제 11주 1시간

Decision Making

2006. 11. 14

Contents

1. **Decision Process**

2. **Decision Criteria**

3. **Decision - a nature of judgment**

4. **What do we mean by criteria?**

5. **Consequences of a decision**

6. **Adaptive Process**

7. **Control Loops**

Decision Process

```
┌─────────────┐      ┌─────────────┐      ┌─────────────┐
│    Input    │ ───▶ │   Decision  │ ───▶ │   Output    │
└─────────────┘      └─────────────┘      └─────────────┘
```
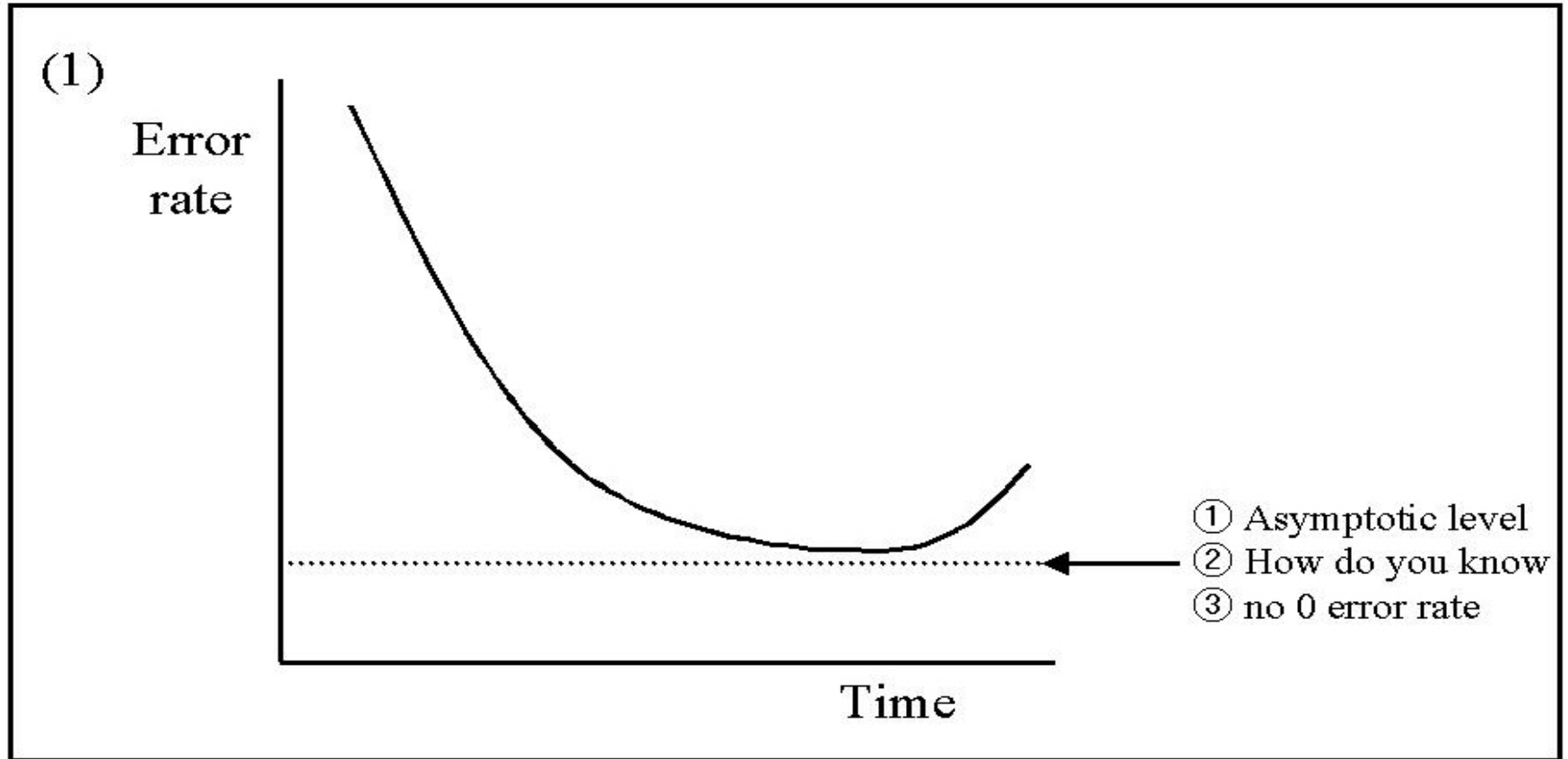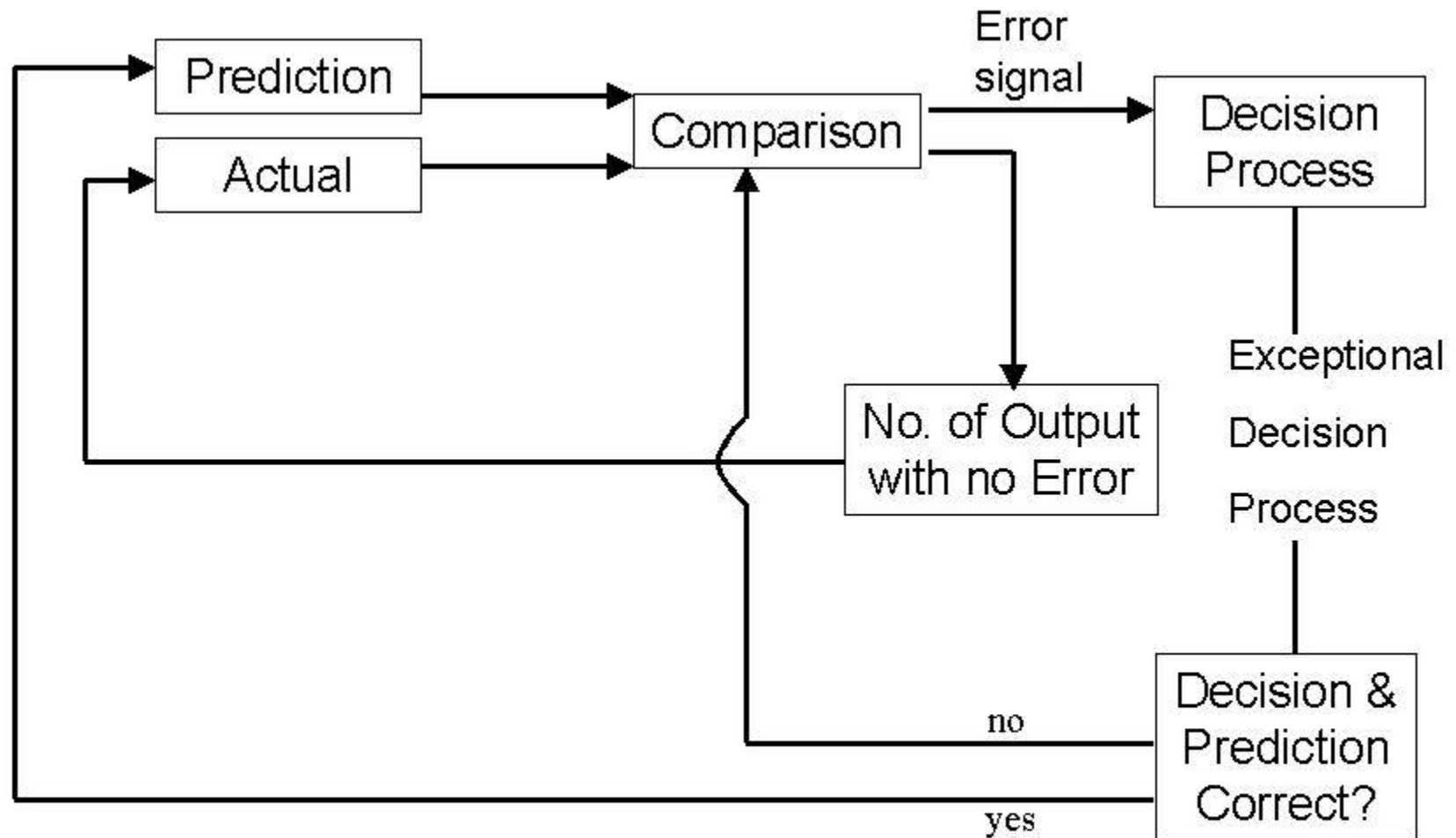
Quality of output is independent from input:

