

E/M 365: Strategic Management

Spring 2016

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Office Hours: Monday/Friday 10:30-11:30, Thursday 1:30-2:30 & by appointment

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
- *Naïve Super*, Erlend Loe

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 50 pages in preparation for class, which most likely will translate to 1-3 hours of preparations for each class period (depending on the week). 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. Intellectual Contributions, Group Discussions, & Book Discussions (20%)

Active contribution in the class is an essential part of the learning experience. Most 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. In-class writing assignments will be included in this portion of your overall grade.

Please allow yourself sufficient time to arrive on time and be well prepared. Being late for class or disrupting class with unrelated behaviors is not conducive for learning and it will impact this portion of your grade. You may want to think of the class discussions as weekly exams - your comments and contributions inform me regarding your preparation and mastery of the material.

“A” and to some lesser degree “B” contributions exemplify the following dimensions:

- Ability to consistently identify and articulate critical and significant issues from the readings
- Provide possible explanations of “why” and implications of issues discussed
- Articulate clear logic from analysis to interpretation
- Provide supporting evidence from a variety of indicators (i.e., articulate a variety of contributing factors)
- Identify trends and implications in key dimensions
- Do not miss significant dimensions of an issue when interpreting readings
- Demonstrates understanding of contextual elements (external and internal) in the readings
- Justification for arguments (over other alternatives) is presented, fully developed, and based on analytics
- Clarity and usefulness of the information presented, especially the flow and integration of various readings
- Use of appropriate terminology
- A willingness to participate in each and every class discussion
- A willingness to accept alternative explanations that are not consistent with own ideas or values
- A willingness to work hard, maintain a positive attitude, and challenge yourself

“C” contributions meet the minimum participation expected from a senior level seminar at GAC and is assumed to be the “starting grade” for the students. “D” represents “below average performance”. “F” contributions: you are not trying, you miss class, and you have wasted an opportunity to enjoy the course

Please note that “A” grades for participation and intellectual contributions in a senior seminar are ONLY reserved for excellent performance on a regular basis. You will need to prepare exceptionally well in order to be in the higher range. Further, you need to synthesize your ideas so you can articulate them in a reasonable manner during discussions.

1.2. Idea-Logs (15%)

The topics we will discuss in this class may at times be challenging to understand, accept, and comprehend. Hence, it is expected that you at times will experience all sorts of conflicting cognitions and affects. In others words, it's not unreasonable that you will be confused at times as we will discuss ideas that you have previously taken for granted. In order to help you keep track of your intellectual and academic progress you will be expected to keep a DETAILED log of the ideas that come to mind as you read and think about these complicated issues. PLEASE TYPE and save electronically!

This is not a “study-log” to help you prepare for exams. Rather, it should be a written account of the thoughts and ideas that come to mind when you work your way through the readings. It may include questions that you want to include in class. In short, writing these ideas down BEFORE class should enable you to be an active participant in the upcoming class period. It may also include ideas that come to mind FOLLOWING a class period, e.g., a reflection upon what you learned.

The logs will be collected at random times during the semester. Feel free to schedule times with me to discuss these logs as you make your way through the course. The grading of these logs will be based on “effort” and “insightfulness”. Solid idea logs will clearly articulate that you are putting efforts into the readings and that you are trying to broaden your understanding of strategic thinking, its antecedents, and its consequences.

Idea logs that simply summarize what you read will not earn a passing grade.

1.3. Exams (40%)

We will have two regular exams (20% of final grade each). Content for each exam will be limited to the content covered in each of the first two 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 Final Exam (25%)

The final exam will be held during finals week and will be comprehensive.

SECTION 2: TENTATIVE CLASS SCHEDULE

FEB 8 COURSE INTRODUCTION/SYLLABUS/OUTLINE

MODULE 1: THINKING, DIALECTICS, AND STRATEGY

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

- Elster: p. 1- 31.

FEB 10 INTRODUCTION TO STRATEGIC THINKING (II): *Mechanisms & Interpretations*

- Elster: p. 32- 66.

FEB 12 INTRODUCTION TO DIALECTICS (I): *Pure Reason & The Nature of Things*

- Dietzgen: pp. 5-52.

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

- Dietzgen: pp. 53-76.

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

- Elster: p. 67- 94.

