

## Psychology and Business

**Year of study:** 3<sup>rd</sup> and 4<sup>th</sup> year

**Groups:** 1

**Term:** 2<sup>nd</sup>

**Number of ECTS credits:** 5

**Language of Instruction:** English

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## Contacting us

I am looking forward to meeting you during the course. If you have a question regarding the course, **please consult this syllabus**. If the question is not answered by the syllabus, please check the **online forum** for this course on Aula Global. If the question is not answered by the online forum, please come to my office hours or write me an email. For emails that contain questions that I believe are of general interest, I will post the question (anonymously) and the corresponding answer to the discussion board on Aula Global. This way, we make sure that everyone has the same information at the same time. For questions that are not of general interest but specific to you I will either email you with the reply or I will ask you to come to my office hour. Please note that all communication regarding the course will be addressed to your student email address from UPF. Please check this email regularly or automatically forward it to an address that you check regularly. If you are an exchange student, you will also be assigned a UPF email address, which will be the email used for communicating all information regarding the course.

## Time and location of sessions:

*Theory Sessions:* Thursdays & Fridays, 16:30-18:00 (Room: 40.154)

*Seminars:* Seminars take place on Wednesdays in week 4, 5, 6, 7, 8, and 9 of the course. That is, the seminar dates are: 28/01, 04/02, 11/02, 18/02, 25/02, & 04/03

Group 101: Wednesdays, 16:00-17:30 (Room: 13.108)

Group 102: Wednesdays, 17:30-19:00 (Room: 13.108)

Group 103: Wednesdays, 19:00-20:30 (Room: 13.108)

## 1. Course description

This course offers the latest psychological perspectives on two of the biggest challenges leaders, managers, and entrepreneurs face when trying to climb the corporate ladder or run a successful business: making the right decisions and effectively communicating with others.

In the first part of this course, we will focus on the *Psychology of Better Decisions*. How does our mind work when making decisions? What are the common pitfalls of decision making? How are we affected by emotions? Should we listen to our intuition? This section is essentially about how we think and decide. Our main working assumption is that decision-making prowess is a skill that can be learned.

In the second part of this course, we will focus on the *Psychology of Better Interactions*. Whether you are forging an agreement with suppliers, trying to seal the deal with potential customers, raising money from investors, managing a conflict inside the firm, or even facing a dispute at home that is about to affect your work, professional (and personal) success crucially requires the ability to negotiate and communicate

effectively. This section is designed to help you examine and refine your communication skills, and to provide an opportunity for you to develop a negotiator's lens for achieving the best results at the bargaining table and beyond.

## **2. Competences**

The course aims to enable you to become more effective in business situations by leveraging psychological research findings and insights. By the end of the course you should:

- Recognize (and name) predictable decision and negotiation traps and thus avoid serious mistakes.
- Be aware of your own decision and negotiation styles and tendencies.
- Be better able to listen to your intuition and get in touch with yourself when making decisions.
- Think strategically in competitive contexts and execute deals that others might overlook.
- Achieve superior results in a vast array of competitive environments, including those that entail uncertainty, conflict, and emotions.

## **3. Content**

### *Topic 1: The Psychology of Better Decisions*

- Understanding the main decision biases and pitfalls
- Understanding human attention and its limitations
- Prospect Theory
- Emotion and decision making
- Motivation and decision making
- Group decision making
- The science of happiness

### *Topic 2: The Psychology of Better Interactions*

- Capturing value in negotiations
- Creating value in negotiations
- Conflict and mediation
- The science of persuasion and psychological influence
- The science of trust
- Verbal and non-verbal strategies to pitch ideas and negotiate with venture capitalists.

## **4. Evaluation**

### **4.1 Evaluation components**

The grades will be based on the following components:

1. Group projects (50%)
2. Final exam (50%)

The overall grade for the course is the weighted average of the grade obtained for the two components.