1. What are the time constraints?

2. To What extent is data reduction is necessary as part of the input function?

3. Is the type of input related to the number of alternatives available?
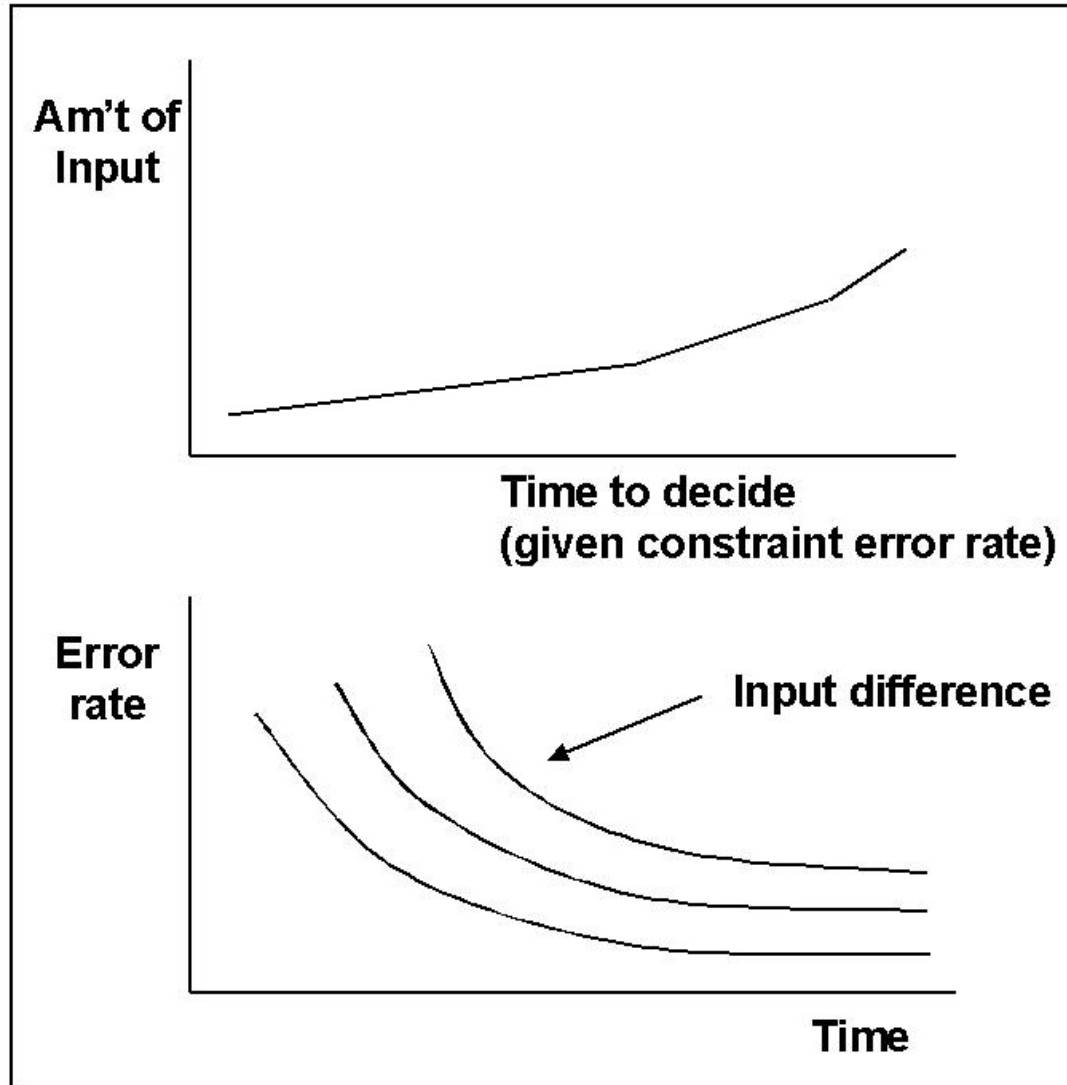
Decision Process

