Module description

Field of study HES-SO *Business, Management and Services*
Degree course *Master of Science in Business Administration*

1 *Title of module* — *Applied Behavioural Economics & Decision Making* — *2024-2025*

Code
E.MScBA.390.TC - 1.5.ERROR.24

Type of course *
☐ Bachelor's ☑ Master's ☐ MAS ☐ EMBA ☐ DAS ☐ CAS ☐ other

Level
- ☐ Basic module
- ☑ Further studies module
- ☐ Advanced module
- ☐ Specialised module

Description
☑ In the case of definitive failure in a module defined as compulsory for successfully completing the course profile in question, the student shall be excluded from the degree programme, or from the faculty, if this is provided by the course regulations in accordance with Article 32 of the Regulations relating to first-cycle and second-cycle degrees (Bachelor's and Master's) at the HES-SO

Type of module
- ☑ Main module
- ☐ Module linked to main module
- ☐ Optional or subsidiary module

Time schedule
- ☐ Module over 1 semester
- ☐ Module over 2 semesters
- ☐ Spring semester
- ☑ Autumn semester
- ☐ Autres

2 *Organisation*

ECTS Value
5

Language
- ☑ English
- ☐ English - Russian
- ☐ French - English
- ☐ French - German - English
- ☐ German - English
- ☐ English - Chinese
- ☐ French
- ☐ French - German
- ☐ German

3 *Prerequisites*

- ☐ The following module(s) must have been validated
- ☐ The following module(s) must have been attended
- ☑ none
- ☐ other

Other prerequisites

4 *Skills to be gained / general learning objectives*

The course aims to enable students to develop skills to master the different facets of decision-making in an organizational context confronted with the ever-increasing importance of decision-making tools (AI, Big Data, foresight, etc.). To do this, it will be necessary to place the decision in its strategic dimension through the analysis of concrete cases, while considering the decision as the product of individual as well as collective action. The teaching will be based on scientific disciplines such as sociology (organizations), behavioral economics (bias, nudge, noise, etc.), social psychology (absurd decisions, functional stupidity), political science (power and decision-making processes), or management (leadership, etc.).

The different themes, theories, concepts and tools will be based on the analysis of case studies. Mornings are dedicated to the presentation and discussion of theories, concepts and tools. The afternoons will allow students to appropriate these elements through practical case studies.

Concepts covered: organization, reason, power, strategy, decision, game, information, bias, uncertainty, emotions.

Approaches: Behavioural Economics, Sociology of Organisations, Management, Political Science, Social Psychology

5 ***Teaching and content***

Session 1 (03.10.2024) : « Deciding. What does it mean ? » (C. Genoud)
The first session is a general introduction to the module. It will lay down the general dimensions of what it is to decide in individual and organizational contexts. Besides the presentation of the program and the modes of evaluation, this session will introduce the fundamental notions through which the act of deciding will be analyzed, such as uncertainty, choice, chaos, time, space, power, trust, judgment, stupidity etc. Authors like Aristotle, Hunyadi, Sutton, Frankfurt, Dieguez, Vacca, Taguieff, Taleb. Engel will be summoned.

Session 2 (17.10.2024) : « Rationalist approaches to decision making » (C. Genoud)
During this session, approaches concerned with the role of reason as the principal driver in the decision-making process will be presented. Game theory and homo oeconomicus approaches and their critics will be addressed. Contemporay tools linked to this tradition will be taught, with the help of practical exercises and cases. Classical authors on rationality and decision like Axelrod, Nash, Cohen, March, Olsen, Lindblom, Simon and Boudon, Elster and followers will be discussed.

Session 3 (31.10.2024) : « Foresight, Future thinking, IA : deciding in uncertain contexts » (Isabelle Chappuis)
In a VUCA world, uncertainty is the rule. The capacity of decision makers to base their decision on clear and established foundation is diminished. Foresight and IA approaches offer new tools for decision making.

Session 4 (14.11.2024) : « Deciding in organizational contexts : sociological and managerial approaches » (C. Genoud)
Most of the time, decisions are made in organizations. In such a context, the decision-making process is quite different from models centered around the individual. In this session, organizational sociology (Crozier, Friedberg, Dupuy), interactionism (Goffman), management (Mintzberg, Pfeffer, March) and political science (Urfalino) approaches will be convened to help understand what it is to decide in organizations. Cases of “absurd decisions” will be studied with the help of Morel and Alvesson & Spicer.

Session 5 (28.11.2024): « Behavioural and cognitivist approaches to decision making : bias, noise, emotions etc. » (Elvita Alvarez)
Set in the general rational choice model, behavioural and cognitivist approaches to decision making are trying to take into account the fact that individuals do not always act according to the classical rationalist model (Page 2022). This session will be focused on models that take into accounts bias, noise and emotions in the decision-making process. Authors like Kahneman, Sunstein, Sibony, Damasio, Goleman, Page, Kelly and followers will be discussed. Several bias will be closely studied in exercises and case studies.

