

School of Management

**MGMT 401**  
**MANAGERIAL DECISION PROCESSES**

Trimester 1, 2015

**COURSE OUTLINE**

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**Names and Contact Details**

**COURSE COORDINATION**

**CC: Professor John Davies**

Room: RH 1202, Rutherford House

Phone: 463 5382

Email: [john.davies@vuw.ac.nz](mailto:john.davies@vuw.ac.nz)

**Deputy CC: Bronwyn Howell**

RH 929

463 5563

[bronwyn.howell@vuw.ac.nz](mailto:bronwyn.howell@vuw.ac.nz)

Office hours will vary, so please call by office, or email for an appointment.

**ADMINISTRATOR**

**Misa Ito**

Room: RH1022, 10<sup>th</sup> floor reception

Phone: 463 5397

Email: [misa.ito@vuw.ac.nz](mailto:misa.ito@vuw.ac.nz)

**Trimester Dates**

Teaching Period: Monday 2nd March – Friday 5<sup>th</sup> June

**Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before Friday 13<sup>th</sup> March 2015.
2. The standard last date for withdrawal from this course is Friday 15<sup>th</sup> May. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an 'Application for Associate Dean's Permission to Withdraw Late' including supporting documentation. The application form is available from either of the Faculty's Student Customer Service Desks or [online](#).

**Class Times and Room Numbers**

**Class: Tuesday 12:40-15:30 Railway West Wing (RWW) 129**

*Some classes will be held in a computer lab, RWW 402 – refer to course schedule and weekly notices.*

**Prescription**

An examination of alternative models of managerial decision-making processes, including strategic decision-making; a study of the role and impact of modelling in decision-making; and of factors such as risk, judgement, ambiguity etc.

## Introduction

Making decisions is a fundamental managerial task, but very often decisions are made in a fragmented way, seeing decision making as an isolated activity, and without regard to other decisions or the effects on other parts of the organisation, resulting in impaired performance overall. Becoming a good decision maker is like becoming a good athlete: you need to examine the process of decision-making systematically and systemically, decide on better processes, and practise those improved methods.

This course critically examines alternative approaches to managerial decision-making, allowing you to develop insights and improve your own decision-making processes. The focus of the course is on the role and impact of modeling in decision making, including analyzing the impacts of framing; and perceptions of risk, ambiguity, complexity, conflict and uncertainty; and ways of using a range of decision models and structured decision making approaches to enable more balanced judgments.

## Course Content

Session content will vary and will interweave discussion of theoretical and conceptual issues, related research and case analysis. The material will be explored using lecture format, class discussions, exercises, group activities, computer demonstrations and software use. A schedule of topics considered in the course is attached and includes the dates on which they will be covered in class.

## MCom/BCom (Hons) Programme Learning Goals

Goal	By the end of this course, students should be able to:
PLG 1	Directly access, comprehend, critically assess and draw on the published international scholarly research in their discipline.
PLG 2	Display insight in adapting and applying a theoretical framework(s) to real world situations.
PLG 3	Design and implement a research project or demonstrate advanced analytical skills
PLG 4	Explain, discuss and use a range of concepts, theories, and/or techniques in their discipline
PLG 5	Convey key discipline-specific concepts concisely in an appropriate written format.
PLG 6	Display articulate oral communication skills.
PLG 7	Provide direction and/or present new ideas persuasively.

## Course Learning Objectives

Objective	By the end of this course, students should be able to:	Addressed via
LO 1	Demonstrate an understanding of the major theoretical frameworks related to behavioural decision theory;	Assignment 2 & 3, Lectures
LO2a	Apply frameworks of a qualitative and quantitative nature to managerial – operational and strategic decision situations – to develop an understanding of such situations;	Assignment 1, 2 & 3, Lectures
LO2b	Apply frames and frameworks of a qualitative and quantitative nature to managerial and strategic decision situations – to develop improved decision making competencies;	Assignment 1, 2 & 3, Lectures
LO 3	Develop an ability to clearly communicate reason, argue and give recommendations on decision and policy formation within a holistic systems framework in both written, schematic and oral work;	Assignment 1, 2 & 3, Lectures
LO 4	Demonstrate an understanding of the role and impact of risk, uncertainty, ambiguity, preferences, judgment on decision making situations;	Assignment 1, 2 & 3, Lectures
LO 5a	Critically analyse and evaluate decision models and frameworks for use in problem structuring, decision making, and strategy and policy analysis;	Assignment 1, 2 & 3, Lectures
LO 5b	Critically analyse and accommodate seemingly divergent perspectives of decision making embedded within different models and frameworks	Assignment 1, 2 & 3, Lectures

### Expected Workload

A total of 150 hours of work is expected from students in this course. That consists of 36 hours of classes (in regular classrooms and computer lab rooms) and plus 8 hours per week outside classes over the trimester (including mid-term break) spent reading, studying, preparing for classes, writing up notes and practising decision-making exercises after lectures, and writing assignments. There is no examination in this course.

