

# SOCIETY for JUDGMENT and DECISION MAKING

## The Headlines

# NEWSLETTER

We were sad to hear of the death of Mats Björkman. A splendid essay by Berndt Brehmer and Peter Juslin on Mats Björkman and his contributions to psychology and JDM has just been added to the Brunswik Society website: ([www.brunswik.org/notes/essay8.html](http://www.brunswik.org/notes/essay8.html)).

There is another book review in this issue (page 6). P. Andersson was kind enough to do this one for us. How about **YOU** doing one? If you are interested, contact the Editor. If you don't have the book, we can probably get a copy for you. One of the Editors of the new JDM reader recently asked, why we haven't had a review of it. Here is your chance! Contact the Editor at once and volunteer to review it.

You will find an attempt at a new column listing some web URLs that members may find of interest (page 8). If you think this column might be useful, send the Editor any web addresses you find so they can be shared with all.

Please send the Editor information for all the columns for the next issue.

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# SOCIETY FOR JUDGMENT AND DECISION MAKING

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The *JDM Newsletter* welcomes submissions from individuals and groups. However, we do not publish substantive papers. Book reviews will be published. If you are interested in reviewing books and related materials, please write to or email the editor.

There are few ground rules for submissions. The best way to send your contribution is via EMAIL or a 3.5" diskette. Send an IBM-compatible text file or word-processed document up to versions WordPerfect 9 or Word 2000. If you must send hard copy (e.g., if you are using special graphics or do not have computer access), please submit camera-ready copy. This means that the copy should be typed single-spaced on white 8½ by 11 paper. If possible, use a carbon or film ribbon. Please mail flat -- do not fold.

**Subscriptions:** Subscriptions are available on a calendar year basis only with society membership. Requests for information concerning membership in the Society for Judgment and Decision Making should be sent to Sandra Schneider.

**Advertising Rates:** Advertising can be submitted to the editor. Inclusion of the ad and the space given to the ad is at the editor's discretion. The current charge is \$100 per page (\$50 per 1/2 page). Contact Stephen Edgell for details. Alternatively, you can use:

**Mailing Labels:** Some readers may wish to send reprint lists or other material to people listed in the directory. The current charge is \$125 for a set of labels. A diskette of the database is available for one-time use. The charge is \$50 for commercial use, \$25 for nonprofit use. Contact Sandra Schneider for details.

**Address Corrections:** Please keep your mailing and/or email address current. We often have no way of knowing if you are not receiving the newsletter. Address changes or corrections should be sent to Sandra Schneider. Reports of problems in receiving or opening the pdf file should be sent to the editor.

## A Letter From the President

Behavioral decision research and conflict of interest<sup>1</sup>

Perhaps it's just a coincidental confluence of events, but the problem of conflict of interest seems to be rearing its ugly head now to a greater extent than at any other time I can recall.<sup>2</sup> The Enron case alone highlights the scope and pervasiveness of the problem in the United States. Politicians, extending all the way to the top, were beholden to Enron and passed legislation on its behalf; members of Enron's Board of Directors personally profited from Enron deals; top executives made deals on the side that benefited themselves instead of shareholders; Wall Street securities analysts, working for firms that did business with Enron, gave "buy" recommendations to investors long after its fortunes had turned, and Enron's auditors, who were supposed to be checking its financial statements, were simultaneously delivering lucrative consulting services to the company.

Politicians, executives, securities analysts and auditors all face severe conflicts of interest, but they are not alone and may not even present the most egregious examples. That dubious distinction should perhaps be reserved for physicians. Doctors advise patients about whether to get tests and procedures that the doctors benefit from performing, are paid up to \$5,000 per referral for recruiting their patients for clinical trials, and are lavished with gifts from pharmaceutical companies – not just notepads and calendars, but expensive dinners, vacation trips, and even substantial cash payments that depend on what drugs they prescribe to their patients.<sup>3</sup>

Nor are behavioral decision researchers immune. Many of us have financial ties to firms that have a stake in how our research turns out. Many of us (including myself) have served as expert witnesses. (Both times that I served as an expert witness, I was relieved to find myself hired by the "good guys," but can I be sure that I would have reached the same conclusion if the other side had been feathering my nest?) And then there are the myriad non-financial conflicts of interest that we face: refereeing papers written by critics of our theories, writing promotion letters for friends, and endless decisions involving the conduct of research, such as which "outliers" to delete, whether to report studies that didn't "turn out," whether to stop data collection when we've achieved a significant result, and so on.

Behavioral decision researchers are certainly not alone among academics in grappling with these types of conflicts of interest. We are, however, in a rather unique position in terms of our ability to *understand* conflicts of interest – i.e., in the range and quality of insights that our field can shed on the topic. Specifically, behavioral decision research can contribute a psychologically grounded perspective on a problem that has traditionally been viewed through the lens of economics.

In media coverage of conflicts of interest one can glean a widely held, implicit, theoretical perspective that happens to be quite consistent with economic thinking. This

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<sup>1</sup> This note draws on research conducted with Linda Babcock, Max Bazerman, Colin Camerer, Jason Dana, Sam Issacharoff and Don Moore (in alphabetical order).

<sup>2</sup> By conflict of interest, I mean "a situation in which a person, such as a public official, an employee, or a professional, has a private or personal interest sufficient to appear to influence the objective exercise of his or her official duties" (Michael McDonald, Centre for Applied Ethics).

<sup>3</sup> Pharmaceutical companies spend \$10,000 per physician on marketing – in total not far off what the country spends on medical education.

perspective holds that succumbing to a conflict of interest is a matter of conscious and deliberate choice – i.e., of corruption.