FEB 19 DEVELOPING AN UNDERSTANDING OF THINKING (I): *Two Systems*

- Kahneman: p. 19-58.

FEB 22 DEVELOPING AN UNDERSTANDING OF THINKING (II): *Two Systems*

- Kahneman: p. 59-105.

FEB 23 INTRODUCTION TO STRATEGIC THINKING (IV): *Self-interest & Foresight*

- Elster: p. 95- 123.

FEB 24 INTRODUCTION TO STRATEGIC THINKING (V): *Beliefs & Emotions*

- Ester: p. 124-161.

FEB 26 HEURISTICS AND BIASES (I)

- Kahneman: p. 109-145.

FEB 29 HEURISTICS AND BIASES (II)

- Kahneman: p. 146-195.

MAR 1 VALIDITY AND UNDERSTANDING (I)

- Kahneman: p. 199-233.

MAR 2 VALIDITY AND UNDERSTANDING (II)

- Kahneman: p. 234-265.

MAR 4 Group Discussions – questions will be provided

MAR 7 Review Day

MAR 8 Study Day

MAR 9 EXAN 1 – Part 1

MAR 11 EXAM 1 – Part 2

MODULE 2: RATIONAL CHOICE, INTERACTION, AND STRATEGY

MAR 14 INTENTIONAL BEHAVIOR

- Elster: p. 163-190.

MAR 15 RATIONALITY & RATIONAL CHOICE (I)

- Elster: p. 191-213.

MAR 16 RATIONALITY & RATIONAL CHOICE (II)

- Elster: p. 214-256.

MAR 18 INTERACTIONS & UNINTENDED CONSEQUENCES

- Elster: p. 299 – 311.

MAR 21 INTRODUCTION TO GAME THEORY *Strategic Interaction & Backward Induction*

- Elster: p. 312-343

MAR 22 BOOK DISCUSSION 1: *The Son*

- Nesbø: Ch. 1-17.

MAR 23 GAME THEORY (I): *The Two-Person, Zero-Sum Game with Equilibrium Points**

APR 4 GAME THEORY (II): *The General, Two-Person, Zero-Sum Game**

APR 5 GAME THEORY (III): *The Two-Person, Non-Zero-Sum Game**

APR 6 GAME THEORY (IV): *Mixed Strategies**

APR 8 GAME THOERY (V): *Focal Points**

APR 11 BOOK DISCUSSION 2: *The Son*

- Nesbø: Ch. 18-26.

APR 12 Group Discussions – questions will be provided

APR 13 Review Day

APR 15 Study Day

APR 18 Exam 2 – Part 1

APR 19 Exam 2 – Part 2

* = handout provided

MODULE 3: MAKING STRATEGIC CHOICES AS HUMANS

APR 22 BERNOULLI'S ERRORS AND PROSPECT THEORY

- Kahneman: p. 269-288.

APR 25 PROSPECT THEORY & CHOICES (I)

- Kahneman: p. 289-341.

APR 26 PROSPECT THEORY & CHOICES (II)

- Kahneman: p. 342-374.

APR 28 SOCIAL NORMS & CONFORMITY (I)

- Elster: p. 353-386.

MAY 2 SOCIAL NORMS & CONFORMITY (II)

- Fromm: *On Disobedience* (PDF)*

MAY 3 PRACTICAL REASON & MORALITY

- Dietzgen: p. 77-110.

MAY 4 BOOK DISCUSSION 3: *The Son*

- Nesbø: Ch. 27-33.

MAY 6 TO HAVE OR TO BE (I)

- Fromm: Part 1

MAY 9 BOOK DISCUSSION 4: *The Son*

- Nesbø: Ch. 34-Epilogue

MAY 10 TO HAVE OR TO BE (II)

- Fromm: Part 2

MAY 11 BOOK DISCUSSION 5: Naïve Super

- Loe: pp. 1-90

MAY 13 TWO SELVES, STRATEGY, AND LIFE

- Kahneman: p. 377-418

MAY 16 BOOK DISCUSSION 6: Naïve Super

- Loe: pp. 91-197

MAY 17 COURSE WRAP-UP/Review

MAY 18 COURSE WRAP-UP/Review

FINAL EXAM: TBA

* = handout provided

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, typewrites (electronic or manual), fax machines, telegraph machines and other communication 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/).