### Course Delivery

We expect you to attend all lectures and labs offered. Class sessions are run weekly during term time; most of these will take place in the nominated classroom but some will be held in a computer lab where advised on the course schedule.

### Group Work

While we encourage working together in groups, all assignments are strictly individual. Collaboration should be limited to general discussion as to how one might interpret the nature of the assigned question, and testing out ideas with each other. You should not work together to formulate a common response. Do not loan out your completed individual assignments. All outside sources consulted/accessed should be properly referenced.

### Readings

Required readings, eg academic and practitioner journal articles, research papers will be set and relied upon as the course progresses. Several of the texts and readings listed elsewhere in this course outline, eg March etc, will suggest even more readings.

Readings will be distributed via Blackboard. Students are expected to familiarise themselves with the set of suggested readings, and where directed, to have prepared topics in advance of classes/tutorials, being ready to discuss the issues which the readings present.

### Supplementary Readings

Supplementary Readings will be made available to students via Blackboard, and will provide additional background materials of an academic nature (A), or provide interesting media or practitioner perspectives (B) on research findings.

Further resources are available in the VUW Commerce Library.

### Materials and Equipment

Access to a computer is expected, as all assignments should be typed, printed and bound/stapled, and some set work will need you to use spreadsheet or specialist computer software which will be available on SCS computers and/or for download onto PCs.

PowerPoint slides will be available on Blackboard, but these are not sufficient to pass the course. You need to come to class to annotate slides and make your own notes. Bring pens and paper to all sessions, as there will be practical in-class exercises to help you understand the concepts covered, linking theory and practice.

### Assessment

The Assessment Handbook will apply to all VUW courses: see

<http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

The assessment for this course comprises three written assignments, totalling 100 marks, as follows:

Assignment	Title	# of Marks Available	Due Date
1	Framing Exercise	30	<i>Level 10 Reception, 4.30pm, Friday 27 March</i>
2	Decision Making under Uncertainty	30	<i>At Class, Tuesday 5 May</i>
3	Multi-Framing – Reflective & Integrative Study	40	<i>Level 10 Reception, Friday 5 June</i>
	<b>TOTAL Marks Available</b>	<b>100</b>	

For these Assignments, you will be asked to present a report setting out your description of a problematic situation, and how it might be approached using the methods covered in class, exploring how use of such method(s) may lead to appropriate intervention. These assignments require demonstration of insight developed from the application of decision making processes under consideration, and the practical benefits and drawbacks of using a structured approach. Assignment 3 will require commentary and critique of the entire course, including integration across topics.

Full instructions and marking guidelines will be made available in class when the assignment is given, and on Blackboard.

### **Mandatory Course Requirements**

In addition to obtaining an overall course mark of 50 per cent or better, students must:

- a. Submit all assignments in hard copy for marking
- b. Submit all assignments in hard copy within the allowable timeframes (see under **Penalties and General University Policies and Statutes** below); and
- c. Attend at least 9 classes.

If you cannot complete an assignment, refer to [www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat](http://www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat)

### **Format for assignments**

Assignments should have the following format:

- Typed or word-processed, 11 point font.
- A cover sheet stating: Student name, assignment title and word count.
- Page numbers on each page.
- APA reference style used including in-text referencing and a list of references at the end.\*

### **Referencing**

There are many different styles of referencing and VBS has decided to make APA (American Psychological Association) referencing style the common standard.

The Commerce and Central Libraries hold the APA Style Guide. You can also access the information from the online VUW library site (<http://www.vuw.ac.nz/library/research/reference/referencingguides.aspx>).

### **Handing in assignments:**

Assignments should be in hard copy form by the due time on the due date. Assignments should be handed in **by the due date as specified above and on the assignment brief**. Assignments received after the due date will be deemed to be late.

Students must also keep an electronic copy of their work archived in case the original assignment goes missing. Failure to do so will jeopardise any claim by you that your work was submitted in the rare cases where your work goes astray.