#### 4.1.1 Grade component 1: Group Projects

*General information.* As part of this course, you will be asked to complete 2 group projects related to the Psychology of Better Decisions and the Psychology of Better Interactions, respectively. Each group project counts for 25% of your total grade (so 50% in total). The first group project is due on Week 6. The second one is due on Week 10. For each group project, you will be asked to form study groups of 5-6 students. The size of your group cannot exceed 6 people. You are responsible for making the groups and for making sure you are in a group! The groups for Project 1 and Project 2 can be different: you can choose to work with some students for one project and some other students for another project. A word of caution: I am expecting very high quality group projects, so please make sure you start working on them early enough!

*Project 1.* The goal is to fix the lessons in long-term memory by applying the concepts from the first section of the course on the Psychology of Better Decisions in a creative, intelligent, and original way to a specific problem or question. The content of the project is open-ended; the only requirements are that 1) it must relate to the content the Psychology of Better Decisions, and 2) it must result in a presentation in front of the class (max 10 minutes). If it is unclear whether your project fits these requirement, please check with me in advance of developing your work. Some ideas that might make for good projects are:

- Select a business situation in the real world and analyze it to illustrate some of the concepts from the course;
- Create a class activity to illustrate some of the concepts from the course;
- Use language and concepts from the course to write a story, a song, or a short movie;
- Develop an ad campaign targeted to UPF students to provide decision-making aid for job search, exams, and other student-related issues;
- Run an experiment to illustrate a concept from the course;
- You may follow one of the suggestions, or do something completely different.

You must form your group and notify me about your group composition and what you plan on doing for Project 1 by the end of Week 4. Groups will present their projects during one of the two class sessions of Week 6. Bring to class a 1-page executive summary of the project including the key points and the full name of each group members.

The grade for the group project will be based only on the presentation on Week 6. While the grading is subjective, the following dimensions are valued: (1) creativity of ideas, (2) evidence of serious thinking and/or hard work, and (3) quality of the oral presentation. In addition to the evaluation of the teaching team, students will be asked to vote for their favorite projects. This peer-evaluation will be included in the project grade. Each group member will receive the same grade for the project.

*Project 2.* The goal is to fix the lessons in long-term memory by applying the concepts from the second section of the course on the Psychology of Better Interactions in a creative, intelligent, and original way to a specific problem or question. The content of the project is open-ended; the only requirements are that 1) it must relate to the content the Psychology of Better Interactions, and 2) it must result in a presentation in front of the class (max 10 minutes). If it is unclear whether your project fits these requirement, please check with me in advance of developing your work. Some ideas that might make for good projects are:

- Select a business situation in the real world and analyze it to illustrate some of the concepts from the course;
- Create a class activity to illustrate some of the concepts from the course;
- Use language and concepts from the course to write a story, a song, or a short movie;
- Develop an ad campaign or an intervention targeted to UPF students to help them do the right thing (e.g., eating more healthily) using the science of persuasion;
- Run an experiment to illustrate a concept from the course;
- You may follow one of the suggestions, or do something completely different.

You must form your group and notify me about your group composition and what you plan on doing for Project 2 by the end of Week 8. Groups will present their projects during one of the two class sessions of Week 10. Bring to class a 1-page executive summary of the project including the key points and the full name of each group members.

The grade for the group project will be based only on the presentation on Week 10. While the grading is subjective, the following dimensions are valued: (1) creativity of ideas, (2) evidence of serious thinking and/or hard work, and (3) quality of the oral presentation. In addition to the evaluation of the teaching team, students will be asked to vote for their favorite projects. This peer-evaluation will be included in the project grade. Each group member will receive the same grade for the project.

*A note on plagiarism.* All group projects need to be original and unpublished. Any plagiarism will be sanctioned by a grade of 0 on the project and will be reported to the Dean's office.

#### **4.1.2 Grade component 2: Final exam**

The final exam will be a Multiple Choice Exam featuring questions encompassing the totality of the content covered in the theory sessions and seminars.

