

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 ~~for~~ Purpose

المشكلة هي أي شيء يعيق تحقيق الغرض
الذي نريد تحقيقه

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

ليس بالضرورة أن تكون المشكلة هي العرض
بل قد يكون العرض هو المشكلة

احتياج درجة الحرارة هو من ابرز المشاكل التي يمكن
تكونها الفولتاج واحد فانها الحرارة من معالجة الاعراض
وتسمى المشكلة نفس

مثال الكتاب : اعلم (sales manager) الموظف الذي حلهما
بمحتلوا (لا يتوب) ، ناهما شكلاوي انوالالديوب حجات
وخطيبين ، فاما انما حار عنها الاعراض للمثكلة انوالالديوب
رطب فزار الانبي مشاع فلي الشغل عيب مع ، اما انما
لازم تعرف المشكلة هلا ، ادور على لا نوال المشكلة بالعادة
ما يكون ما عمة ، فمما فائزنا بالمشكلة انوا اذا في مشاكل
بالديوب لازم يتفردا حيد مندينا هوما

- Step 2: I identify Decision Criteria:
 - Decision criteria: criteria that define what's important or relevant to resolving a problem
- معرفة القرار
ال criteria للامانة فمما فلي حيد مندينا هوما
- تأخذ القرار : مع مائة الوضوح في basis
memory and storage (التخزين)
Display quality (جودة الشاشة وشكلها)
Battery life (مدة حياة البطارية)
Warranty (الضمان)
Carrying weight (وزن اللابتوب)
القرار : من بين كل هذه التي هي ↑

Step 3: Allocate Weights to the Criteria

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

بعد أهمية ودرجة كل معيار في
القرار. مثلاً: أمان، جودة الصوت، السعر، المظهر، إلخ.
مثال: أمان: 10، جودة الصوت: 8، السعر: 4، المظهر: 3.
الوزن الموزون: 10، 8، 4، 3.
الوزن الموزون: 10، 8، 4، 3.
الوزن الموزون: 10، 8، 4، 3.
الوزن الموزون: 10، 8، 4، 3.

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 أمثلة على بديلات يمكن أن تحل المشكلة.
مثال: أمان، جودة الصوت، السعر، المظهر، إلخ.
مثال: Sony، HP.

Step 5: Analyze Alternatives

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

أما إذا لزم اتخاذ كل خطوة من الخطوات التي سبق
مستوفى وفقاً لدرجة criteria التي تظهر
من درجة الاستعداد أو القدرة أو غيرها

Step 6 : Select an Alternative :

choosing the Best alternative that gives me the

أفضل بديل (Best Alternative) (Dell) : highest total in all steps

highest total in all steps

Step 7 : Implement the alternative

تحويل القرار إلى تنفيذ (Dell) : 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 اختياره ودرجته قد تغيرت

قرار لزم الرجوع أو التراجع أو التراجع أو التراجع

تغييرات بالبيئة المحيطة بها أو التراجع أو التراجع

محتملة أو تطلع شركة جديدة خلال فترة التنفيذ أو مثلاً

فقدت من الموظفين أو مثلاً

منذت 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

يقول تفكير للتأليف، إذا المشكلة واضحة، اتخذت ورجع
 العقل تمام أو لا، إذا لا، ثم ارجع خطوات من حيث كانت
 المشكلة عن طريق step واما step 2، ارجع الى step 1
 ثم ارجع الى step 3، جيبه حل المشكلة

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:

- and unambiguous
- * The problem would be clear
- * 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

باعتبار قرار، مع اننا نعرف ان قرارنا غير صحيح مع مرور الزمن.

نجد اننا نزيد من التزامنا بقرارنا القديم، بالرغم من اننا نعلم ان قرارنا غير صحيح.

هذا هو ما نسميه بـ "تصعيد الالتزام" (Escalation of Commitment).

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's 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 managers what can or cannot be done.

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

Policy: A guideline for making decisions

تعليمات عامة (general parameters) ، إرشاد لاتخاذ قرارات

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 custom-made solution.

الامور التي لا تتكرر ، لا يوجد لها سياسة أو قاعدة أو إجراء مسبق

(Exhibit 2-7 page 82)

Type of problems

→ structured

→ Unstructured

Type of decisions

→ programed

→ 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.

التي من راحة و في حالة، لكن لا
يقدر، أقدر، التي زيادة

1- past personal experience

2- Secondary info

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

من عنده شيء من دوافع أقدر نسبة ال risk

* 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)

التي التي، تقدر، أقدر، التي زيادة

(Best of the Best)

هذا، في، أقدر، أقدر، التي زيادة

في، أقدر، أقدر

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

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

* Decision Making Styles :-

1. Linear Thinking style :-

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 (10٪)

you need to save 10% of your wage

لديكم 10٪ من وقت التفرغ ، دفعه من

تجارب الحق والتجارب السلبية

مثال : لا يمكن التنبؤ اولا قرارا انك انزديت

Rule of thumb : $\frac{1}{10}$ قاعدة (10٪)

* مثال : القرارات تبدأ من (10٪) (10٪) (10٪)

Heuristics (10٪) (10٪) (10٪)

* دفعه عامة بغير rule انك انزديت (10٪) (10٪) (10٪)