

THE DECISION MAKING PROCESS

STEPS IN THE DECISION MAKING PROCESS

1. Identify the decision that needs to be made based on a problem that has occurred. Identify the source of the problem that has created the need for a decision
2. Generate possible alternatives for solving the problem and evaluate each.
3. Select the alternative that best fits the situation, providing the greatest positive result
4. Implement your decision
5. Evaluate effectiveness of decision.
 - Has the problem been solved?

FACTORS TO CONSIDER IN THE DECISION MAKING PROCESS

▪ Cost - benefit analysis

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▪ Example

▪ *Renting a limo for prom*

▪ Cost -

▪ Benefit -

EVALUATION CRITERIA FOR ALTERNATIVES

- Benefits
- Costs
- Timeliness
- Acceptability
- Ethical soundness

TYPES OF DECISIONS

- **Classical**
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- **Optimizing**
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- **Behavioural**
 - Selecting an alternative that appears to provide the best perceived solution based on incomplete information.
 - *Bounded rationality*
- **Satisficing**
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ERRORS IN DECISION MAKING

- **Framing error**
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- **Escalating commitment**
 - Continuing to implement an alternative, despite the results proving to be ineffective.
- **Lack of participation error**
 - Failure to involve individuals in a decision who's support is needed to implement the decision.

CLASSWORK

- Reminder your Unit 1 Test is on Friday February 26th.
- Thursday you will have a chance to review and prepare in class for your test.
- Make sure you read pages 87-92 for understanding.
- Complete end of chapter questions on pages 93-95
 - # 1-12, 22, 27, 28, 29, 34, 39