Knowledge is knowing what you know and what you don't know! Therefore, the grading scheme for the final exam will be based on Certainty-Based Marking (CBM), a method that uses the students' certainty of their answers as a moderating factor in their final mark. Experiments making use of confidence judgments in marking tests have repeatedly shown that this method stimulate more careful thinking and learning than simple (right/wrong) marking, and to provide more

reliable assessment of the students true knowledge of the course.

*How does it work concretely?*

In CBM, students select both an answer and their level of confidence: they score full marks for knowing that they know the correct answer, some credit for a tentative correct answer but are penalized if they believe they know the answer but get it wrong. Here is the scoring scheme that will be used for the final exam:

If you think your answer has a probability of being correct of...	You should select a Confidence level of...	if your answer is correct you will score ...	if your answer is wrong you will score ...
less than 67%,	1 (Low)	1 point	0 point
67-80%	2 (Medium)	2 points	-2 points
greater than 80%.	3 (High)	3 points	-6 points

Students are strongly encouraged to try out CBM for themselves before the exam! This can be achieved on the website ([www.ucl.ac.uk/lapt](http://www.ucl.ac.uk/lapt)) using any of a range of exercises in different fields. We recommend completing the economics exercises module at <http://www.ucl.ac.uk/lapt/laptlite/sys/run.htm?kaplan> or one of the other exercise sets. Additionally, we will occasionally present example questions at the beginning of the theory sessions so that you get acquainted with the type of questions and can train using the CBM answer system.

#### 4.1.3 Bonus Points

In order to learn, remember, and be able to practically apply what you learn, it is important to actively engage with the class content and to connect it to your own experience and prior knowledge. Accordingly, this course will provide ample opportunities to actively participate and practically try out different techniques. This is especially true for the seminar sessions. To provide an optimal learning experience, it is important that every student participates actively and engages in the discussions. That not only means coming to the seminar sessions and participating in the exercises but also sharing your thoughts, experiences, and insights with your fellow students. In case we feel that a student or a handful of students participate excellently during these discussions, we will award bonus points towards your participation grade. In order to facilitate the discussion and to be able to track your participation, we kindly ask that **you use a name tag in all seminar sessions.**

#### 4.2 Recovering a failing grade

Under some conditions, students who failed the course will be authorized to take an additional evaluation. The additional evaluation will be a written exam taken during

the third trimester of the academic year.

Only students that have participated in the course and the group projects will be authorized to take the additional evaluation, as stated in the following article of the Agreement of the Government Council (Article 11.4.2)

“Podran concórrer al procés de recuperació tots els estudiants que, havent participat a les activitats d'aprenentatge i avaluació durant el trimestre, hagin obtingut la qualificació de suspens de l'assignatura corresponent en l'avaluació trimestral. No hi podran concórrer els que no hagin participat en les activitats d'aprenentatge i avaluació o hagin renunciat a l'avaluació.”

It is understood that students have participated in the learning activities and continuous assessment during the term when they have attended class and have completed the exercises and other classroom activities. We understand that students have attended the final examination when they hand it out.

More concretely: to be **eligible** to take the recovery evaluation, students must meet ALL of the following conditions:

- the student has attended more than 66% of the seminars (i.e., at least 4 seminars out of 6).
- the student has completed the two group projects
- the student has taken the final exam

Since, as it is stated in the above mentioned article, only those students who have failed the whole subject may participate in the process of recuperation, there will be no opportunity to participate for improving the grade if initially it is equal to or higher than 5.0.

