



UNIVERSITÀ  
DEGLI STUDI DI MILANO-BICOCCA

## COURSE SYLLABUS

### Decision Making

2021-1-FSG01A007

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#### Learning area

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#### Learning objectives

1. Know and understand the theoretical and empirical bases of the psychological approach to decision making in legal contexts (C, K).
2. Explain, analyse and critically evaluate the main theories, experimental paradigms, and findings of the legal decision-making literature (C, K).
3. Be adept at analysing and critiquing, through oral evaluation, the main theoretical and methodological approaches to legal decision making (T, P).
4. Be adept to translate theories into potential applications to legal decisions in public and private organizations (T, P).

Key: C-Cognitive/Analytical; K-Subject Knowledge; T-Transferable Skills; P- Professional/ Practical skills

## Contents

What is an organization and how are organizational decisions made? What are the main critical issues and how can organizational decisions in relation to law be improved?

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## Detailed program

Indicative content includes:

- Introduction: How do we make decisions?
- Organization and organization theory.
- On the rationality assumption.
- From neoclassical economic theory to behavioral law and economics.
- Departures from “rationality”: Biases in legal decision making. E.g.:
- Loss aversion.
- Endowment effect.
- Applications of the heuristics and biases approach to corporate decision making.
- Interventions to improve decisions. E.g.:
- Legal decision trees.
- Nudging and boosting.

Conclusion, revision, and summary.

## Prerequisites

## Teaching methods

The learning and teaching strategy is designed to:

- Develop the capacity to understand and explain key concepts in the literature on legal decision making.
- Develop a critical understanding of advantages and disadvantages of research methods used in legal decision making.
- Develop the ability to translate theories into potential applications to public and private organizations.
- Develop independent and critical thought.
- Develop skills of argumentation and analysis.

The learning and teaching methods include:

- Lectures.
- Group/class discussions.
- Classroom exercises/activities.

## **Assessment methods**

The assessment strategy is designed to provide students with the opportunity to demonstrate their skills of oral presentation and critical evaluation as well as their breadth and depth of knowledge.

Thus, the summative assessment for this module consists of an **oral exam**.

Students will have the opportunity to demonstrate their ability to report on the topics of the lectures and to critically discuss them. (assesses learning outcomes: 1-4)

### Formative assessment

Students will receive formative assessment with discussion questions during lectures.

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Students will receive verbal feedback during and after the lectures.

## **Textbooks and Reading Materials**

### **Essential Reading**

Gigerenzer, G., & Engel, C. (2006). *Heuristics and the Law*. Cambridge: MIT Press.

Hatch, M. J. (2018). *Organization Theory: Modern, Symbolic, and Postmodern Perspectives* (4<sup>th</sup> ed.). Oxford:

Oxford University Press.

As an alternative to the English version: Hatch, M. J. (2013). *Teoria dell'organizzazione* (3<sup>a</sup> edizione). Bologna: Il Mulino.

Sunstein, C. R. (2000). *Behavioral Law and Economics*. Cambridge: Cambridge University Press.

Specific journal articles/book chapters will also be recommended on a weekly basis. For example:

Gigerenzer, G., & Gaissmaier, W. (2011). Heuristic decision making. *Annual Review of Psychology*, 62, 451-482.

Hertwig, R., & Grüne-Yanoff, T. (2017). Nudging and boosting: Steering or empowering good decisions. *Perspectives on Psychological Science*, 12, 973-986.

Jolls, C., Sunstein, C. R., & Thaler, R. (1998). A behavioral approach to law and economics. *Stanford Law Review*, 50, 1471-1550.

Langevoort, D. C. (1998). Behavioral theories of judgment and decision making in legal scholarship: A literature review. *Vanderbilt Law Review*, 51, 1499-1540.

Teichman, D., & Zamir, E. (2014). *Judicial decision-making: A behavioral perspective*. In E. Zamir & D. Teichman (Eds.), *Oxford handbooks. The Oxford handbook of behavioral economics and the law* (p. 664–702). Oxford University Press.

Weinstein, I. (2003). Don't believe everything you think: Cognitive bias in legal decision making. *Clinical Law Review*, 9, 783-834.

### **Recommended Reading**

Students are expected to proactively look for relevant material from journals such as:

- *Stanford Law Review*.
  - *Journal of Legal Studies*.
  - *Vanderbilt Law Review*.
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