Behavioral decision research provides a very different perspective. Contrary to the view that succumbing to a conflict of interest is a matter of conscious and deliberate choice, this research suggests that the process is likely to be unconscious and unintentional. Research on motivated information processing shows that people are adept at believing what they want to believe. As Tom Gilovich expresses it, when people want to believe something they process information with the implicit attitude "Can I believe it?" and when they don't want to believe something, they approach information processing with the attitude "Must I believe it?" Research also shows that people are generally unaware that they process information in a biased fashion and that, when they are informed about the bias, they generally accept that it exists, but believe that it doesn't apply to them.

Which of these perspectives one adopts has far-reaching implications for policy. If succumbing to a conflict of interest were a deliberate matter, as the corruption perspective implies, it follows that the problem could be cured with appropriate incentives or possibly through inculcation of professionalism. These are, in fact, two commonly proposed solutions to the problem. For example, the medical profession, anxious not to give up the perks it receives from pharmaceutical companies, has initiated training programs to help medical students to think independently and to interact more forcefully with pharmaceutical company representatives. In the area of auditing, there is discussion of increased penalties for proven cases of bias (though, as Max Bazerman pointed out in testimony at the Security and Exchange Commissions hearings on auditor independence, proving that an auditor was biased is as impossible as demonstrating that an individual's death resulted from cigarette smoking).

The most commonly proposed and implemented remedy is *disclosure* – requiring people who face potential conflicts of interest to disclose them to their clients. This is the policy adopted by the New England Journal of Medicine, which has taken a stronger stand on the issue than perhaps any other medical journal. Such a policy assumes that disclosure will either cause scientists to be more objective or allow their readership to appropriately discount what they are reading. But both of these effects are only likely to occur if people have a full understanding of how conflicts of interest influence themselves and/or other people. The reality is that disclosure is not only unlikely to help much, but may even have perverse effects. Once people have disclosed their conflicts of interest, they may feel that they have dispensed with their professional responsibilities, and may even cease trying to be objective. Disclosure, clearly, is no magic bullet.

Finally, there are numerous calls for limiting the magnitude of conflicts of interest – e.g., the size of gifts that physicians receive from pharmaceutical companies – based on the assumption that people won't "sell out" for piddling amounts. But, again, this assumption is challenged by behavioral decision research which finds that the bias is severe even with minimal incentives.

If succumbing to a conflict of interest is not a matter of corruption, but is unintentional and unconscious, then few of these policies are likely to have much of a beneficial impact. The only policies that are likely to be effective are those that eliminate the conflicts of interest. We need campaign finance reform; politicians should not be in a position to be bought out by private interests. Accounting firms should not be offering consulting services to firms they are auditing, and should have non renewable, non-cancelable contracts of fixed duration. Securities analysts should not be analyzing securities in which they or their company has a private interest. Board-

members of companies should not be permitted to do business with the companies on whose boards they serve. Doctors should not be allowed to receive gifts from pharmaceutical companies. Academics whose salaries are paid by universities should not be funded by firms that have an interest in particular findings.

Yes, if we eliminate the gravy, those of us in a position to partake of it will be a bit poorer (some of us much poorer!). But if the gravy continues to flow in such copious quantities there is a danger of a general breakdown of confidence. How can we invest if we can't trust audits or investment advice? Who wants to go to a doctor who is thinking not only about how to cure you but also about the extra buck (or \$5,000) he can make if he enrolls you in a clinical trial or about the free vacation he can take if he prescribes a particular medication? And how can we expect the public to bankroll our universities or listen to what we have to say if they can't trust in the impartiality of our research? The solution is not for each of us to try harder to achieve impartiality (though I'm not suggesting that we should just give up). The solution is for behavioral decision researchers to get more involved in discussions of public policy and to push for policies that are likely to really work, given what we know about how people make judgments and choices.

George Loewenstein

### **Prize Winners**

**Thomas R. Stewart**, a member of JDM, was recognized for his "Service and Scholarly Contribution to the Brunswik Society" by a special award presented at the 17th Annual Meeting of the Brunswik Society in Orlando, Florida. A special plaque was presented to Tom, with the following inscription: "THE BRUNSWIK SOCIETY recognizes Thomas R. Stewart In appreciation for many years of dedicated service to The Brunswik Society For outstanding scholarly contributions in expert judgment and forecasting that have significantly advanced Egon Brunswik's vision. For steady dependability, gracious manner of stewardship, unfailing friendship, and collegiality. For low key, wry humor and encouragement to everyone around him."

**Asher Koriat** of Haifa University, who was the Keynote Speaker in the Los Angeles meeting of the JDM Society, has just been announced as this year's recipient of the Israel Prize in Psychology -- Israel's most prestigious prize.

## Book Review

Review of *Stock-market psychology: How people value and trade stocks*, by Karl-Erik Wärneryd. 2001. Edward Elgar Publishing, Inc. 339 pp. ISBN: 1-84064-736-1. Price \$100.00 from amazon.com

Review by P. Andersson,  
Stockholm School of Economics, Sweden

Karl-Erik Wärneryd, a retired professor at the Stockholm School of Economics, has pioneered the discipline of economic psychology. This predominantly European discipline studies psychological processes in economic behavior by employing theories and methods from the psychological science. The focus is on individual differences. Traditionally, saving is a domain that has attracted the interest of many researchers within economic-psychology. With his new book *Stock-market psychology: How people value and trade stocks*, Wärneryd wants to expand the discipline to involve the domain of financial behavior as well as encourage researchers to apply an economic-psychological perspective when studying investors.

