

## KEY CONCEPTS – CHAPTER 12

### Glossary

Chapter 12	
<b>bounded rationality perspective</b>	a perspective that describes how decisions are made when problems are ill-defined, numerous factors affect the decision, and time is limited.
<b>Carnegie model</b>	organization decision making that involves many managers making a final choice based on a coalition among those managers.
<b>coalition</b>	an alliance among several managers who agree about organizational goals and problem priorities.
<b>cognitive biases</b>	severe errors in judgment that all humans are prone to and that typically lead to bad choices.
<b>contingency decision-making framework</b>	a perspective that brings together the two organizational dimensions of problem consensus and technical knowledge about solutions.
<b>decision learning</b>	a process of recognizing and admitting mistakes that allows managers to acquire sufficient experience and knowledge to perform more effectively in the future.
<b>devil's advocate</b>	the role of challenging the assumptions and assertions made by the group.
<b>escalating commitment</b>	persisting to invest time and money in a solution despite strong evidence that it is not working.
<b>evidence-based management</b>	a commitment to make more informed and intelligent decisions based on the best available facts and evidence.
<b>garbage can model</b>	decision-making model that describes the pattern or flow of multiple decisions within an organization.
<b>groupthink</b>	the tendency of people in groups to suppress contrary opinions for the sake of group harmony.
<b>high-velocity environments</b>	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.
<b>imitation</b>	the act of adopting a decision tried elsewhere in the hope that it will work in this situation.
<b>incremental decision model</b>	decision-making model that describes the structured sequence of activities undertaken from the discovery of a problem to its solution.
<b>inspiration</b>	an innovative, creative solution that is not reached by logical means.
<b>intuitive decision making</b>	decision making based on experience and judgment rather than sequential logic or explicit reasoning.
<b>management science approach</b>	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.
<b>nonprogrammed decision</b>	novel and poorly defined, these decisions are required when no procedure exists for solving a problem.
<b>organizational decision making</b>	the process of identifying and solving problems.
<b>organized anarchy</b>	extremely organic organizations characterized by highly uncertain conditions.
<b>point-counterpoint</b>	a decision-making technique that divides decision makers into two groups and assigns them different, often competing responsibilities.
<b>problem consensus</b>	the level of agreement among managers about the nature of a problem or opportunity and about which goals and outcomes to pursue.

<b>problem identification</b>	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.
<b>problem solution</b>	the decision-making stage during which alternative courses of action are considered and one alternative is selected and implemented.
<b>problemistic search</b>	search that occurs when managers look around in the immediate environment for a solution to quickly resolve a problem.
<b>programmed decisions</b>	repetitive and well defined, these decisions are used when procedures exist for resolving the problem.
<b>prospect theory</b>	theory that suggests that the threat of a loss has a greater impact on a decision than the possibility of an equivalent gain.
<b>rational approach</b>	decision-making process based on systematic analysis of a problem followed by choice and implementation in a logical sequence.
<b>satisficing</b>	the acceptance of a satisfactory rather than a maximum level of performance, enabling an organization to achieve several goals simultaneously.
<b>technical knowledge</b>	the degree of understanding and agreement about how to solve problems and reach organizational goals.