Lecture 5   Managers as Decision Makers

-Types of decision-making
    -Programmed
            -This repetitive and routine response to the
              problem
            -Every org has some sort of programmed
              decision
    -Non-programmed
            -Unstructured problem that are unique
            -Problems that never happened before

-Process of decision making
    -Decision making style will depend on
            -Nature of the problem
            -Available time/resources
            -Strategic nature
            -Nature of outcomes
-Decision paralysis:
            -Emphasize heavily on how the decision is
              de rather what is being ecided.
-Decision making steps
    -Starts with problem identification
            -Developing alternatives
            -Evaluating alternatives
            -Choosing an alternative
            -Implementation
            -Feed back

-Problem identification
      -Signals of problems are:
           -Deviation from past performance
      -Deviation from plan:
           -When results failed to meet the objective
      -Outside criticism:
           -Actions taken by outsiders

-Perceptual problem:
           -Individual perception that protect/defend
            rom unpleasant realities
-Defining problems by solutions:
           -Jumping into conclusion/quick fixing
-Identifying symptoms as problems:
           -Symptoms are hints that a problem might
occur/its not a problem

-Developing alternatives:
      -These are potential solutions to the problems
      -All potential outcomes have to be considered

-Evaluating alternatives
      -Here all alternatives are evaluated and
      compared against
-Risk:
      -It's the chance of loss because all possible
      outcomes and probabilities of happening are
      unknown.

-Certainty:
   -Decision maker knows with certainty the
    consequence of every alternative.

-Uncertainty:

-Optimistic decision-making:

-Pessimistic decision-making:
   -Believes no matter what the worst outcome will
    occur

-Choosing an alternative

-Maximizing vs. satisfying dilemma

-Implementation
   -All decisions are worthless if they are not
    implemented

-Control and evaluation
   -Periodic measurement of achievement
   -Objectives must be measurable

-Individual decision making
   -Values:
      -Guidelines acquired early in life

-Personality:
- -How they view themselves/how they
understand themselves
-Propensity of risk:
- -People vary in their degree of taking risks
-Potential for dissonance:
- -Its about cognitive dissonance

-Group decision-making
- -More and more decisions are made in a group
- -Individual decision making vs. group decisions
making
- -Saves time/takes time

-Brainstorming:
- -Group members are encouraged to contribute
their thoughts
- -The idea is to generate NOT evaluate

-Delphi technique:
- -Solicitation and comparison of anonymous
judgment

-Nominal group technique:
- -Bring people together but do not allow them to
communicate verbally
- -7-10 people seats around a table but they don't
talk rather THEY WRITE IDEAS