*Stock-market psychology* is written from an economic-psychological perspective. This is clear when one browses through the 26 pages long reference list that spans much literature in economics as well as in psychology. As usual, Wärneryd has carefully made sure that the interdisciplinary perspective rests upon a solid foundation with respect to the latest research and classical work. In that way, the reader gets a good understanding of how the ideas of modern (financial) economics relate to the ones of pioneers such as Adam Smith, Alfred Marshall, and John Maynard Keynes. Moreover, the economic-psychological perspective is not restricted to concern research projects carried out by Anglo-Americans but also European researchers. All these considerations vouch for a very stimulating read.

The organization of the book follows also an economic-psychological perspective. Starting from a purely economic-theoretical position, the book shifts towards a psychologically oriented and empirically based view on stock-market behavior. In particular, the two introductory chapters describe the theory of efficient markets and rational models of portfolio choices as well as the evidence of deviations from those models and the attempts at modifying those models by adding variables that supposedly reflect behavioral differences between the (informed and noise) traders. The next five chapters cover psychological areas such as expectation formation, human information processing, cognition, emotions, and social influence. Wärneryd discusses those areas in depth and also how they relate to finance by reporting on research from both economists and psychologists. It is striking to note that the picture of investors is far more complex and less rational than the one assumed in traditional financial economics. Then the book proceeds to review empirical studies on investor behavior that are based on a variety of methods including surveys, experimental markets, and trading records. Consequently, the reviewed studies concern data captured on the individual as well as on the aggregate level. In the final chapter, Wärneryd summarizes his ideas on stock-market psychology and shows how they can be applied in practice and research.

When discussing human information processing, Wärneryd takes a step further than what is common among researchers in behavioral finance, who often limit their literature review to merely concern the research program on heuristics and biases. In addition to describing this program, Wärneryd touches upon many other research programs like – to name a few - dynamic decision-making, fast and frugal heuristics, and the study of expertise.

There are two major themes in the book: expectation formation and categories of investors. Wärneryd argues that expectancy is one of the core determinants of stock-market behavior. It is expectations about the future (with regard to profits or losses) that guide the investors when they make decisions about trading stocks. He presents his own model of expectation formation. Based on theories from economics and psychology, this model states that expectancy is a function of three differently weighted variables that represent beliefs concerning past experience, learning from experience, and new information.

The second theme concerns the categories of investors. Researchers in behavioral finance generally assume that there are two basic types of investors: informed and noise traders. Survey-based studies of investors show, however, that investors can broadly be categorized into four segments: (1) passive investors who invest some of their wealth in risky securities, (2) wealthy investors who systematically invest in securities, (3) speculation-prone investors with limited wealth who exploit every opportunity, (4) naïve investors who are enticed by stories of high profits. The segments respond differently on fluctuations in stock-prices and on information. Evidence also shows that investors do not act in accordance with the rational models of investment. The observed variable investor behavior suggests that the present financial theory does not adequately represent all groups of investors and that there may be a need for a new theory. Or as Wärneryd puts it: "Many investors have made money on their investment despite neglecting theoretical and practical rules for financial behavior. They deserve better theory that explains their success and behavior." In his view, this could be achieved by studying the judgment and decision-making of individual investors.

In conclusion, *Stock-market psychology* bridges the gap between researchers in behavioral finance (and economics) and economic-oriented psychologists: The former group is introduced to applicable state-of-the-art psychological theories, whereas the latter group gets an intuition for financial economics. Apart from providing important analytical tools, the book should stimulate future research and maybe bring researchers in behavioral finance, economics, and psychology together in mutual projects on investor behavior.

## **Decision Education Foundation**

The Decision Education Foundation (DEF) is a nonprofit organization whose purpose is to improve people's lives by improving the quality of their decisions. The Foundation seeks to share key insights from decision analysis to enhance the quality of personal decision making for everyone. The founders include academics, consultants, researchers, teachers, students, and community leaders. The President of the Board of Directors is Ron Howard and the Executive Director is Dave Reiter. DEF is concentrating initially on American youth through high school, along with their parents and teachers. The emphasis is on projects with immediate benefits and visibility, with the intention of paying special attention to youth at greatest risk from poor decision making. If you want to check this out, visit the DEF web site at <http://communities.msn.com/DecisionEducationFoundation/home.htm>.

## Recent JDM Dissertations

*Please send the Editor information on recently completed dissertations in the decision making area to be included in this continuing column for informing JDM members about the work of new researchers.*

**Jim Parco** recently defended his dissertation. The title is “Two-person bargaining under incomplete information: An experimental study of new mechanisms.” His chair was Amnon Rapoport, and other committee members were Lisa Ordonez, Massimo Piattelli-Palmarini and Stan Reynolds. He will be returning to the Department of Management at the U.S. Air Force Academy in Colorado Springs as an assistant professor.

**Lisa Epstein Kainan** defended her dissertation: “Conceptions and Misconceptions of Randomness Among Children and Adults” in December 2000. Her chair was Ruma Falk at the Hebrew University of Jerusalem. Her E-mail address is : [kainan@masorti.org](mailto:kainan@masorti.org)

## Web Sites

*I thought that a column sharing new web sites of interest to JDM members might be a useful feature of the Newsletter. So here are a few to get us started. If you know of any sites that would be of interest, please send them to the editor.*

The Decade of Behavior has a web site at [www.decadeofbehavior.org](http://www.decadeofbehavior.org).

The Society for Mathematical Psychology is moving their web site. The new one is at [www.psych.indiana.edu/socmathpsych/](http://www.psych.indiana.edu/socmathpsych/).

CDC-AAMC has announced 52 new Potential Extramural Research Topics for 2002 including one on the effectiveness of community interventions for promoting informed decision making for prostate cancer at [www.aamc.org/members/cdc/perts/](http://www.aamc.org/members/cdc/perts/).

NSF is sponsoring a project in Time-sharing Experiments for the Social Sciences (TESS). TESS is a project that allows faculty members and graduate students in the social sciences a new (and free) opportunity to collect survey data from national samples to answer their research questions (see [www.experimentcentral.org](http://www.experimentcentral.org) for details).



