
Session 11

Decision Making

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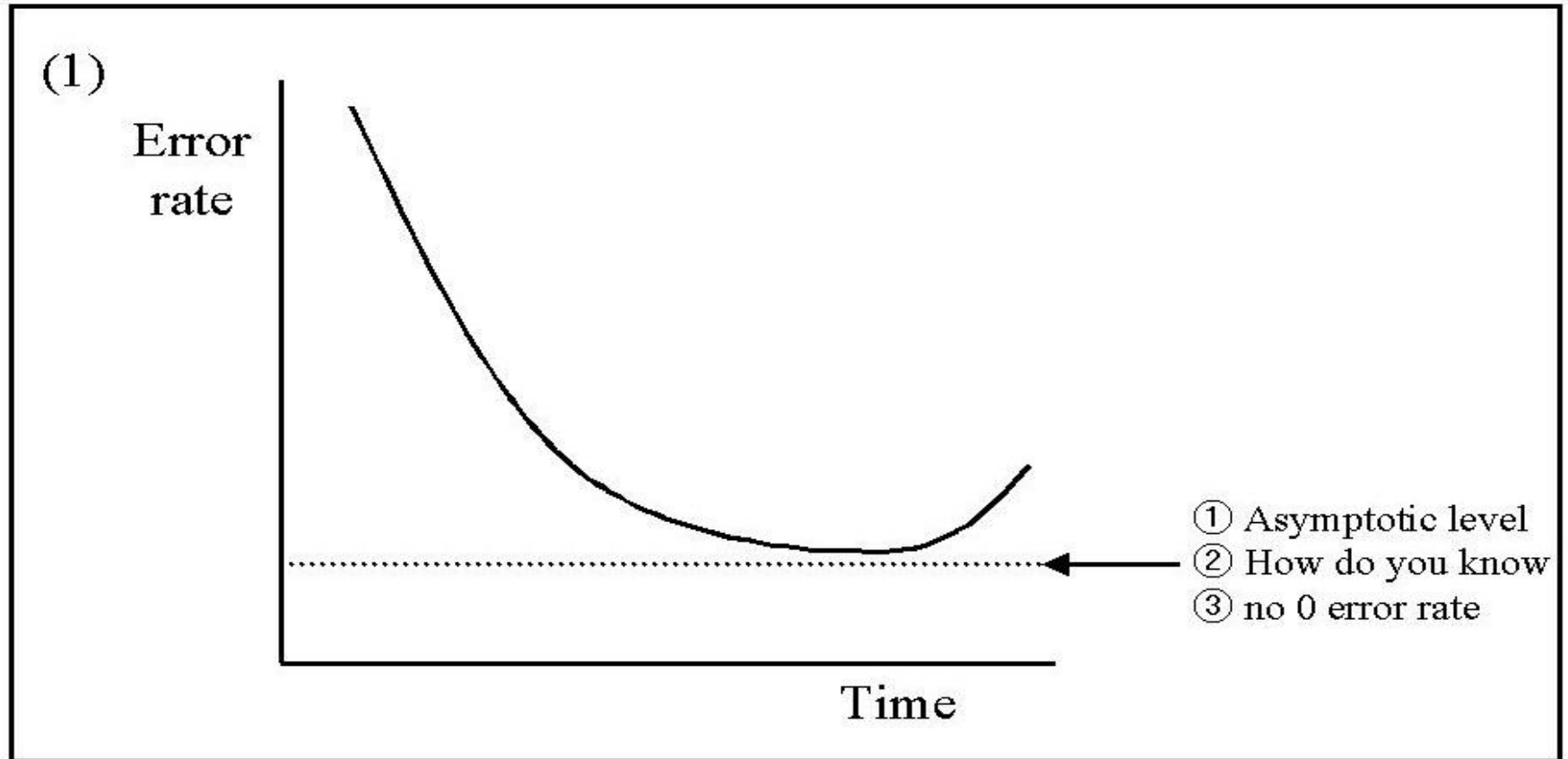
Decision Process



