

Judgment and Decision Making PSYC 621-602

Meetings: Wednesdays, 9-12, Psychology Building 335
Instructor: Heather C. Lench
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Contacting Me: You can call or email with questions. Allow 72 hours for a response. I encourage you to contact me with any questions or comments, as well as to discuss your presentation and final paper.

Goals of the Course: This course will introduce you to traditional and contemporary models of judgment and decision-making. We will discuss a broad range of topics, including theories of rational choice (briefly), heuristics and biases, positive illusions and relatively new dual process models that incorporate motivation and emotion to explain and predict decisions. Psychological judgment and decision-making models are relevant to a number of disciplines, including health, business, law, and economics, and we will discuss implications for each of these disciplines.

Reading: Readings will be drawn from scholarly journals and books. Articles will be available on the course website for one week from the start of the course for download and printing. The readings are required and you will need to have a physical copy (either in print or electronically) for class meetings.

Participation (10 points): Students should participate in class discussions. Participation can include any comments that reasonably inform, progress, or evaluate discussion of theories and research. Toward the end of the semester, students will also give a brief 15-minute presentation on the topic of their final paper.

Thought papers (20 points): A brief (typed, half a page, double spaced) thought paper should be submitted to me the Monday before every class (these will be passed along to discussion leaders). Thought papers might include a comment or question (this can be integrative or evaluative of the readings or extend the subject matter into interesting novel directions). You do not need to reach a definitive conclusion in these papers, but they should demonstrate that you have read and thought about the articles and related topics. During the week in which you serve as discussion leader, you do not need to submit a thought paper. Be prepared to take part in discussion and raise your thoughts during class time. No credit will be given for late papers.

Discussion leader (30 points): Each student will serve as a discussion leader twice during the semester (depending on student numbers). The discussion leader will present a comprehensive overview of the articles in a formal presentation. This overview should include potential links among the articles/studies and/or note questions that are unanswered by the articles/studies. The discussion leader will then guide group discussion of the topics using his/her assessment of the articles and the thought papers that were sent by class members.

Paper (40 points): The final paper (about 10-15 double-spaced pages) may be either a critical review of the literature or a proposal for research. The topic should be closely related to and informed by the issues discussed in class. Critical reviews of the literature should be in the form of a standard APA manuscript submitted to a review journal (e.g., Psychological Bulletin) and should not simply describe past research but rather offer a critical analysis and theoretical integration of past research. Research proposals should be in the form of a standard APA manuscript submitted to an empirical journal with an introduction section (describing rationale for the proposed study), a method section (giving specific detail about the proposed methodology), a results section (describing the predicted results), and a discussion section (describing the implications of the predicted results). You are encouraged to meet with me to discuss your paper ideas. Late papers without prior approval will not be graded except under exceptional documented circumstances. The paper is due in my mailbox **December 7th, 2011**.

Grading: Grades will be based on the total number of points obtained from participation, thought papers, serving as discussion leader, and the final paper.

Total Points: 100

Scores required for each letter designation in the grading system:

A: 90-100 points

B: 80-90 points

C: 70-80 points

D: 60-70 points

F: any score below 60 points

ADA Policy Statement

The Americans with Disabilities Act (ADA) is a federal antidiscrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for a reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact the Department of Student Life, Services for Students with Disabilities in Room 126 of the Koldus Building, or call 845-1637.

Texas A&M University Philosophy of Academic Integrity: Aggies do not lie, cheat or steal nor do they tolerate those who do.

Week 1 (Aug. 31st): Orientation, Historical Overview

Becker, G. S. (1992). *The Economic Way of Looking at Life*. Nobel Prize Lecture.

Goldstein, W. M., & Hogarth, R. M. (1997). Judgment and decision research: Some historical context. In W. M. Goldstein & R. M. Hogarth (Eds.), *Research on Judgment and Decision Making: Currents, Connections, and Controversies* (pp. 3-65). New York: Cambridge University Press.