## The Teacher's Corner

*This is a continuing feature of the newsletter designed to provide a forum for sharing teaching hints, projects, exercises, etc. that you have created. Please send contributions to the editor.*

The following contribution is from Scott Armstrong.

### **"Planning heuristics can be harmful to the health of firms"**

Heuristics for planning seem to reinforce commonly held beliefs. However, they can harm decision-making. Consider portfolio-planning heuristics.

As might be expected from the economic theory of the firm, the use of portfolio matrices (such as the BCG matrix) will harm profits. Empirical evidence that it does so has been shown in field studies by Capon, Farley and Hulbert (1987) and by Slater and Zwirlein (1992). It was also shown by Armstrong and Brodie (1994) in laboratory experiments using 1,015 subjects. To date, there are no conditions to modify this conclusion. Despite this evidence, textbooks, classes, and the mass media continue to advocate portfolio planning matrices for strategic planning.

I have used versions of our laboratory experiments as learning exercises to demonstrate how BCG harms decision making. There is a one-page case (based on the control group) and a 5-page case (based on BCG). Each case has the title "Conglomerate Inc." You can use either or both in a given class session. The exercise typically takes at least 30 minutes. I have posted overheads for instructors (based on materials from our paper). The exercise, overheads, and full-text paper are at <http://jscottarmstrong.com>. Select "Educational Materials" then go to the "Product Policy." At the bottom, you will find the "Portfolio Planning Exercise."

Beware that students are often perplexed, as they have been taught to show respect for BCG-type models.

### References

Armstrong, J. S. & R. Brodie (1994), "Effects of portfolio planning methods on decision making: Experimental results," *International Journal of Research on Marketing*, 11, 73-84.

Capon, N., J. U. Farley & J. M. Hulbert (1987), *Corporate Strategic Planning*. New York: Columbia University Press.

Slater, S. and T. Zwirlein (1992), "Shareholder value and investment strategy using the general portfolio model," *Journal of Management*, 18, 717-732.

## JDM Members Have Been Busy

*Many of our fellow members have recently published books or other items that you might be interested in taking a look at, but may well not be aware of. So here are some. Please send the Editor more for the next newsletter. (The order listed is random.)*

In the December Newsletter, this announcement had a typo in the URL, so it is reprinted here.

**Rami Zwick and Amnon Rapoport** have a new book, *Experimental Business Research*. The book's content is located at <http://home.ust.hk/~mkzwick/Content.html>. or e-mail Rami Zwick at [mkzwick@ust.hk](mailto:mkzwick@ust.hk).

**Yakov Ben-Haim** has written a book, *Information-Gap Decision Theory: Decisions Under Severe Uncertainty* (Academic Press). Further information can be found at <http://www.technion.ac.il/~yakov>

**Shih-Kung Lai** ([lai@mail.ntpu.edu.tw](mailto:lai@mail.ntpu.edu.tw)) published a paper in 1998 on an extension of the garbage can model titled "From organized anarchy to controlled structure: effects of planning on the garbage-can decision processes," in *Environment and Planning B: Planning and Design*, Volume 25, pages 85-102. Reprints are available. Contact Shih-Kung's via email.

**Robyn Dawes** has two "invited" papers ("Clinical versus actuarial prediction," and "Problems of probabilistic thinking") in the *International Encyclopedia of Social and Behavioral Science*, which was recently published.

**Stewart Shapiro**, University of Delaware and **Mark T. Spence**, Southern Connecticut State University have a paper which will be appearing in the March 2002 issue of *Journal of Consumer Research*. Factors Affecting Encoding, Retrieval, and Alignment of Sensory Attributes in a Memory-Based Brand Choice Task. Contact Mark Spence at [Spence@southernct.edu](mailto:Spence@southernct.edu)

The University of Chicago Press will soon publish *Punitive Damages; How Juries Decide*, by **Cass Sunstein, Reid Hastie, John Payne, David Schkade, and W. Kip Viscusi**. This spring, the *Stanford Law Review* will publish *Predictably Incoherent Judgments*, by **Cass Sunstein, Daniel Kahneman, David Schkade, and Ilana Ritov**.

## Some Prizes Available

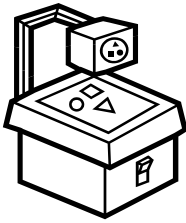
**2002 Student Paper Competition in Decision Analysis.** The Award is given annually to the best decision analysis paper by a student author, by the Decision Analysis Society of INFORMS. A "student" is eligible for this year's competition if he or she did not complete a Ph.D. prior to May 1, 2001. The award is accompanied by a plaque and a \$500 honorarium. The winner will also be invited to briefly present his or her paper at the Fall INFORMS meeting in San Jose, November 17-20, 2002. Students do not need to be DAS members to be eligible for the competition. Send an electronic version of your paper (either MS Word file or PDF format) to John Butler [atbutlerj@cob.ohio-state.edu](mailto:atbutlerj@cob.ohio-state.edu). All submissions must be received by June 30, 2002.

**Decision Analysis Publication Award for 2002.** The Award is given annually to the best decision analysis article or book published in the second calendar year prior to the year in which the award is given (i.e., for consideration for the 2002 award a work should have been published in 2000). The intent of the award is to recognize the best publication in "decision analysis, broadly defined." This includes, but is not necessarily limited to, theoretical work on decision analysis methodology (including behavioral decision making and non-expected utility theory), descriptions of applications, and experimental studies. Nominations are invited. Please send them to Prof. David Bell, Morgan Hall, Harvard Business School, Boston Mass, 02163. E-mail nominations are encouraged ([dbell@hbs.edu](mailto:dbell@hbs.edu)). Self-nominations are perfectly acceptable. Membership in the Decision Analysis Society is not a condition for being a nominator or a nominee. The award will be presented at the fall INFORMS meeting on November 17-20, 2002 in San Jose. The award is accompanied by a plaque and a \$750 honorarium.