**Provided that a student is eligible** to take the recovery examination, the grade obtained **at the additional examination will replace the initial exam grade**, whatever the initial exam grade was. This implies that the group project component of grade (and the potential bonus points) will be kept. For example if your total group project grade is 3/10, you will need to score 7/10 on the resit exam to pass the course. If you completely failed the group projects and got 0/10 (e.g., because of plagiarism), you can only pass this course by getting a perfect grade on the resit exam (10/10). On the other hand, if you did great on the group projects (8/10), you only need to score 2/10 on the exam to pass the course. So a piece of advice based on previous students' experiences: Don't neglect the group projects!

For students who will participate in exchange programs recognized by the Faculty in the 3rd trimester and therefore cannot attend the additional examination, special arrangement will be made between the instructor and the student. Students that fall in this category should let the instructor know within 7 days of their grade being posted on Campus Global. Failure to do so implies that no extra arrangement will be made.

## 5. Bibliography and material

### 5.1. Recommended bibliography

This course is not based on a single textbook but instead uses a careful selection of

articles, business examples, and research findings. There are no compulsory readings and students will only be asked to know what has been mentioned in theory sessions and seminars. There is a set of additional, optional readings that serve as resources that students can consult at their own discretion if they are interested in further exploring a certain topic. These additional, optional readings will not be tested in the exam.

To the extent possible, we will make the optional reading available for download on Aula Global.

## **5.2 Case studies**

During some of the seminar sessions, we will be using case studies. Due to copyright restrictions, it is impossible for us to post these case studies on Aula Global. We asked the library to purchase a few hard copies of the relevant case studies and these will be put on reserve and available for your consultation. I am asking you NOT to check out the cases out of the library as these valuable learning resources need to remain available for everybody.

## **6. Methodology**

This course consists of a combination of theory and seminar sessions. Theory sessions will cover the core theoretical issues by presenting central constructs, discussing important theoretical frameworks, and revisiting seminal research studies.

The aim of the seminar sessions is to apply these theoretical concepts to cases and real life examples, and to allow students to engage with the course material on a more experiential basis. To meet this aim, the seminar sessions will be based on a variety of different formats including the analysis of case studies, practical exercises, role play, and group discussions of issues of current societal relevance as they relate to the course content.

Theory and seminar sessions complement each other and attending and participating in both the theory sessions and seminar sessions is critical to properly follow the course and master its material and content.

## **7. Schedule**

**Note:** This schedule is tentative and may be subject to change. Please consult Aula Global for the most up-to-date version.

### **Week 1**

Theory 1: Course Introduction and Overview

Theory 2: Better Decisions — Bounded Rationality (Part I)

### **Week 2**

Theory 3: Better Decisions — Bounded Rationality (Part II)

Theory 4: Better Decisions — Bounded Rationality (Part III)

### **Week 3**



Theory 5: Better Decisions — Bounded Awareness

Theory 6: Better Decisions — Framing Effects 1

**Week 4**

Seminar 1 (Framing Effect)

Theory 7: Better Decisions — Framing Effects 2 (+ Quiz)

Theory 8: Better Decisions — Emotion

**Week 5**

Seminar 2 (Everest)

Theory 9: Better Decisions — Emotion

Theory 10: Better Decisions — Building Trust

**Week 6**

Seminar 3 (Emotion Recognition)

Theory 11: Better Decisions — Group Project Presentations (Part I)

Theory 12: Better Decisions — Group Project Presentations (Part II)

**Week 7**

Seminar 4 (Negotiation: Hamilton Real Estate)

Theory 13: Better Interactions — Distributive Negotiation (Part I)

Theory 14: Better Interactions — Distributive Negotiation (Part II)

**Week 8**

Seminar 5 (Negotiation: Selling cars)

Theory 15: Better Interactions — Integrative Negotiation

Theory 16: Better Interactions — Integrative Negotiation

**Week 9**

Seminar 6 (Negotiation: moms.com)

Theory 17: Better Interactions — Live Negotiation

Theory 18: Better Interactions — Live Negotiation

**Week 10**

Theory 19: Better Interactions — Group Project Presentations (Part I)

Theory 20: Better Interactions — Group Project Presentations (Part II)