***ONLY PAGES 3-11 (other pages discuss topics that will be covered later)

Camerer, C. F., & Loewenstein, G. (2004). Behavioral economics: Past, present, and future. In C. F. Camerer & G. Loewenstein (Eds.), *Advances in Behavioral Economics* (pp. 3-51).

***ONLY PAGES 3-9 (other pages discuss topics that will be covered later)

Week 2 (Sept. 7th): Dual Process Theories

Kahneman, D. (2003). A perspective on judgment and choice. *American Psychologist*, 58, 697-720.

Denes-Raj, V., & Epstein, S. (1994). Conflict between intuitive and rational processing: When people behave against their better judgment. *Journal of Personality and Social Psychology*, 66, 819-829.

Smith, E. R., & DeCoster, J. (2000). Dual-process models in social and cognitive psychology: Conceptual integration and links to underlying memory systems. *Personality and Social Psychology Review*, 4, 108-131.

Keren, G., & Schul, Y. (2009). Two is not always better than one: A critical evaluation of two-system theories. *Perspectives on Psychological Science*, 4, 533-550.

Evans, J. (2008). Dual-processing accounts of reasoning, judgment, and social cognition. *Annual Review of Psychology*, 59, 255-278.

Glockner, A., & Witteman, C. (2010). Beyond dual-process models: A categorisation of processes underlying intuitive judgement and decision making. *Thinking and Reasoning*, 16, 1-25.

Week 3 (Sept. 14th): Prospect Theory and Criticisms of Rational Choice

Shafir, E., Simonson, I., & Tversky, A. (1993). Reason-based choice. *Cognition*, 49, 11-36.

Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. *Econometrica*, 47, 263-291.

Rothman, A. J., Salovey, P., Antone, C., Keough, K., Martin, C. D. (1993). The influence of message framing on intentions to perform health behaviors. *Journal of Experimental Social Psychology*, 29, 408-433.

Josephs, R. A., Larrick, R. P., Steele, C. M., & Nisbett, R. E. (1992). Protecting the self from the negative consequences of risky decisions. *Journal of Personality and Social Psychology*, 62, 26-37.

Week 4 (Sept. 21st): Heuristics and Biases

Tversky, A., & Kahneman, D. (1974). Judgment under uncertainty: Heuristics and biases. *Science*, 185, 1124-1131.

Epley, N., & Gilovich, T. (2001). Putting adjustment back in the anchoring and adjustment heuristic. *Psychological Science*, 12, 391-396.

- Northcraft, G. B., & Neale, M. A. (1987). Experts, amateurs, and real estate: An anchoring-and-adjustment perspective on property pricing decisions. *Organizational Behavior and Human Decision Processes*, 39, 84-97.
- Maccoun, R. (2002). Why a Psychologist Won the Nobel Prize in Economics. *American Psychological Society Observer*, 15.
- Schwarz, N., Bless, H., Strack, F., Klumpp, G., Rittenauer-Schatka, H., & Simons, A. (1991). Ease of retrieval as information: Another look at the availability heuristic. *Journal of Personality and Social Psychology*, 61, 195-202.
- Morewedge, C. K., & Kahneman, D. (2010). Associative processes in intuitive judgment. *Trends in Cognitive Sciences*, 14, 435-440

Week 5 (Sept. 28th): Nudging

- Madrian, B. C., & Shea, D. F. (2001). The power of suggestion: Inertia in 401(k) participation and savings behavior. *The Quarterly Journal of Economics*, 116, 1149-1187.
- Dinner, I., Johnson, E. J., Goldstein, D. G., & Liu, K. (2011). Partitioning default effects: Why people choose not to choose. *Journal of Experimental Psychology: Applied*.
- Johnson, E. J., & Goldstein, D. (2003). Do defaults save lives? *Science*, 302, 1338-1339.
- Thaler, R. H., & Benartzi, S. (2004). Save More Tomorrow: Using behavioral economics to increase employee saving. *Journal of Political Economy*, 112, S164-S187.
- Thaler, R. H., & Sunstein, C. R. (2003). Libertarian paternalism. *AEA Papers and Proceedings*, 93, 175-179.