The Decision Analysis Society (DAS) of INFORMS is seeking entries for the fourth annual **DAS Practice Award**. This award recognizes good decision analysis practice. It includes a cash prize of \$750. To enter, send a two-page summary describing a recent application of decision analysis and your involvement in it by July 1, 2002. Membership in DAS (see <http://faculty.fuqua.duke.edu/daweb/damember.htm>) is a prerequisite for participation in the competition. Send summaries and direct any questions about the process to L. Robin Keller, Graduate School of Management, University of California, Irvine, 350 GSM, Irvine, CA 92697-3125, (949) 824-6348, FAX: (949) 725-2835, [LRKeller@uci.edu](mailto:LRKeller@uci.edu).

The **Society for Mathematical Psychology** is soliciting nominations for an award to be given for exceptional published research in the field of mathematical psychology by a new investigator. "New investigator" is intended to include individuals who are either students or no more than six years beyond the Ph.D. at the time of nomination. Publications dated 1997 or later will be considered. The award is to be given for a single research contribution. The person nominated need not be a member of the Society. Self-nominations will not be considered. The recipient will receive a \$300.00 tax-free award, plus up to \$1,000 in travel costs to the annual meeting in 2002, and will be invited to make a presentation at a future meeting of the Society. Nomination materials should be sent by April 1, 2002 to: Thaddeus M. Cowan, Department of Psychology, Weber State University, Ogden, UT 84408-1202, USA.

## MEETINGS



*The purpose of this continuing column is to inform members of upcoming meetings of possible interest. It does not contain official announcements of meetings and, if interested, one should always check with the contact person or web page for more detailed information. Please send the Editor information on other meetings that may be of interest to members.*

**The 7<sup>th</sup> Biennial Conference of the International Society for Ecological Economics** will be taking place at Sousse (Tunisia), March 6-9, 2002. Paper submissions are welcome. See the submission guidelines for the main ISEE published on the ISEE 2002 homepage: <http://www.ecoleconeurope.org/ISEEtunisia2002.html>.

**Sixth Conference of the Australasian Cognitive Science Society:** April 3-5, 2002, Esplanade Hotel, Fremantle, Western Australia. The preliminary program is posted at <http://www.psy.uwa.edu.au/ozcogsci02/>. Accommodation at the conference hotel (Esplanade, Fremantle) can be booked through the website.

**The 2002 Meeting of OKJDM, the Oklahoma-Kansas Judgement and Decision Making group.** Their annual one day workshop/meeting will be held Saturday April 27 in Oklahoma City. The Department of Family and Preventive Medicine, University of Oklahoma Health Sciences Center, is the host this year. For information contact, Robert M. Hamm, PhD., Clinical Decision Making Program, Department of Family and Preventive Medicine, University of Oklahoma Health Sciences Center, 900 NE 10th St, Oklahoma City OK 73104, 405/271-8000 ext 32306 [robert-hamm@ouhsc.edu](mailto:robert-hamm@ouhsc.edu)

**Association for Consumer Research (ACR) 2002 Asia-Pacific Conference, Beijing, China,** May 16 - 18, 2002 will be held at the China World Hotel in Beijing, China. The website is: <http://home.ust.hk/~mkzwick/AsiaPacificACR2002.html>. The deadline for submission of papers has passed. If you have any questions contact the conference co-chairs: Rami Zwick, Hong Kong University of Science and Technology <[mkzwick@ust.hk](mailto:mkzwick@ust.hk)> or Ping Tu, Guanghua School of Management, Peking University, Beijing, China <[tuping@gsm.pku.edu.cn](mailto:tuping@gsm.pku.edu.cn)>

**Behavioral Decision Research in Management Conference** will be hosted by the Center for Decision Research at the University of Chicago Graduate School of Business May 31 and June 1, 2002. It will be held at the University of Chicago's downtown Gleacher Center, Chicago, IL. Submission deadline has passed. For further information: <http://gsbwww.uchicago.edu/conference/bdrm/>. If you have any questions, please contact either of the program co-chairs, Reid Hastie ([reid.hastie@gsb.uchicago.edu](mailto:reid.hastie@gsb.uchicago.edu)) or Chris Hsee ([chris.hsee@gsb.uchicago.edu](mailto:chris.hsee@gsb.uchicago.edu)). This conference brings together research in the judgment and decision making field with interests in Accounting, Bargaining and Negotiations, Decision Analysis, Games and Economic Behavior, Finance, Management and Marketing.

**Seventh Valencia International Meeting on Bayesian Statistics:** June 2 - 6, 2002, Canary Islands, Spain. The invited program is now complete and posted at the conference website: <http://www.uv.es/valencia7>. Detailed instructions for submitting abstracts will be posted on the conference website and on the ISBA website at <http://www.bayesian.org/>.

**Hawaii International Conference on Statistics and Related fields:** June 5-9, 2002, Sheraton Waikiki Hotel, Honolulu Hawaii, USA. The submission deadline has passed. Information about the conference is posted on the conference website at: <http://www.hicstatistics.org>. The e-mail address is: [statistics@hicstatistics.org](mailto:statistics@hicstatistics.org).

**Organizational Foresight Conference:** July 11-13, 2002, University of Strathclyde Graduate Business School, Scotland. Information about the call for papers, registration and accommodations as well as updates and the final program will be posted on the conference website: <http://www.gsb.strath.ac.uk/foresight>.