Decision Process

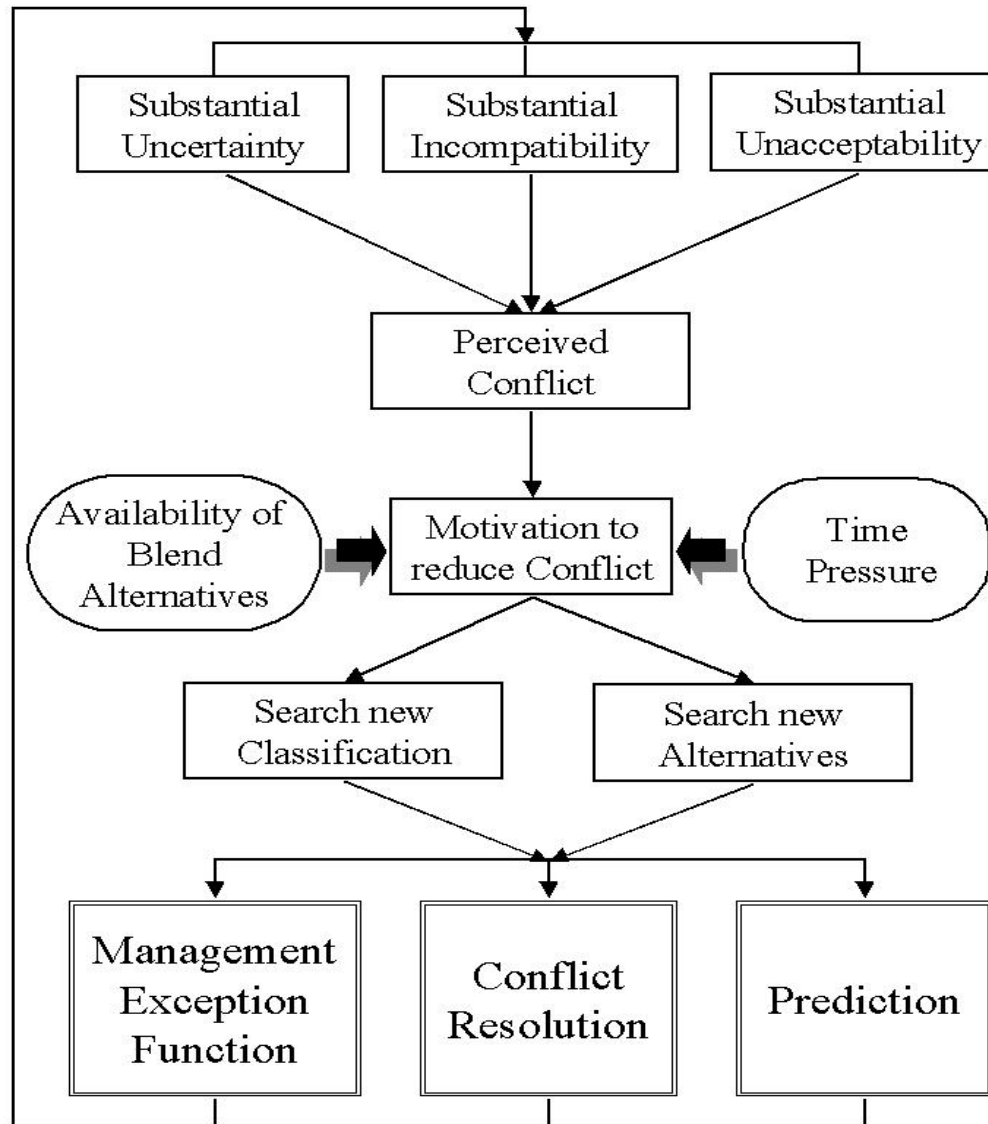Summary of Howard, P.

