

## **Behavioural Biases in Corporate Risk Management and Investment Decisions: Impacts on Selected Macroeconomic Indicators in Poland During the COVID-19 Pandemic**

The COVID-19 pandemic has caused great turbulence in global financial markets. It had a particularly destructive effect on the situation in companies, causing irrational attitudes towards corporate risk, as well as investment policy among corporate managers.

Therefore, the first goal of our research project will be to investigate whether corporate managers of companies listed on the Warsaw Stock Exchange are susceptible to selected behavioral biases, described by psychologists, related to irrational risk preferences. Additionally, we want to investigate whether the susceptibility to these errors may affect selected management practices in the area of risk management and investment policy.

The second goal of our project is to build the so-called an agent-based model (ABM), which is a new form of simulation in social sciences. This model will check whether there is a link at the micro level, i.e. between the aforementioned irrational management practices resulting from susceptibility to behavioral errors, and the macro level, i.e. certain macroeconomic indicators in Poland, such as aggregate investment, employment and growth.

Finally, it is worth pointing to the theoretical and practical benefits of implementing this research project. First, there is still very little research on the psychological determinants of decision making by corporate managers. Second, even less research uses the aforementioned innovative simulation approach of multi-agent modeling. Our project will be implemented under a cooperation agreement between the Collegium of World Economy of the Warsaw School of Economics and the Faculty of Psychology at the University of Warsaw. In addition, we will cooperate with the University School of Advanced Studies (IUSS) in Padua, Italy. Finally, we plan to engage doctoral students, which may contribute to the education of young academic staff. All these factors prove not only the high scientific level, but also the social benefits resulting from the implementation of our research project.