**The 35<sup>th</sup> annual meeting of the Society for Mathematical Psychology** will be held at Miami University in Oxford OH. July 25-28, 2002. Details of the meeting can be found at <http://www.users.muohio.edu/thomasrd/mp2002.html>. Papers for the meetings may be submitted by members and non-members.

**ASIC Conference: The First Annual Summer Interdisciplinary Conference** will meet in Squamish, British Columbia, Canada, July 30–August 5, 2002. The conference covers a wide range of subjects in cognitive science, ranging from neuroscience to cognitive neuroscience, to psychology, to computer science, to linguistics, to philosophy. More information will be posted at this website: [www.psych.indiana.edu/ASIC2002/](http://www.psych.indiana.edu/ASIC2002/) or send an email to: Rich Shiffrin ([shiffrin@indiana.edu](mailto:shiffrin@indiana.edu)).

**The 12<sup>th</sup> Annual International Conference of The Society For Chaos Theory in Psychology & Life Sciences** will be in Portland, OR, August 1-4, 2002. Submissions are solicited in research theory, and application in any of the nonlinear dynamics concepts to phenomena encountered in psychology, life and social sciences, including economics, ecology, and organizational behavior. The deadline for submission of abstracts is: Friday, May 3, 2002. Submit abstracts, electronically, to [dick.bird@unn.ac.uk](mailto:dick.bird@unn.ac.uk). For full details of submission of abstracts and registration see <http://www.societyforchaostheory.org>.

**The 24<sup>th</sup> Annual Meeting of the Cognitive Science Society (CogSci2002)** will be held August 8-10, 2002, at George Mason University, Fairfax, Virginia, USA. The submission deadline has passed. See website for more details: (<http://www.hfac.gmu.edu/~cogsci/>)

**The 33<sup>rd</sup> European Mathematical Psychology Group Meeting (EMPG)** will be held at the International University Bremen, Bremen, Germany, August 21-24. Abstracts (less than 250 words) of papers to be presented and requests for registration must be received by May 15, 2002. Abstract submissions and registration requests will be available via the conference Website <http://www.iu-bremen.de/ecmp2002/>. For further information please contact Program Committee EMPG2002 c/o Dr. Adele Diederich, International University Bremen, P.O. Box 750 561, D-28725 Bremen Germany, e-mail: [adele.diederich@uni-oldenburg.de](mailto:adele.diederich@uni-oldenburg.de) or: [a.diederich@iu-bremen.de](mailto:a.diederich@iu-bremen.de)

**APA Conference in Chicago, Illinois**, August 22-25, 2002. The Society for Consumer Psychology (Division 23) invites submissions. Please visit the APA website for details on submissions and the conference: <http://www.apa.org/convention/02call4programs/pdf> You can mail or email your submissions to Julie Irwin [jirwin@mail.utexas.edu](mailto:jirwin@mail.utexas.edu), Marketing Department, McCombs School of Business, University of Texas, Austin, TX 78712, or to Sue O'Curry [socurry@depaul.edu](mailto:socurry@depaul.edu), Marketing Department, Kellstadt Graduate School of Business, DePaul University, 1 East Jackson Boulevard, Chicago, IL 60604.

**The Fourth Argentine Symposium on Artificial Intelligence** will be held during 9-13 September 2002 at Santa Fe, Provincia de Santa Fe, Argentina. Topics of particular interest include Decision Theory. For further information: [www.dc.uba.ar/people/profesores/santos/asai2002.html](http://www.dc.uba.ar/people/profesores/santos/asai2002.html) Submissions are due on May 6<sup>th</sup>, 2002. For further information, please contact Adriana Zapico, Departamento de Computacion, Fac. de Cs Exactas, Fis-Quim. y Nat., Enlace Ruta 8y 36, km 603, 5800 Rio Cuarto, Argentina e-mail: [asai2002-zapico@dc.exa.unrc.edu.ar](mailto:asai2002-zapico@dc.exa.unrc.edu.ar)

**The Department of Psychological Sciences, Purdue University** announced a new annual meeting of mathematical psychologists, the Purdue Winer Memorial Lectures. The first meeting will take place in September or October of this year (the exact dates will be announced later). The Lectures will last two days and will consist of lectures by invited speakers. If you have any suggestions or questions, please mail them to Ehtibar N. Dzhafarov ([ehtibar@purdue.edu](mailto:ehtibar@purdue.edu)).

**The 24<sup>th</sup> Annual Meeting of the Society for Medical Decision Making** will be October 20-23, 2002 in Baltimore. For information see the "Annual Meeting" page <http://www.smdm.org>. The deadline for submission of abstracts is May 31, 2002.

**ANNIE 2002** (<http://www.umn.edu/~annie/annie02>) will be held November 10-13, 2002, at the Marriott Pavilion Hotel in downtown St. Louis, Missouri. This will be the twelfth international gathering of researchers interested in Smart Engineering System Design using neural networks, fuzzy logic, evolutionary programming, data mining, and artificial life. The submission deadline has passed.

**Psychonomic Society** will meet November 21-24, 2002 in Kansas City

**JDM** will meet November 24-25, 2000 in Kansas City. Call for papers see June Newsletter

## Position Openings

*This continuing column is for the purpose of bringing to the attention of our members employment opportunities in the field. These are not official advertisements from the institutions. If you are interested in any of these positions, you should contact the institution for the full details. Please send the editor any openings that you are aware of for inclusion in this column.*

**The Wharton School of the University of Pennsylvania** is in search of a postdoctoral fellow in negotiations. The one-year fellowship involves serving as the head TA for the Negotiations course in the Fall, and independently teaching two sections of the course in the Spring. Fellows are expected to pursue their own research agendas during the year and often engage in joint research with existing Wharton faculty. Applicants from psychology, economics or business programs, even without previous teaching experience, are welcome. Send a recent vita and a list of references to Rachel Croson, 1322 SH-DH, OPIM, Wharton School, University of Pennsylvania, PA 19104-6366.