### **Use of Turnitin**

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and submitted to Turnitin. A copy of submitted materials will be retained on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

### **Note to Students**

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of BCom learning goals as required for accreditation and academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

### **Late assignments**

The mandatory course requirement requires that a hard copy be submitted within the approved time frame.

Late assignments are to be emailed to the Assignment setter (who may not be the Course Coordinator) and a hard copy delivered to the School Reception desk on Level 10 by the next business day. The assignment will be considered 'Submitted' when the emailed copy is received by the Assignment Setter or when the hard copy is handed to the Course, Administrator, Misa Ito (or the Duty Receptionist in her absence) in RH 1022, Level 10 Reception – whichever is sooner.

Assignments left on the Reception Counter or slid under the door of the Administrator's office may incur penalties from the time and date they are recovered. Note that there is no provision to accept assignments on weekends or public holidays. Late assignment must be handed into Luisa while the Level 10 Reception area is open. The desk opens at 9am and closes at 5pm Monday to Friday during term time.

### **Penalties – for Lateness**

- (i) In fairness to other students, work submitted after any deadline will incur a penalty for lateness. **The penalty is 2 of the marks available (marks available means what the assignment is worth i.e. 20% or 20 marks) for an assignment submitted after the due time on the due date for each part day or day late.** (for example if an assignment is out of 40 and the assignment receives 50% then one day late means the mark will be out of 16 and the student will receive 50% of 16). **Saturdays, Sundays and public holidays** will be included when counting the number of days late.
- (ii) Course Outlines provide a signal to students of forthcoming workload, dates of submission etc, and thus student study plans should take account of course requirements across all courses. Consequently, workload issues related to other courses and employment will not be accepted as reason for dispensation from mandatory requirements or waiver of penalties. **Extensions** to submission deadlines for any assigned work will only be granted in **exceptional circumstances**.
- (iii) Students who are unable to comply with any of the mandatory requirements should make a written application for an extension to the due date for submission of assigned work or for waiver of a penalty, **in advance**, to the **Assignment Setter**, providing documentary evidence of the reasons of their circumstances.  
All such applications must be made **before** the deadline and be accompanied by documentary evidence, e.g. a medical certificate, or counsellor's report clearly stating the degree of impairment, and the dates the illness or event prevented you from undertaking your academic studies. This can be applied retrospectively.
- (iv) In the event of unusual or unforeseeable circumstances (e.g. serious illness, family bereavement or other exceptional events), that precludes an application in advance, students should make contact with the **Assignment Setter** as soon as possible, and make application for waiver of a penalty as soon as practicable.

### **School of Management's Policy on Remarking**

Every attempt is made to ensure that the marking is fair for all concerned.

Students may ask for their written work to be remarked. A different marker will do the remarking and provide comments. The original marking sheet is removed to ensure the process is independent.

Application for remarks must be made within 5 days after the marks are available. To apply for a remark, complete the request for re-examination of assessed work form (Annex B) stating which sections (criteria listed in the mark sheet) you wish re-examined. Write on why you think the mark does not, in your view, fairly reflect the quality of your work. Hand this with your assignment into the following place:-

- **Pipitea Campus** – the Reception Desk on Level 10 Rutherford House where your assignment will have the **time, date and signature** noted on the front cover by the person receiving it.

Allow up to 5 days for remarks to be completed.

### **Class Representative**

A class representative will be elected in the first class, and that person's name and contact details made available to VUWSA, the course coordinator and the class. The class representative provides a communication channel to liaise with the course coordinator on behalf of students.

**Communication of Additional Information**

Additional information or information on changes will be conveyed to students, in class, and via Blackboard, and when appropriate via an email to all class members using your student email addresses. You must ensure that your email address is up-to-date and that you check Blackboard regularly (eg at least once per week).

**Student feedback**

Student feedback on University courses may be found at [www.cad.vuw.ac.nz/feedback/feedback\\_display.php](http://www.cad.vuw.ac.nz/feedback/feedback_display.php).

This feedback is considered carefully, and changes made where appropriate.