Week 6 (Oct. 5th): The Meaning of Error

- Funder, D. C. (1987). Errors and mistakes: Evaluating the accuracy of social judgment. *Psychological Bulletin*, 101, 75-90.
- Nisbett, R. E., Krantz, D. H., Jepson, C., & Kunda, Z. (1983). The use of statistical heuristics in everyday inductive reasoning. *Psychological Review*, 90, 339-363.
- Dawes, R. M. (1979). The robust beauty of improper linear models in decision making. *American Psychologist*, 34, 571-582.
- Todd, P. M. & Gigerenzer, G. (2003). Bounding rationality to the world. *Journal of Economic Psychology*, 24, 143-165.
- Einhorn, H. J. (1986). Accepting error to make less error. *Journal of Personality Assessment*, 50, 387-395.

Week 7 (Oct. 12th): Risk Perception

- Weinstein, N. (1980). Unrealistic optimism about future life events. *Journal of Personality and Social Psychology*, 39, 806-820.
- Svenson, O. (1981). Are we all less risky and more skillful than our fellow drivers? *Acta Psychologica*, 47, 143-148.
- Slovic, P., & Peters, E. (2006). Risk perception and affect. *Current Directions in Psychological Science*, 15, 322-325.
- Blanton, H., Axsom, D., McClive, K. P., & Price, S. (2001). Pessimistic bias in comparative evaluations: A case of perceived vulnerability to the effects of negative life events. *Personality and Social Psychology Bulletin*, 27, 1627-1636.

Klein, W. M., & Kunda, Z. (1994). Exaggerated self-assessments and the preference for controllable risks. *Organizational Behavior and Human Decision Processes*, 59, 410-427.

Beer, J. S., & Hughes, B. L. (2010). Neural systems of social comparison and the “above-average” effect. *NeuroImage*, 49, 2671-2679.

Week 8 (Oct. 19th): Positive Illusions

Taylor, S. E., & Brown, J. D. (1988) Illusion and well-being: A social psychological perspective on mental health. *Psychological Bulletin*, 103, 193-210.

Colvin, C. R., & Block, J. (1994) Do positive illusions foster mental health? An examination of the Taylor and Brown formulation. *Psychological Bulletin*, 116, 3-20.

Dunning, D., Heath, C., & Suls, J. M. (2004) Flawed self-assessment: Implications for health, education, and the workplace. *Psychological Science*, 5, 71-106.

Robins, R. W., & Beer, J. S. (2001). Positive illusions about the self: Short-term benefits and long-term costs. *Journal of Personality and Social Psychology*, 80, 340-352.

Larwood, L., & Whittaker, W. (1977). Managerial myopia: Self-serving biases in organizational planning. *Journal of Applied Psychology*, 62, 194-198.

Massey, C., Simmons, J. P. & Armor, D. A. (2011). Hope over experience: Desirability and the persistence of optimism. *Psychological Science*, 22, 274-281.

Week 9 (Oct. 26th): Affective Processes and Decisions

Zajonc, R. B. (1980). Feeling and thinking: Preferences need no inferences. *American Psychologist*, 35, 151-175.

Loewenstein, G. (1996). Out of control: Visceral influences on behavior. *Organizational Behavior and Human Decision Processes*, 65, 272-292.

Bechara, A., Damasio, H., Tranel, D., & Damasio, A. R. (1997). Deciding advantageously before knowing the advantageous strategy. *Science*, 275, 1293-1294.

Kunda, Z. (1990). The case for motivated reasoning. *Psychological Bulletin*, 108, 480-498.