**Brown University.** Post-doctoral positions are available for a cognitive or computational scientist. As part of an NSF award, the Departments of Cognitive and Linguistic Sciences, Computer Science, and Applied Mathematics are hiring research associates. The associates should be scholars who have displayed interest and ability in conducting collaborative interdisciplinary research involving a combination of computational and empirical approaches to one of the content areas of the program: cognition, language, or vision. As well as participating in collaborative research, responsibilities will include helping to coordinate cross-departmental events as well as some graduate teaching. Applicants must hold a PhD in Psychology, or a related discipline, or show evidence that the PhD will be completed before the start of the position. Applicants should send a vita, a short research statement, three letters of reference, and other supporting material, to IGERT Post-doc Search, Department of Cognitive and Linguistic Sciences, Brown University, Box 1978, Providence, RI 02912. The positions are open immediately for one year, renewable upon satisfactory completion of duties. All materials should be received by Feb. 15, 2002 for full consideration, but later applications will be considered unless the positions are filled. For additional information about the program and ongoing research initiatives please visit their website at: <http://www.cog.brown.edu/IGERT>

**Postdoctoral Position in Cognitive Modeling at Carnegie Mellon University** will participate in an investigation of the impact of working memory differences on individual performance in complex interactive environments, such as air traffic control simulations. Models will be developed using the ACT-R cognitive architecture. Requirements include a Ph.D. in cognitive science, computer science or psychology with experience in experimental design and in cognitive modeling, preferably but not necessarily using the ACT-R cognitive architecture. Programming experience, especially in Lisp, is preferred but not required. To apply or obtain additional information, contact (email preferred): Dr. Christian Lebiere, Human-Computer Interaction Institute, Carnegie Mellon University, 5000 Forbes Avenue, Pittsburgh, PA 15213, Tel: 412-268-5920, Email: [cl@cmu.edu](mailto:cl@cmu.edu)

**The Wharton School of the University of Pennsylvania** is in search of visiting scholars to teach Negotiations to MBA or undergraduate business students and/or Decision Analysis to undergraduates. The rank of lecturer, adjunct or visiting professor will be awarded as appropriate. Send a recent vita, teaching ratings (if available) and a list of references to Rachel Croson, 1322 SH-DH, OPIM, Wharton School, University of Pennsylvania, PA 19104-6366.

**The expanding Department of Psychology, University of Bath** seeks to make a lectureship appointment in applied psychology. Any aspect of applied psychology will be considered although preference may be given to active researchers specializing in environmental, occupational, organizational, forensic, and developmental psychology as well as behavioral decision making. The successful candidate will have demonstrated an ability to publish in internationally recognized psychology journals and a willingness to apply for Research Council journals and a willingness to apply for Research Council funding. The appointee will make a contribution to both undergraduate and postgraduate teaching. Informal enquiries are welcome. Please contact: Professor Alan Lewis, Tel: 01225 323070, email: a.lewis@bath.ac.uk, departmental website: [www.bath.ac.uk/Departments/Psychology](http://www.bath.ac.uk/Departments/Psychology). Application forms and further particulars are available from: Juliet Hills, Personnel Officer, University of Bath, Claverton Down Bath, BA2 7AY (tel. 01225 826873; fax 01225 826559 e-mail: a.l.baker@bath.ac.uk) or e-mail jobs@bath.ac.uk or phone the 24 hour answer-phone service on Bath (01225) 826924 quoting reference 02/51. Closing Date: 22<sup>nd</sup> March 2002.

**The Program for Improving Healthcare Decisions (PIHCD), a multidisciplinary research team at the University of Michigan**, is accepting applications for a postdoctoral fellowship or faculty research position. The PIHCD mission is to understand and improve health care decisions made by both patients and providers, and to explore the relevant implications for health care policy. They are interested in candidates who have research interests in areas such as, but not limited to, social cognition, motivation and emotion, and the study of decision making from cognitive psychological and/or economic perspectives. Status of the selected candidate will depend on qualifications. Minimum qualifications include an earned doctorate with appropriate background, training and research interest and experience in the areas of cognitive or social psychology, medicine, and/or behavioral economics. Collaboration across disciplines and entities within and outside the University is strongly encouraged. Visit their website at <http://www.med.umich.edu/pihcd> for more information about current research, publications, and staff and faculty. Interested candidates should send a letter of research interests, reprints/preprints, CV, and three letters of recommendation to Peter Ubel, MD, Program For Improving Healthcare Decisions, University of Michigan Health System, 300 North Ingalls. Room 7D21. Ann Arbor, MI 48109-0429; paubel@umich.edu.

**The Department of Psychology at DePauw University** seeks to fill a one-year term position in cognitive psychology to begin in August 2002. The successful candidate will teach Introductory Psychology, Cognitive Psychology, possibly another course in the candidate's specialty area, and participate in a senior seminar with sponsorship of senior theses. Ph.D. preferred. For more information about the department, visit <http://www.depauw.edu/acad/psychology>. Submit a letter of application, curriculum vitae, three letters of recommendation, and a statement of teaching interests and philosophy to Dr. Pam Propsom, Chair, Department of Psychology, DePauw University, Greencastle, IN 46135. Review of applications begins April 1.