**Link to general information**

For general information about course-related matters, go to

<http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

**Note to Students**

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of BCom learning goals and objectives as required for accreditation and academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

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**Managerial Decision Processes - 2015**  
**MGMT 401 – Abbreviated Course Schedule**

Week	Date	Topic	Session Leader(s)	Assignments
1	3 Mar	<b>Administration/Introduction/ Course Overview Problem Structuring, Problem Solving and Decision Making Decision Framing: the Framing of Problem Situations and Choice</b>	John Davies	
2	10 Mar	<b>Decision Framing: the Framing of Problem Situations and Choice</b>	John Davies	
3	17 Mar	<b>Decision Framing: the Framing of Problem Situations and Choice</b>	John Davies	
4	24 Mar	<b>Managing Risk and Uncertainty: Managing Competitive Risk and Uncertainty -I</b>	Bronwyn Howell	
5	31 Mar	<b>Managing Risk and Uncertainty: Managing Competitive Risk and Uncertainty -II</b>	Bronwyn Howell	<b>Assignment 1</b> Framing 4.30pm, Friday 27 March <i>Level 10 Reception</i>
Mid-trimester break				
6	21 Apr	<b>Managing Risk and Uncertainty: Managing Competitive Risk and Uncertainty -II I</b>	Bronwyn Howell	
7	28 Apr	<b>Electronic Brainstorming</b> (whole session in RWW 402)  <b>Multi Criteria Decision Making using VISA (tbc)</b> Laptop optional	Richard Norman  Vicky Mabin	
8	5 May	<b>Multi Criteria Decision Making using PAPRIKA</b> Bring your laptop if possible	Franz Ombler	<b>Assignment 2</b> (DMUU) <b>due Tuesday 5 May</b> <i>at class</i>
9	12 May	<b>Problem structuring – systems approaches - I</b>	John Brocklesby	
10	19 May	<b>Problem structuring – systems approaches - II</b>	John Brocklesby	
11	26 May	<b>Theory of Constraints – TOC I</b> Managing Constraints	Vicky Mabin Maryam Mirzaei	
12	2 June	<b>TOC II</b>  <b>Review &amp; Integration</b>	John Davies	<b>Assignment 3 -</b> Integration/Multi- framing <b>due Friday 5 June</b> <i>L10 Reception</i>

## Managerial Decision Processes - 2015

### MGMT 401 - Course Schedule

#### Session 1 - March 3

#### Administration/Introduction/Course Overview;

Problem Structuring, Problem Solving and Decision Making

- Art and Science?

The Logics of Decision Making

Speculations about Decision Making

The Role of Decision Science

- The Role of Models and Theories of Decision Making
  - Decision Theory / Decision Analysis / Behavioural Decision Theory
    - Descriptive Theories / Prescriptive Approaches
    - Paradigms and Doctrine – Optimising, satisficing etc
  - The Role of Models of Decision Making processes
- The Role of Information in Decision Making
  - Ambiguity and Limited Rationality;
  - The Role of Preference, Values etc
  - The Exercise of Judgment

The Notion of Framing

- Framing, Perception and Judgment
- Framing Effects, Decision Traps

The Engineering of Choice and Choice Architecture

Decision Making as a Skill

**Relevant Readings** – that have defined the field, and which are continually cited.

Bazerman. MH.(2001) The Study of Real Decision Making, *Journal of Behavioural Decision Making*, **14** (5): 353-355

Simon, HA. (1987). Decision Making and Problem Solving, *Interfaces*, 17: 5 Sept-October 1987 (pp. 11-31)

#### Supplementary Readings A

Bazerman MH. & Moore, DM. (1998). *Judgment in Managerial Decision-Making*, Hoboken, NJ:Wiley, Ch1

Dunford, R. (1992). *Organisational Behaviour - An Organisational Analysis Perspective*, Sydney:Addison-Wesley, Ch11

Etzioni, A. (1989). Humble Decision Making, *Harvard Business Review*, July-August 1989

Garvin, D.A., & Roberto, M.A. (2001). What you don't know about making decisions. *Harvard Business Review*, 79(8), 108-116

March, JG. (1987). Ambiguity and Accounting, *Accounting, Organisations and Society*, 12: 153-68

March, JG. (1989). A Chronicle of Speculations about Decision Making in Organisations, *Decisions & Organisations*, Ch : 1-21

March, JG. (1994). Bounded Rationality, Ambiguity, and the Engineering of Choice, *Decisions & Organisations*, Ch 13: 265-293



## Managerial Decision Processes - 2015

### MGMT 401 - Course Schedule Sessions 2 & 3 - March 10, 17

#### Decision Framing: the Framing of Problem Situations and Choice

##### Decision Making and Framing

- The Framing of Problems, Choices and Outcomes
- The Framing of Information

##### Decision Frames, Organisational & Functional Frames and Schemas

- The Cognitive Structure of Decision Frames

##### Framing as a Factor in Decision Making

- The structure, use and impact of implicit frames
  - Boundary issues, values, objectives and performance measures
  - Alternative frames for creative problem solving
- Framing Effects