Lieberman, M. D., Jarcho, J. M., & Satpute, A. B. (2004). Evidence-based and intuition-based self-knowledge: An fMRI study. *Journal of Personality and Social Psychology*, 87, 421-435.

Vosgerau, J. (2010). How prevalent is wishful thinking? Misattribution of arousal causes optimism and pessimism in subjective probabilities. *Journal of Experimental Psychology: General*, 139, 32-48.

Week 10 (Nov. 2nd): Mood and Emotion

Lerner, J. S., & Keltner, D. (2001). Fear, anger, and risk. *Journal of Personality and Social Psychology*, 81, 146-159.

Bodenhausen, G. V., Gabriel, S., & Lineberger, M. (2000). Sadness and susceptibility to judgmental bias: The case of anchoring. *Psychological Science*, 11, 320-323.

Lerner, J. S., Small, D. A., & Loewenstein, G. (2004). Heart strings and purse strings: Carryover effects of emotions on economic transactions. *Psychological Science*, 15, 337-341.

- Ottati, V. C., & Isbell, L. M. (1996). Effects of mood during exposure to information on subsequently reported judgments: An on-line model of mood misattribution and correction. *Journal of Personality and Social Psychology*, 71, 39-53.
- Bodenhausen, G. V., Sheppard, L. A., & Kramer, G. P. (1994). Negative affect and social judgment: The differential impact of anger and sadness. *European Journal of Social Psychology*, 24, 45-62.
- Dunn, J. R., & Schweitzer, M. E. (2005). Feeling and believing: The influence of emotion on trust. *Journal of Personality and Social Psychology*, 88, 736-748.

Week 11 (Nov. 9th): Moral Decisions

- Sunstein, C. (2005). Moral heuristics. *Behavioral and Brain Sciences*, 28, 531-542.
***ONLY THE MAIN ARTICLE – NOT THE COMMENTARIES
- Haidt, J. (2001). The emotional dog and its rational tail: A social intuitivist approach to moral judgment. *Psychological Review*, 108, 814-834.
- Graham, J., Haidt, J., & Nosek, B. A. (2009). Liberals and conservatives rely on different sets of moral foundations. *Journal of Personality and Social Psychology*, 96, 1029-1046.
- Graham, J., Nosek, B. A., Haidt, J., Iyer, R., Koleva, S., & Ditto, P. H. (2011). Mapping the moral domain. *Journal of Personality and Social Psychology*, 101, 364-382.
- Helzer, E. G., & Pizarro, D. A. (2011). Dirty liberals! Reminders of physical cleanliness influence moral and political attitudes. *Psychological Science*, 22, 517-522.
- Rozin, P. (1999). The process of moralization. *Psychological Science*, 10, 218-221.

Week 12 (Nov. 16th): Judgments of Others

- Lassiter, G. D., Geers, A. L., Munhall, P. J., Ploutz-Snyder, R. J., & Breitenbecher, D. L. (2002). Illusory causation: Why it occurs. *Psychological Science*, 13, 299-305.
- Devine, P. G. (1989). Stereotypes and prejudice: Their automatic and controlled components. *Journal of Personality and Social Psychology*, 56, 5-18.
- Loewenstein, G. F., Thompson, L., & Bazerman, M. H. (1989). Social utility and decision making in interpersonal contexts. *Journal of Personality and Social Psychology*, 57, 426-441.
- Wegener, D. T., Clark, J. K., & Petty, R. E. (2006). Not all stereotyping is created equal: Differential consequences of thoughtful versus nonthoughtful stereotyping. *Journal of Personality and Social Psychology*, 90, 42-59.
- Olson, M. A., & Fazio, R. H. (2006). Reducing automatically activated racial prejudice through implicit evaluative conditioning. *Personality and Social Psychology Bulletin*, 32, 421-433.

Week 13 (Nov. 23rd): Thanksgiving holiday

Week 14 (Nov. 30th): Presentations on final paper; Lunch