

Bounded rationality perspective

a perspective that describes how decisions are made when problems are ill-defined, numerous factors affect the decision, and time is limited.

Carnegie model

organization decision
making that involves
many managers
making a final choice
based on a coalition
among those managers.

Coalition

an alliance among
several managers
who agree about
organizational goals
and problem priorities.

Cognitive biases

severe errors in judgment that all humans are prone to and that typically lead to bad choices.

Contingency decision-making framework

a perspective that
brings together the
two organizational
dimensions of problem
consensus and technical
knowledge about
solutions.

Decision learning

a process of recognizing and admitting mistakes that allows managers to acquire sufficient experience and knowledge to perform more effectively in the future.

Devil's advocate

the role of challenging
the assumptions and
assertions made by the
group.

Escalating commitment

persisting to invest
time and money in a
solution despite strong
evidence that it is not
working.

Evidence-based management

a commitment to make
more informed and
intelligent decisions
based on the best
available facts and
evidence.

Garbage can model

decision-making
model that describes
the pattern or flow
of multiple decisions
within an organization.

Groupthink

the tendency of people
in groups to suppress
contrary opinions
for the sake of group
harmony.

High-velocity environments

industries in which competitive and technological change is so extreme that market data is either unavailable or obsolete, strategic windows open and shut quickly, and decisions must be made quickly with limited information.

Imitation

the act of adopting
a decision tried
elsewhere in the hope
that it will work in this
situation.

Incremental decision model

decision-making model
that describes the
structured sequence of
activities undertaken
from the discovery of a
problem to its solution.

Inspiration

an innovative, creative
solution that is not
reached by logical
means.

Intuitive decision making

decision making based on experience and judgment rather than sequential logic or explicit reasoning.

Management science approach

organization decision making that uses quantitative models to analyze numerous variables and arrive at the best solution; the analog to the rational approach by individual managers.

Nonprogrammed decision

novel and poorly defined, these decisions are required when no procedure exists for solving a problem.

Organizational decision making

the process of
identifying and solving
problems.

Organized anarchy

extremely organic
organizations
characterized by highly
uncertain conditions.

Point-counterpoint

a decision-making technique that divides decision makers into two groups and assigns them different, often competing responsibilities.

Problem consensus

the level of agreement among managers about the nature of a problem or opportunity and about which goals and outcomes to pursue.

Problem identification

the decision-making stage during which information about environmental and organizational conditions is monitored to determine if performance is satisfactory and to diagnose the cause of shortcomings.

Problem solution

the decision-making stage during which alternative courses of action are considered and one alternative is selected and implemented.

Problemistic search

search that occurs when managers look around in the immediate environment for a solution to quickly resolve a problem.

Programmed decisions

repetitive and well defined, these decisions are used when procedures exist for resolving the problem.

Prospect theory

theory that suggests that the threat of a loss has a greater impact on a decision than the possibility of an equivalent gain.

Rational approach

decision-making
process based on
systematic analysis of
a problem followed
by choice and
implementation in a
logical sequence.

Satisficing

the acceptance of a satisfactory rather than a maximum level of performance, enabling an organization to achieve several goals simultaneously.

Technical knowledge

the degree of
understanding and
agreement about how
to solve problems and
reach organizational
goals.