

BUSA230
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تلخيص تشابتر ٢

chapter 2 Making Decisions

* Decision: A choice among two or more alternatives.

* Top manager: make decisions about their org's goals, where to locate manufacturing facilities or what new markets to move into.

* Middle and lower managers: make decisions about production schedules, product quality problems, pay raises, and employee discipline.

* 8 steps in Decision Making Process :-

1. Step 1: Identify a Problem :-

problem: An obstacle that makes it difficult to achieve a desired goal or ~~to~~ Purpose

المشكلة هي العائق الذي يجعل من الصعب تحقيق هدف أو غرض معين
الغرض المطلوب هو

* Managers have to be cautious ~~to~~ not to confuse the problems with symptoms of the problem.

المسؤولين يجب أن يكونوا حذرين لا يخلطون بين المشكلة وأعراضها
ذلك، ارتفاع درجة الحرارة الجسم، وارتفاع ضغط الدم

احتياج درجة الحرارة هو من جوانب المشكلة التي يمكن
تكون الفوتوز واحد فانها الحرارة من معالجة الاثر
وسير او مشكلة نفس

مثال الكتاب: امام (sales manager) الموظف الذي عندما
يبتعدوا عن لا يتروك ، ناهي شكلاوي انواللايتوب صجات
ويطيلين ، فاما انما ، من هذا المراسن للمثله انواللايتوب
رطب فراد الان شيوع فله التفل عتبه مع ، اما انما
لازم تعرف ان مشكلة هلا ، ادور على لا نوال مشكلة بالعادة
ما يكون ما عتبه ، من فائزنا لا شية انو اذا في شاكل
اللايتوب لازم يتفردا حيد من بيتا هجوا

Step 2: I identify Decision Criteria :-

- Decision criteria : criteria that define what's important or relevant to resolving a problem

- Memory and storage (التخزين)
 - Display quality (جودة الشاشة وشكلها)
 - Battery life (مدة حياة البطارية)
 - Warranty (الضمان)
 - Carrying weight (وزن اللابتوب)
- القرار ، مني مع جدول الذي يفرق ↑

Step 3: Allocate Weights to the Criteria

The decision maker must weight the items to give them the correct priority in the decision.

عند أهمية ودرجة كل البند التي
تتعلق بها فكل البند أو نافع القرار اعتماداً على
مثال أمثلة: كانت أوزان الوزن والقرين للاميرت (10)
لذا أهميته وبنائه ما إذا مع أولويات المرحلية
والبطارية أقل أهمية فاحفظوا 8، بحيث درجة الاميرت
أعطت درجة 6، والعمارة اعطت درجة 4، والثالثة 3
بالعادة موزونة من (1-10):

Step 4: Develop Alternatives

The decision maker have to list viable alternatives that could solve the problem, they need to be creative, and alternative are only listed - not evaluated just yet.

أعط البند على أنه تتوفر كبنية بغير الحد من التكلفة
أما إذا وجدت كل البند التي يمكن تصويدهم اللاميرت
HP, Sony مع البند أو البند كجاء

Step 5: Analyze Alternatives

The decision maker must evaluate ~~the alternative~~ each one By using the criteria established in step 2.

اما بما لانتم تعلم كل شئ من الشركات التي تعمل
مستوفى وتماما لدرجة criteria التي يطلبها
منه فربما لا يكون اذ هو يريد ان يطلبه وغيره

Step 6: Select an Alternative:

choosing the Best alternative that gives me the
highest total in all steps

Step 7: Implement the alternative

implement the action by conveying to those
affected and getting their commitment to it

The manager may need to do during implementation
is reassess the environment for any changes, especially
if it's a long term decision

في حال كان القرار فترة اعطائه ودراسة كل ما يتبعه من
قرار لانهم ارجع + ثبوت او التراجع اليه لانهم لا يريد
تغييرا بالشيء الذي رجعوا اليه لانهم لا يريدون تغييرا
محميا او تطلع شركة جديدة خلال فترة العمل فيجب ان مثلا
فانهم من الموظفين فكلوا من الشركة
منذ وقت وزعت في الموظفين

Step 8: Evaluation Decision Effectiveness

evaluating the outcomes or results of the
decision to see whether the problem was
resolved. If the problem isn't resolved
the manager need to assess what went wrong

بعد تقييم النتائج، إذا أمكن، راجع الخطوات وراجع
الخطوات، أو لا، إذا لزم الأمر، راجع الخطوات وراجع
الخطوات، أو لا، إذا لزم الأمر، راجع الخطوات وراجع
الخطوات، أو لا، إذا لزم الأمر، راجع الخطوات وراجع

4 Perspectives on how managers make decision:

(1) Making Decision: Rationality (المنطقية، العقلانية)

Rational Decision Making

Describes choices that are logical and
consistent and Maximize value.

