

E/M 365: Strategic Management

Fall 2015

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Office Hours: Tuesday & Friday 11:30-12:30

Course Material

- *Thinking Fast & Slow*, Daniel Kahneman
- *To Have or to Be*, Erich Fromm
- *The Nature of Human Brain Work*, Joseph Dietzgen
- *Explaining Social Behavior*, Jon Elster
- *The Son*, Jo Nesbo
- *Game Theory*, Morton Davis

COURSE OBJECTIVES

This course is in many ways about three related elements: *thinking* (“rational”, “non-rational”, and “irrational”), *choices* (“informed”, and “less informed”), and *decision-making* (“strategic” and “non-strategic”). In short, we will try to explain human behavior as individuals, as groups, and as members of organizations.

In an attempt to explain strategic challenges, choices, and decisions that we make, we will consider theories from a variety of disciplines: management, economics, finance, game theory, international business, marketing, philosophy, political science, psychology, sociology, and organizational theory. Thus, this course emphasizes constructs, ideas, and theories that will draw upon (and challenge) your multidisciplinary knowledge.

Strategic decision-making deals with the world of experience. The world of experience is not a world of certainty. Thus, within the classroom, reasonable people (with different experiences) will view various situations and interpret contexts differently. Hence, trying to understand decision-making involves *making* sense together, and it is a creative and subjective process. Conjectures and knowledge based on personal experiences are therefore highly valued within the conversation of this class.

This is a senior level seminar and that will be reflected in the workload. You will often be expected to read in excess of 75 pages in preparation for class, which most likely will translate to 2-3 hours of preparations for each class period. You will spend more time during weeks when you lead class discussions or during weeks in which you prepare for exams. I also expect that you attend every class (if at all possible), that you will be on time, and that you will be prepared. I strongly urge you not to enroll in this class if you cannot meet these minimum expectations.

It is the student's responsibility to attend every class and when absent to obtain any missed information from fellow students. Any announcements made in class are assumed to have been disseminated to the entire class. Please be aware that verbal or written announcements in class may supersede information or deadlines stated in the course outline.

SECTION 1: COURSE REQUIREMENTS

1.1. Participation and intellectual contributions (10%)

Active contribution in the class is an essential part of the learning experience. You are expected to contribute to student-led discussions and to discussions during the lecture sessions. Much of the learning in the course will occur through discussion. Thus, everyone should strive to be an active participant.

Meaningful contribution requires having carefully read and thought about the day's material, but that is not sufficient. You also need to speak and while key insights are appreciated, you can also contribute by asking questions, politely disagreeing with comments, or following up on another student's comments with further insights or evidence.

1.2. Group-led discussion (10%)

Student groups (five students per group) will prepare a twenty-minute discussion session. These discussions will be based on any topic covered to date and selected by the group and may include topics derived from "The Son."

The groups will be expected to lead an intellectually challenging discussion where they not only "regurgitate" what has already been covered in class, but contribute to everyone's understanding of the material by challenging existing ideas, philosophies, and beliefs about strategic decision making.

Grades will be based on three major criteria: the group's ability to develop/maintain contribution from the audience, their development of interesting and thought-provoking questions, and their comprehension of the material covered in their segment. All members of the group will receive the same grade. Please hold each other accountable.

1.2. Study-Log (15%)

You are expected to keep a study-log where you keep notes based on your readings, and where you develop a framework that enables you to keep up with our studies. Please keep this log in a three-ring binder and bring it with you to each class. I will collect it on a regular basis and you will receive zero credit if you miss class, have not brought it with you, or if you have not kept up with the log. Please note: lecture notes should NOT be included in this log.

1.4. Exams (45%)

We will have three exams (20% of final grade each). Content for each exam will be limited to the content covered in each of the three modules of this class. Questions will be open ended and cover both theoretical concepts and applications. You may **not** bring any supporting materials with you to the exams.

1.5 Idea Log & In-class Writing Assignments (20%)

In addition to the study-log you will keep an idea log where you keep track of your thoughts regarding the material covered in class. These are not supposed to be "summaries" of what you read, but rather critical reflections of what we read and discuss in class. The logs will be collected randomly and you will have one "free pass", but you will have to declare your pass at the beginning of class.