##### Decision Theoretic concepts of Risk

- The position of risk in decision theory
- Its standing in managerial ideology

##### Managerial Perspectives on Risk and Risk Taking

##### Role of Behavioural Decision Theory, Utility Theory and Prospect Theory

- Prospect Theory; Schemas, Frames, and Metaphors
- Describing and understanding behaviour using Prospect Theory

#### Relevant Readings

Schoemaker, PJH. & Russo, JH. (2001). Managing Frames to Make Better Decisions, in Hoch, SJ & Kunreuther, HC (Eds), *Wharton on Decision Making*, Wiley, Ch8: 131-158

Russo JE and Schoemaker PJH. (1992). *Decision Traps*, London: Piatkus, Ch 1

Davies & Mabin, The Power of Framing, ANZAM Conference, Wellington, December 94

**Supplementary Readings A** – other readings that have defined the field, and which are continually cited

Bazerman, MH. (1984). The Relevance of Kahneman and Tversky's Concept of Framing to Organisational Behaviour, *Journal of Management*, Vol. 10: 333-343

Einhorn HJ. & R M Hogarth, RM. (1981). Behavioural Decision Theory: Processes of Judgment & Choice, *Ann Rev Psychology*, 32:53-88

Kahneman, D. & Tversky, A. (19 ). Rational Choice and the Framing of Decisions, *Journal of Business*, 59(4): 251-277

Kahneman, D. & Tversky, A. (1984). Choices, Values and Frames, *American Psychologist*, Vol 39(4): 341-350.

Kahneman, D. & Tversky, A. (1981). The Framing of Decisions and the Psychology of Choice, *Science*, Vol 211(4481): 453-458..

Kahneman, D. & Tversky, A. (1982). The Psychology of Preferences, *Decision Science*, Vol 246: 160-173. 16-141

Bazerman MH. & Moore, DM. (1998). *Judgment in Managerial Decision-Making*, Hoboken, NJ: Wiley, Ch 2

Hammond, JS, Keeney, RL and Raiffa, H. (1998). The Hidden Traps in Decision Making. *Harvard Business Review*, Sept-October 1998: 47-58

Irwin, J. & Baron, J. (2001). Values and Decisions, in Hoch, SJ & Kunreuther, HC (Eds), *Wharton on Decision Making*, Wiley 2001, Ch13: 243-257

Kahneman, D. & D Lovallo, D. (1993). Timid Choices and Bold Forecasts: A Cognitive Perspective on Risk Taking, *Management Science*, Vol 39, No. 1, January: 17-31

March, JG. & Z Shapira, Z. (1987). Managerial Perspectives on Risk and Risk Taking, *Management Science*, Vol 33: 76-97

Slovic, P., Fischhoff, B. & Lichtenstein, S. (1977). Behavioural Decision Theory, *Ann Rev Psychol*, 28:1-39

#### Supplementary Readings B

Bonabeau, E. (1987). Don't Trust Your Gut. *Harvard Business Review*, May 2003: 116-123

Herbert, W. (2008). Why Things Cost \$19.95. *Scientific American Mind*, April/May 2008, p.80-81



**School of Management**

**MGMT 401 -Individual Assignment # \_\_\_\_\_**

**Cover Sheet**

Name: \_\_\_\_\_ Student ID: \_\_\_\_\_

*I have read and understood the university policy on Academic Integrity and Plagiarism.*

*I declare this assignment is free from plagiarism.*

Signed: \_\_\_\_\_

Extension of the due date (*if applicable*)

**Please attach a copy of the note authorising your extension.**

*Date extension applied for* \_\_\_\_\_

*Extension granted until:* \_\_\_\_\_

*Extension granted by:* \_\_\_\_\_



**School of Management**

**MGMT 401**

**Request for re-examination of assessed work**

	<b>Assessment affected</b> <i>e.g. Individual Assignment, In-class Test</i>	
<b>Student ID</b>	<b>Name:</b> As it appears in your enrolment	<b>Lecturer's name:</b>
<b>Contact Details</b>	<i>Phone</i> _____	
	<i>Email</i> _____	

*Specify which section (criteria specified in the mark sheet) you wish to be re-examined*

*Note: requests to re-examine "all" criteria will not be considered.*

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**Clearly state why you believe each of these sections should be re-examined:**

*Note: "I think it is worth more," is insufficient.*

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In requesting a re-examination of my submitted work, I understand that the result may be an increase OR decrease in the mark obtained.

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**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_