Session 6 (12.12.2024) : “The challenges of collective decision making” (C. Genoud)
During this session, classical texts taken from political philosophy and political science will illustrate the challenges of collective decision making in democratic contexts. Anarchism, democracy, contract theory etc. Condorcet, Urfalino, Rawls, Nozick etc will be approached

Session 7 (09.012025) : « Conclusion : How to improve our decision making power ? » (C. Genoud)
After a quick sum up of all the approaches studied in the previous sessions, this course will present various tools and methods in helping managers and leader to make better decisions. Authors like Mercier & Sperber, Moukheiber, Silberzahn, Machiavelli, Andler, Weick, Taleb, Dieguez, Houdé, Liekermann, Kahneman et al. etc. will be convened to present their solutions to the difficult task of deciding.

Session 8 : « Assessment » (C. Genoud)
To be defined

6 ***Assessment and validation methods***

Each participant will be evaluated individually.

During the module, each participant will be asked to briefly present to the audience a pre-read text and review it. The evaluation will assess the capacity of the participant to clearly and articulately sum up the ideas, concepts or problems presented in the text. The ability of the participant to link and make sense of the content of the text with the subject of the session will also be evaluated. This exercise will contribute to 20% of the final notation.

During Session 8, the participants will be presented a problem requiring a decision to be resolved. The decision will be shaped with the help of AI. The participant will in a written essay presenting the problem, the solution proposed by AI and formulate a critical review of the result with the help of the concepts, theories and approaches studied during the module. The quality of the critical analysis and the comprehension of the content of the module will be assessed. This exercise will contribute to 80% of the final evaluation.

7 ***Reassessment requirements ****

- ☐ reassessment possible
- ☑ no reassessment
- ☐ other (please specify below)

7a ***Reassessment requirements (if module is repeated) ****

- ☐ reassessment possible
- ☑ no reassessment
- ☐ other (please specify below)

other reassessment modalities

8 ***Remarks***

9 ***Bibliography***

Throughout the module, articles from scientific reviews, book extracts, journal papers, case studies will be given to the students to read and will be discussed during the sessions. Some of them will be read and discussed during sessions. Reading them is an essential part of the module. They will be compulsory.

General references :

Aristote (2022). “Ethique à Nicomaque” in *Œuvres Complètes*. Paris : Flammarion

Alvesson. M. & A. Spicer (2016). *The Stupidity Paradox. The Power and Pitfalls of Functional Stupidity at Work*. London: Profile Books

Boudon, R. (1995). *Le juste et le vrai. Etudes sur l’objectivité des valeurs et de la connaissance*. Paris : Fayard.

Boudon, R. (2013). *Le Rouet de Montaigne : une théorie du croire*. Paris : Hermann

Crozier, M. & Friedberg, E. (1977). *L’acteur et le système. Les contraintes de l’action collective*. Paris : Seuil

Dieguez, S. (2018). *Total Bullshit*. Paris : Presses Universitaires de France

Dieguez, S. (2023). *La force de nos bugs*. Paris : Editions HumenSciences

Ehrenberg, A (2018). *La mécanique des passions. Cerveau, Comportement, Société*. Paris : Odile Jacob

Elster, J. (2009). *Le désintéressement. Traité critique de l’homme économique I*. Paris : Seuil

Elster, J. (2020). *L’irrationalité. Traité critique de l’homme économique II*. Paris : Seuil

Engel, P. (2019). *Les Vices du savoir. Essai d’éthique intellectuelle*. Marseille : Editions Agone

Frankfurt, H.G. (2005). *On Bullshit*. Princeton : Princeton University Press

Goffman, E. (1973). *La mise en scène de la vie quotidienne. 1. la présentation de soi*. Paris : Editions de Minuit

Houdé, O. (2018). *Le raisonnement*. Paris : PUF

Houdé, O. (2019). *L’intelligence humaine n’est pas un algorithme*. Paris : Odile Jacob

Houdé, O. (2020). *L’inhibition au service de l’intelligence. Penser contre soi-même*. Paris : PUF

Hunyadi, M. (2021). *Au début est la confiance*. Paris : Editions Le Bord de l’Eau

Kahneman. D. (2011). *Thinking, Fast and Slow*. New York : Penguin Press

Kelly, T. (2022). *Bias. A Philosophical Study*. Oxford : Oxford University Press

Mercier, H & Sperber, D. (2021). *L’énigme de la raison*. Paris : Odile Jacob

March, J. (1994). *A Primer On Decision Making. How Decisions Happen*. New York : The Free Press

Morel, C. (2002, 2012, 2018). *Les décisions absurdes*, I, II, III. Paris : Gallimard.

Moukheiber, A. (2020). *Votre cerveau vous joue des tours*. Paris : Editions J’ai Lu (livre de poche)

Page, L. (2023). *Optimally Irrational. The Good Reasons We Behave the Way We Do*. Cambridge : Cambridge University Press

Sutton, R. (2007). *The No Asshole Rule*. New York : Business Plus

Taguieff, P.A. (2023). *Le nouvel âge de la bêtise*. Paris : Editions de l’Observatoire

Taleb, N. (2012). *Antifragile : Things That Gain From Disorder*. London : Penguin Publishing

Vacca, P. (2020). *Les vertus de la bêtise*. Paris : Editions de l’Observatoire

10 *Teaching staff*

Name of head of module *
Christophe Genoud

Description validated on *
23.08.2024

Description validated by *
Camille Magron