Assumption of Rationality:

- ↳ * The problem would be clear and unambiguous
- * Decision maker would have a clear specific goal and know all possible alternatives
- * Finally, making Decision rationally would lead to selecting the alternative that maximizes the likelihood of achieving that goal

(2) Making Decision: Bounded Rationality

- Bounded Rationality: Decision making that's rational, but limited (bounded) by an individual's ability to process information.

↳ Because: They can't possibly analyze all info on all alternative, manager Satisfice rather than maximize.

* Satisfice: Accept solutions that are "good enough"

* The decision can be influenced by the org's culture, internal politics, power considerations, and by a phenomenon called escalation of commitment



an increased commitment to a previous decision despite evidence it may have been wrong

بأنه كلما زاد التزامنا بقرار سابق، كلما قلنا أننا قد نكون قد اتخذنا قراراً خاطئاً.

هذا هو مفهوم "التزام متزايد" وهو ظاهرة نفسية تحدث عندما نضطر إلى اتخاذ قراراتنا بناءً على معلومات غير كافية.

③ Making Decision: The Role of Intuition

Intuitive decision: Making Decision on the basis of experience, feelings and accumulated judgment.

* Manager's use of intuitive decision making have to identified 5 aspects of intuition

* How often common is intuitive decision making?

One survey found that almost half of the executives surveyed "used intuition more often than formal analysis to run their companies."

* it can completed both rational and bounded rational decision making

④ Making Decisions: The Role of Evidence-Based management. (EBMgt)

(EBMgt): The systemic use of the best available evidence to improve management practice

The 4 essential elements of (EBMgt) :-

- 1- The decision maker's expertise and judgment
- 2- external evidence that's been evaluated by the decision maker
- 3- opinions, preferences, and value of those who have to stake in the decision.

4- relevant organizational (internal) factors such as
 context, circumstances and organizational members

The key for manager is to recognize and understand the mindful, conscious choice as to which elements are most important and should be emphasized in making a decision.

Types of Decisions

① Structured Problems and Programed decisions

↳ Straightforward, familiar, and easily defined
structured → (easy to solve) Problems.

programed → A repetitive decision, that can be handle by a routine approach.

The manager relies on ^{one of} 3 types of programed decisions:

procedure: A series of sequential steps used to respond to a well-structured problem.

structured problem

rule: An explicit statement that tells manager what can or cannot be done.

rules is used because they're simple to follow and ensure consistency

Policy: A guideline for making decisions

② Unstructured problems and Nonprogramed decisions:

- Unstructured: A problem that are new or unusual and for which information is ambiguous or incomplete.

- Nonprogramed: Unique and nonrecurring decisions that require a customer-made solution.

(Exhibit 2-7, page 82)

Type of problems	Type of decisions
→ structured	→ programed
→ Unstructured	→ Non programed.

Decision - Making Conditions:

1. **Certainty** :- A situation in which a manager can make accurate decisions because all outcomes are known.

2. **Risk** :- A situation in which the decision maker is able to estimate the likelihood of ~~the~~ certain outcomes.

التالي من راحة و من الخبرة و من الخبرة و لكن لا يقدر على تقدير النتائج بدقة

1- past personal experience

2. Secondary info

3. **Uncertainty**: A situation in which a decision maker has neither certainty nor reasonable probability estimates available.

مجرد عنده شيء من دونها يقدر على التنبؤ بالنتيجة

* The choice of alternative is influenced by:

(1) The limited amount of available info

(2) The psychological orientation of the decision maker

→ **optimistic manager**: will follow a maximax choice (maximizing the maximum possible payoff)

التالي من راحة و من الخبرة و من الخبرة و لكن لا يقدر على تقدير النتائج بدقة

(Best of the Best)

هذا يعني اننا نختار الخيار الذي له الاحتمال الاكبر

حتى لو كان الاحتمال اقل

→ **Pessimist manager**: will follow the maximin choice (maximizing the minimum possible payoff)
المتشائم (Best of worst)

→ **manager who desire to minimize his maximum "regret"** will opt for minimax choice

* Decision Making Styles :-

1. **Linear Thinking style** :- A decision style characterized by a person's preference for using external data and facts and processing this info. through rational, logical thinking

2. **Non-linear thinking style** :- Decision style characterized by a person's performance for internal sources of info and processing this info. with internal insights, feelings, and hunches

Decision - Making Biases and Errors in

* Heuristics :-

Rules of thumb that managers use to simplify decision making

Rule of thumb : $\frac{1}{10}$ قاعدة
you need to save 10% of your wage :
لازم توفر 10% من وقت القادر ، دفعة من
تجارب الحق والتجارب السوية

مثال : لا يمكن التنبؤ اذ لا قرار اضرا انك انزديت

Rule of thump : $\frac{1}{10}$ قاعدة

* مثال القرارات بناءً من $\frac{1}{10}$ القاعدة (الاداري)

ال Heuristics (الاداري)

* دفعة عامة بغير rule انك انزديت انك لا اداري