behavioral Insights in Organizations. In *The Behaviourally Informed Organization*. University of Toronto Press. (JUST READ chapter 2, pp. 23-40).
- Schmidt, R., & Stenger, K. (2021). Behavioral brittleness: the case for strategic behavioral public policy. *Behavioural Public Policy*, 1-26.
- Nelson, R. 2011. "The Complex Economic Organization of Capitalist Economies." *Capitalism and Society* 6(1), Article 2.

Week 11

- Shane Snow – Why Commit? ([here](#))