Decision Process
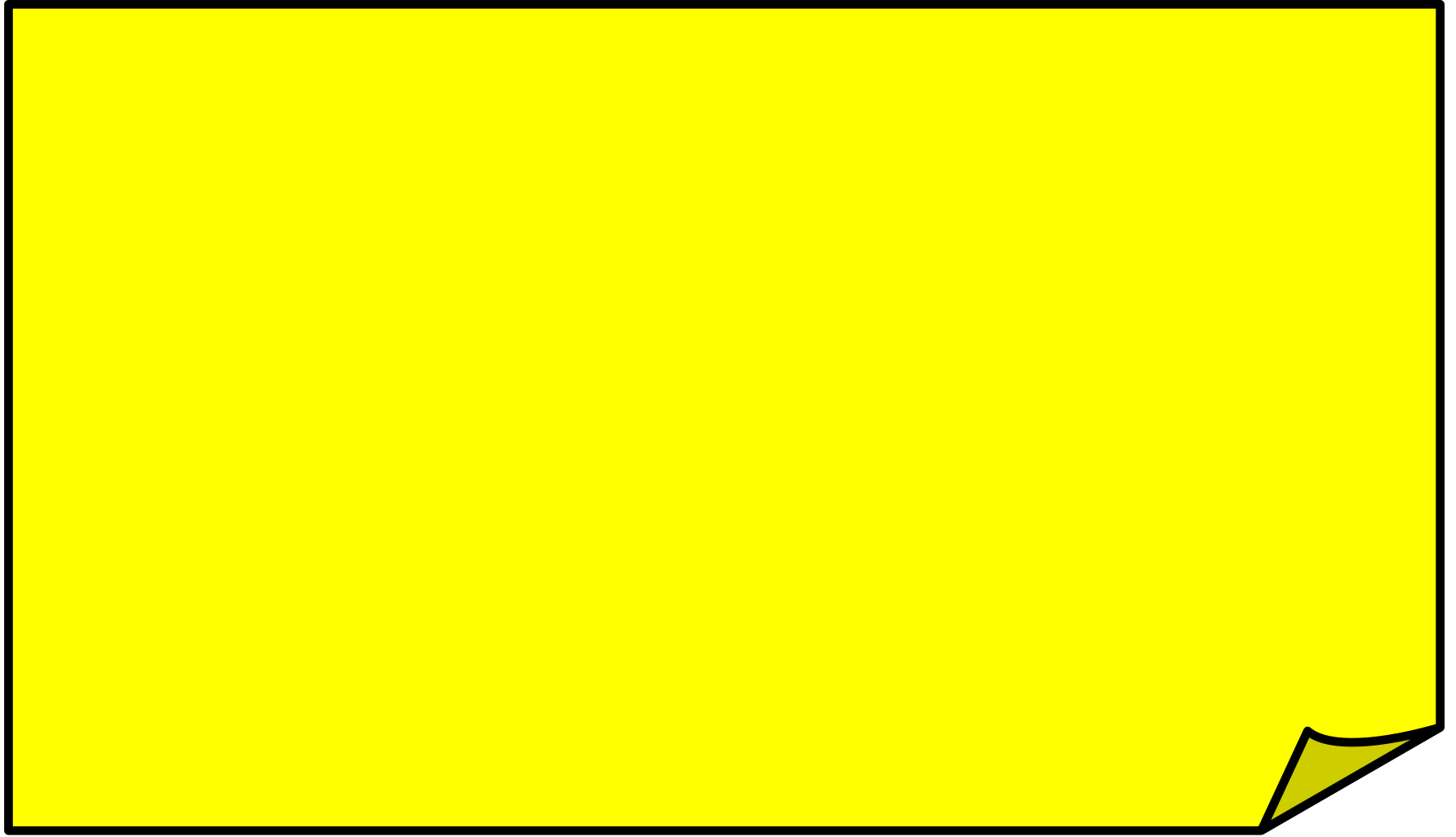
Decision Process

(3) Reduction of data is important

- if you can reduce the data into a form which you can handle,

  then the time for decision making will decrease

- I.E.'s role? What are they?

- ex?

Decision - Block diagram

제 11주 제 1시간 정리

제 11주 2시간

Decision Making

2006. 11. 16

Decision Criteria

Decision implies : (by Roy, R. H.)

Concept of relative goodness rather than perfection

Ever-Presence of conflicting values

"Investment Character"

Quality of feasibility

Social-historical framework is needed

Decision Criteria

Therefore middle class manager should know that

- Decision is

① interlocking

② interdependent

③ any decision is better than no decision

Decision - a nature of judgment (**Simon**, **H. A.**)

- ## Value judgment

  a decision held towards a selection of final goals

- ## Factual judgment

  a decision held towards an implementation of such goals

What do we mean by criteria?

- Factual Proposition

  Statements about observable world

- Ethical Proposition

  Statements which can not be tested

Consequences of a decision

- Public administrator

  - final responsibility lies in the legislative body

- Private administrator

  - final responsibility lies in the board of directors

    (stock holders)

Simon says :

1. Decision is a compromise

2. Alternative (that finally selected) never permits perfection

3. Simulation limits are important

4. Balance or sacrifice are needed

5. Decision is a vertical process

    Why? - think that

        a. Coordination

        b. Decision

        c. Accountable

6. Coordination in procedure

Adaptive Process

- Alias of decision process,

- Management Exception Function

There are two types of errors: casual & non-casual

When a non-casual error occurs, you enter the adaptive process

   Symptom : S.D. - X moves together

If you want to see the error taking place, then you must use a control function to alleviate the problem.

Over time, the control process tends to tighten the limits on the Error.

Adaptive Process

Adaptive process is : a learning - feedback

a prediction is "wrong" is

a valid concept

Control loops

- Formal (Secondary) loops

  - planning & policy estimation, long range planning

- Informal (Primary) loops

  - decision making at the operating level time element often does not allow decision making at higher level

제 11주 제 2시간 정리