## 2002 Committees of the Society for Judgment and Decision Making

### Program Committee

Marlys Lipe (through 2002)  
Rami Zwick (chair)(through 2003)  
Julie Irwin (through 2004)  
Craig Fox (through 2005)

### Einhorn Award Committee

Eldar Shafir (chair) (through 2002)  
Rick Larrick (through 2004)  
Michael Doherty (through 2005)

### Publications Committee

Jonathan Baron (through 2002)  
William Goldstein (chair) (through 2003)  
Barbara Mellers (through 2004)  
Terry Connolly (through 2005)

### Student Poster Committee

JD Jasper (chair)  
Ad hoc members solicited annually

### Beattie International Travel Award Committee

Peter Ayton  
Josh Klayman (chair)  
Martin Weber

### Representative to the Federation of Behavioral, Psychological, and Cognitive Sciences

Hal Arkes

### SJDM Webmasters:

Alan Cooke  
Alan Schwartz

## New Funding Opportunity

**Cognition and Student Learning Research Grants.** The Office of Educational Research and Improvement (OERI) is announcing a new funding opportunity, the Cognition and Student Learning (CASL) grants program. The purpose of this program is to improve student learning by supporting a new program of research that brings recent advances in cognitive science and neuroscience to bear on significant educational problems. The overarching goal of this program of research is to establish a scientific foundation for educational practice by supporting research on key processes of attention, memory, and reasoning that are essential for learning and that are likely to produce substantial gains in academic achievement. The program announcement is available at: <http://www.ed.gov/legislation/FedRegister/announcements/2001-4/122101c.html> (NOTE: Letter of Intent is optional) (Editor's note: Valerie Reyna is the senior advisor to the Assistant Secretary of Educational Research and Improvement.)

## **JDM Society ON-LINE**

JDM maintains a web page and listservers through the gracious and excellent work of Alan Cooke <acooke@sjdm.org> and Alan Schwartz <alansz@sjdm.org>. (They welcome comments and suggestions for new features.)

### **The JDM Web Page <http://www.sjdm.org>.**

The JDM Society has a set of pages on the Worldwide Web, providing information about the Society and Society membership, upcoming events, our electronic services including course syllabi, forms for subscribing to JDM mailing lists, the reference archive, links to related web sites that may be of interest to members, copies of the JDM Newsletter (for Society members only), and the JDM directory (for Society members only) with links to members' home pages.

**Passwords for the member only services on the web page:** If you have already established one, it will still work. If you need one, visit the web site and take the "Member Services" link. Read and follow the instructions describing how to determine your login name and password. You'll know whether you got it right if you can get to the JDM Newsletters or the on-line directory. Please change your default password as soon as possible. Be sure you can remember your new password.

**On-line Society Newsletters:** The JDM Newsletters are available on-line in Adobe PDF format. There is a link on the home page.

**On-line Directory:** The Society Directory is available on-line. There is a link on the home page.

**Reference Archive:** The system allows users to store and retrieve book and chapter references related to the fields of judgment and decision making. Follow the chapter archive link from the web page to the link to the reference archive.

**Electronic Mailing Lists:** The Society maintains a listserv. You can subscribe or unsubscribe to it and find full instructions for using it by following the mailing lists link on the home page or go directly to <http://www.sjdm.org/mailman/listinfo/jdm-society>.

## 2002 Society for Judgment and Decision Making Dues

### ALONG WITH HALF PRICE MEMBERSHIP IN THE EADM (EUROPEAN ASSOCIATION FOR DECISION MAKING), ADDRESS CORRECTIONS, AND JOURNAL ORDERS

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Student members must have the endorsement of a faculty member:

Faculty Signature : \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/02

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| <b>2002 SJDM Dues</b>                         | _____ \$35             | _____ \$10           |
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Mail the form and check to:

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 University of South Florida, 4202 E. Fowler Ave., PCD 4118G, Tampa, FL 33620

**--OR--** pay electronically by credit card (forward number & exp date) to: [sjdm@web.usf.edu](mailto:sjdm@web.usf.edu)

I wish to subscribe to the following journals:

\_\_\_\_\_ *Organizational Behavior and Human Decision Processes*  
 (6 issues, \$282 US & Canada, \$310 elsewhere)

\_\_\_\_\_ *Journal of Behavioral Decision Making* (5 issues, \$115 worldwide)

\_\_\_\_\_ *Risk, Decision, & Policy* (3 issues, \$39)

**\*\*\*\*\*Please do not send journal payments. You will be billed directly by the publisher. Thank you.**

## paid advertisement

**BROWN UNIVERSITY. Post-doctoral positions** available for cognitive or computational scientist. As part of an NSF award to Brown University through the IGERT program, the Departments of Cognitive and Linguistic Sciences, Computer Science, and Applied Mathematics are hiring research associates. The associates should be scholars who have displayed interest and ability in conducting collaborative interdisciplinary research involving a combination of computational and empirical approaches to one of the content areas of the program: cognition, language, or vision. As well as participating in collaborative research, responsibilities will include helping to coordinate cross-departmental events as well as some graduate teaching. Applicants must hold a PhD in Psychology, Linguistics, Cognitive Science, Computer Science, Mathematics, Applied Mathematics, or a related discipline, or show evidence that the PhD will be completed before the start of the position. Applicants should send a vita, a short research statement, three letters of reference, and other supporting material (e.g., representative publications if available), to IGERT Post-doc Search, Department of Cognitive and Linguistic Sciences, Brown University, Box 1978, Providence, RI 02912. Special consideration will be given to those applicants whose research is relevant to at least two of the participating departments. The positions are open immediately for one year, renewable upon satisfactory completion of duties. Salaries will be between \$35,000 and \$45,000 per year. All materials should be received by Feb. 15, 2002 for full consideration, but later applications will be considered unless the positions are filled. Like all NSF-funded programs, this opportunity is available only to American citizens and permanent residents. Brown University is an EqualOpportunity/Affirmative Action Employer.

For additional information about the program and ongoing research initiatives please visit our website at <http://www.cog.brown.edu/IGERT>