**Question 1:** What are the similarities and differences between the following decision-making models: rational choice, competing values, and judgment heuristics?

**Answer 1:** There are three primary decision-making models that are used to reach viable solutions to business-related problems: rational choice, competing values, and judgment heuristics. Rational choice is a decision-making model that focuses on how decisions are made and not the decision itself (Bazerman, 2006). Rational choice has been refined as the bounded rationality model in which certain boundaries of rational choice are set, such as ethicality, self-interest and willpower, and awareness (Kahnemann, 2003; Chugh, Bazerman, & Banazi, 2005; Thaler, 2000; Bazerman & Chugh, 2005). Rational choice is defined in the context of values and belief systems (O'Toole, 1993).

The competing values model is a viable way to recognize the different viewpoints and roles that are to be played in decision making within an organization. In this model, the positioning of competing values is illustrated in a four-quadrant model of flexibility versus control on the vertical axis and internal versus external focus on the horizontal axis. This model includes the clearly defined roles in the human relations model of internally focused flexibility, the open systems model of externally focused flexibility, the monitor/manager model of internally focused control, and the producer/director model of externally focused control (Quinn & Rohrbaugh, 1981, 1983).

The judgment heuristic model includes the three types of heuristics used in decision making: availability heuristics, representative heuristics, and affect heuristics (Bazerman, 2006). The availability heuristic is based upon convenience and memory; it is the simplest heuristic to use (Tversky & Kahnemann, 1973). The representative heuristic is based upon perceived similarities with previously formed judgments (Nisbett & Ross, 1980). The affect heuristic is often based on emotions (Kahnemann, 2003). Emotion-based decisions are usually not conscious but are precognitive in nature (Slovic, Finucane, Peters, & MacGregor, 2002).

**Question 2:** What are the motivational and affective influences on decision making?

**Answer 2:** The motivational and affective influences on decision making include the following: common tensions, positive illusions, self-serving biases,
and emotional-affective states. Common tensions exist because there is a dichotomy between what one knows he or she should do and what one wants to do. A dieter might want to eat three large meals and dessert each day but knows that to control his or her weight, he or she cannot do so. Such tensions definitely affect one’s decision making both on a personal level and in an organizational setting. Positive illusions exist when one consistently views things in a more positive light than reality would suggest is appropriate. These positive illusions include the following: unrealistically positive views of one’s self, unrealistic optimism, illusion of control, self-serving attributions, and unrealistic views toward groups and society. Self-serving biases cloud honest perspectives on perceptions and expectations. People tend to overestimate their ability to produce a positive outcome. Emotional-affective states will shape and drive decision making in directions that can be both productive and counterproductive (Bazerman, 2006).

Question 3: What is meant by the nonrational escalation of commitment?

Answer 3: Commitment is often seen as the cornerstone of success in any field of endeavor. People who are successful have very high levels of commitment and often can outlast the competition to achieve a desired goal, but commitment can also be carried to such an extreme that it becomes a hindrance to success. There is a difference between rational and nonrational commitment. Rational commitment is a positive force that can aid successful completion of a decision-implementation project. When carried to an extreme, however, commitment can become nonrational and counterproductive (Bazerman, 2006). Nonrational commitment pushed to the extreme morphs into stubbornness. Stubbornness leads to disagreement and failure.

Question 4: What are the perceptual biases that affect decision making?

Answer 4: Perception is a critical part of any communication process. Certainly, perception biases can affect decision making in both positive and negative ways (Bazerman, 2006). Perception is, of course, in the eye of the beholder. Anytime the perception of the situation differs from the reality of the situation, then this disconnect will cause problems in the decision-making process. It is important that the decision maker has a clear view and understanding of the situation to make the best choices and implement the optimal decision. Failure to understand the true organizational situation increases the likelihood that the decision will be flawed.
Question 5: How is fairness in decision making achieved?

Answer 5: Fairness in decision making relies on many factors that may vary a great deal depending on organizational issues. There are many issues that may be deemed unfair but are not necessarily unfair. Differences in salary offers between two equally qualified job candidates may not be unfair but rather is caused by differences in the negotiating skills of these two candidates. In that case, there is no unfairness, just a difference in the skills of the two candidates (Bazerman, 2006). Often, minor things like this can create misunderstanding in decision making. Ultimately, what is fair or unfair is usually dependent on the way in which the organization communicates internally.

Question 6: How are acquiring experience and expertise and decision judgment as strategies used for improving decision making?

Answer 6: Certainly, the acquisition of experience and expertise does have some effect on decision making (Bazerman, 2006). Learning should be a factor in the decision-making process. It is not, however, absolutely certain that all learning will have the effect of improving the decision-making process. Some learning may be inexact or in areas that will not aid in future decision-making efforts. Obviously, decision making within a small organization would utilize different processes than those used in decision making within a large corporation. It is not safe to assume that learning about decision making in one industry will automatically transfer to another industry. There are certainly general areas of overlap, but many industry or organizational specifics will not overlap.

Question 7: How is analogical reasoning and taking an outsider’s view used as strategies for improving decision making?

Answer 7: In any type of decision-making process, it is always helpful to have at least one participating decision maker assume the viewpoint of the customer or the supplier. By considering outside or opposing viewpoints, the decision maker’s effectiveness generally improves. Case studies, simulations, role playing, and all forms of analogical reasoning learning have positive impacts and can improve the decision-making process. In such learning exercises, it is generally very helpful to view things from the perspective of the other side of the argument (Bazerman, 2006). This approach conveys insight into the problem being addressed.
Question 8: How can using linear models and other statistical techniques and understanding biases in others be successful strategies for improving decision making?

Answer 8: There is some value to linear-based computer simulation models as used in training to improve decision making. The only issue is how complex such a computer-based model would need to be to provide all of the nuances necessary to make a simulated decision-making scenario really useful. It is doubtful that any computer-based model would be complex enough to take the place of real face-to-face training because nothing can substitute for the live experience (Bazerman, 2006). The more one participates in the decision-making process, the more one learns about the various ways to bring that process to a successful conclusion.

References