Additionally, we will have a number of in-class writing assignments where you will be asked to reflect upon the readings for that day and the topics we cover in class. You can miss two (2) of these without losing points (to accommodate your extracurricular schedules).

SECTION 2: TENTATIVE CLASS SCHEDULE

MODULE 1: THINKING, RATIONALITY, DIALECTICS, AND STRATEGY

SEP 8 COURSE INTRODUCTION/SYLLABUS

SEP 9 INTRODUCTION TO STRATEGIC THINKING (I): *Explanations*

- Elster: p. 1- 31.

SEP 11 INTRODUCTION TO STRATEGIC THINKING (II): *Mechanisms & Interpretations*

- Elster: p. 32- 66.

SEP 14 INTRODUCTION TO DIALECTICS (I): *Pure Reason & The Nature of Things*

- Dietzgen: pp. 5-52.

SEP 15 INTRODUCTION TO DIALECTICS (II): *The Practice of Reason in Physical Science*

- Dietzgen: pp. 53-76.

SEP 16 INTRODUCTION TO STRATEGIC THINKING (III): *Motivations*

- Elster: p. 67- 94.

SEP 18 DEVELOPING AN UNDERSTANDING OF THINKING (I): *Two Systems*

- Kahneman: p. 19-58.

SEP 21 DEVELOPING AN UNDERSTANDING OF THINKING (II): *Two Systems*

- Kahneman: p. 59-105.

SEP 22 INTRODUCTION TO STRATEGIC THINKING (IV): *Self-interest & Foresight*

- Elster: p. 95- 123.

SEP 23 INTRODUCTION TO STRATEGIC THINKING (V): *Beliefs & Emotions*

- Ester: p. 124-161.

SEP 25 HEURISTICS AND BIASES (I)

- Kahneman: p. 109-145.

SEP 28 HEURISTICS AND BIASES (II)

- Kahneman: p. 146-195.

SEP 29 VALIDITY AND UNDERSTANDING (I)

- Kahneman: p. 199-233.

SEP 30 VALIDITY AND UNDERSTANDING (II)

- Kahneman: p. 234-265.

OCT 1 (Thursday!) Attend 2:30 talk

OCT 2 Guest Speaker

OCT 5 Review Day

OCT 7 EXAM 1 – Part 1

OCT 9 EXAM 1 – Part 2

MODULE 2: RATIONAL CHOICE, INTERACTION, AND STRATEGY

OCT 12 INTENTIONAL BEHAVIOR

- Elster: p. 163-190.

OCT 13 RATIONALITY & RATIONAL CHOICE (I)

- Elster: p. 191-213.

OCT 14 RATIONALITY & RATIONAL CHOICE (II)

- Elster: p. 214-256.

OCT 16 INTERACTIONS *Interactions & Unintended Consequences*

- Elster: p. 299 – 311.

OCT 19 INTRODUCTION TO GAME THEORY *Strategic Interaction & Backward Induction*

- Elster: p. 312-343

OCT 20 BOOK DISCUSSION 1: *The Son*

- Nesbø: Ch. 1-17.

OCT 21 GAME THEORY (I): *The Two-Person, Zero-Sum Game with Equilibrium Points*

- Davis: chapter 2

OCT 23 GAME THEORY (II): *The General, Two-Person, Zero-Sum Game*

- Davis: chapter 3

OCT 28 GAME THEORY (III): *The Two-Person, Non-Zero-Sum Game*

- Davis: chapter 5

OCT 30 GAME THEORY (IV): *Mixed Strategies*

- Handout

OCT 30 GAME THEORY (V): *Focal Points*

- Handout

NOV 2 BOOK DISCUSSION 2: *The Son*

- Nesbø: Ch. 18-26.

NOV 3 Review Day

NOV 4 Exam 2 – Part 1

NOV 6 Exam 2 – Part 2

NOV10 Career Orientation

MODULE 3: MAKING STRATEGIC CHOICES AS HUMANS

NOV 16 BERNOULLI'S ERRORS AND PROSPECT THEORY

- Kahneman: p. 269-288.

NOV 17 PROSPECT THEORY & CHOICES (I)

- Kahneman: p. 289-341.

NOV 18 PROSPECT THEORY & CHOICES (II)

- Kahneman: p. 342-374.

NOV 20 SOCIAL NORMS & CONFORMITY (I)

- Elster: p. 353-386.

NOV 23 SOCIAL NORMS & CONFORMITY (II)

- Fromm: *On Disobedience* (PDF)

NOV 24 PRACTICAL REASON & MORALITY

- Dietzgen: p. 77-110.

NOV 30 BOOK DISCUSSION 3: *The Son*

- Nesbø: Ch. 27-33.

DEC 1 TO HAVE OR TO BE (I)

- Fromm: Part 1

DEC 2 BOOK DISCUSSION 4: *The Son*

- Nesbø: Ch. 34-Epilogue

DEC 4 TO HAVE OR TO BE (II)

- Fromm: Part 2

DEC 7 TWO SELVES, STRATEGY, AND LIFE (I)

- Kahneman: p. 377-418.

DEC 8 TWO SELVES, STRATEGY, AND LIFE (II)

- Kahneman: p. 377-418.

DEC 9 TEAM LED DISCUSSIONS

DEC 11 TEAM LED DISCUSSIONS

DEC 14 Review

FINAL EXAM: TBA

SECTION 3: POLICIES OF EM 365

3.1 - ACADEMIC HONESTY AND HONOR CODE

As mature adults, it is expected that you have established a level of honesty, integrity, and honor that eliminates even the remote possibility of cheating on an examination and/or written assignments. Academic dishonesty or cheating consists of, but is not limited to the following set of conditions: Unauthorized possession of examination material, possession of information sheets beyond the allowed notes, copying during examinations, looking directly at another student's examination, or plagiarism or copying of assignments.

Cheating is *wrong* and *will not be tolerated*. **Cheating or plagiarism will result in a failing grade for the course. No exceptions.** Please try to maintain your academic standing, your character, and your reputation by not cheating.

3.2 - OFFICE HOURS

I take teaching and research very seriously and like you, I require sufficient time to prepare class lectures and materials and to advance my research projects. If office hours are not practical because of your schedule, and you have a major concern, please contact me about setting up an appointment. I do not accept walk-ins outside of office hours – please schedule appointments.

3.3 - USE OF TECHNOLOGY POLICY

LAPTOPS, CELL PHONES, IPADS, and other electronic devices: Turn them OFF when class is in session – no ringing, no IM, no distractions for yourself, your classmates, or your professor.

3.4 ACCOMMODATIONS FOR STUDENTS WITH DOCUMENTED DISABILITIES

Gustavus Adolphus College is committed to ensuring the full participation of all students in its programs. If you have a documented disability (or you think you may have a disability of any nature) and, as a result, need reasonable academic accommodation to participate in class, take tests or benefit from the College's services, then you should speak with the Disability Services staff, for a confidential discussion of your needs and appropriate plans. Course requirements cannot be waived, but reasonable accommodations may be provided based on disability documentation and course outcomes. Accommodations cannot be made retroactively; therefore, to maximize your academic success at Gustavus, please contact Disability Services as early as possible. Disability Services (www.gustavus.edu/advising/disability/) is located in the Academic Support Center.

3.5. HELP FOR MULTILINGUAL STUDENTS

Support for English learners and multilingual students is available through the Academic Support Center's English Learning Specialist (www.gustavus.edu/advising/). The ELS can meet individually with students for tutoring in writing, consulting about academic tasks, and helping students connect with the College's support systems. When requested, the ELS can consult with faculty regarding effective classroom strategies for English learners and multilingual students. The ELS can provide students with a letter to a professor that explains and supports appropriate academic arrangements (e.g., additional time on tests, additional revisions for papers). Professors make decisions based on those recommendations at their own discretion. In addition, English learners and multilingual students can seek help from peer tutors in the Writing Center (www.gustavus.edu/writingcenter/).