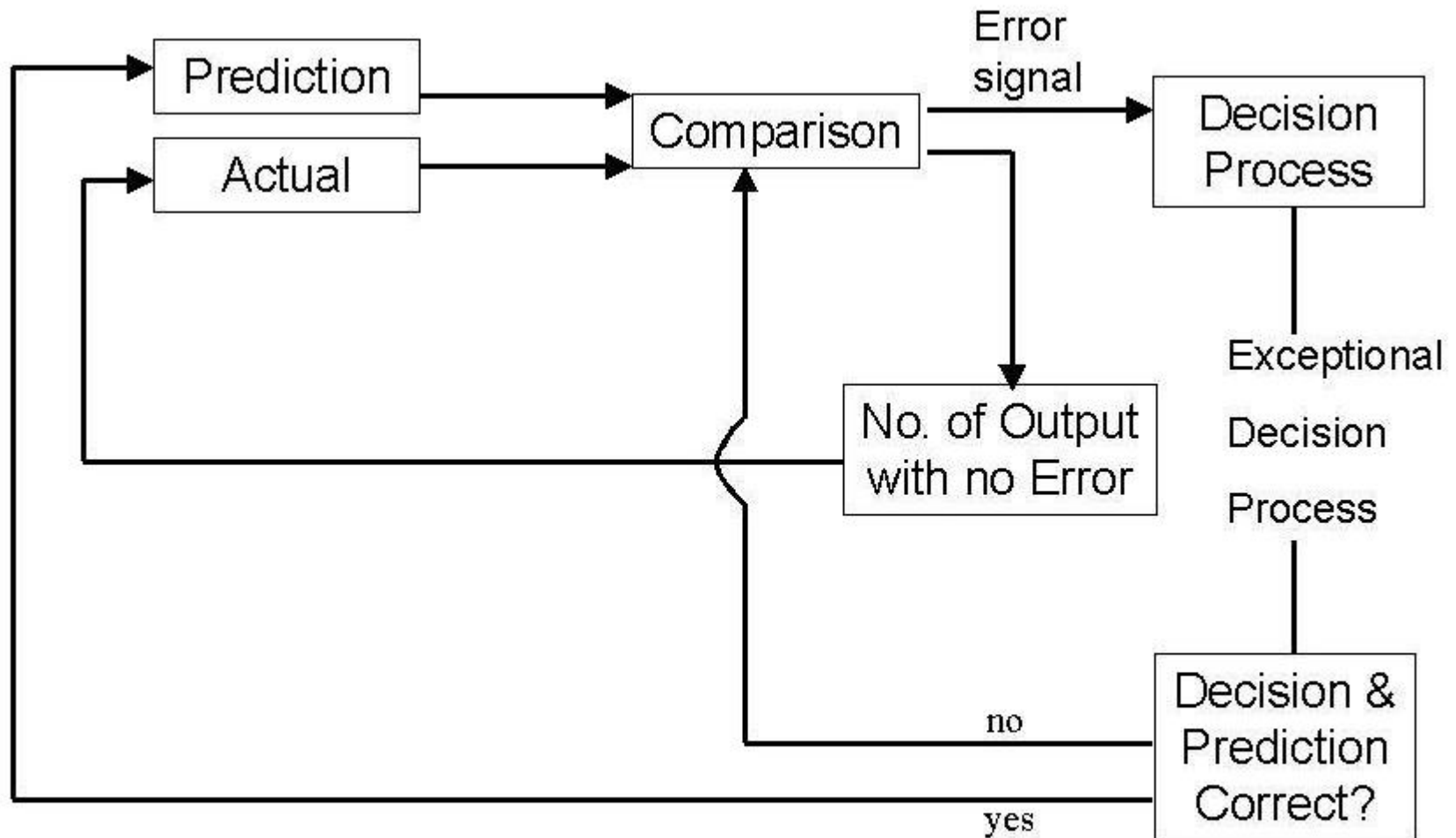
Quality of output is independent from input:

1. What are the time constraints?
2. To what extent is data reduction necessary as part of the input function?
3. Is the type of input related to the number of alternatives available?

Decision Process

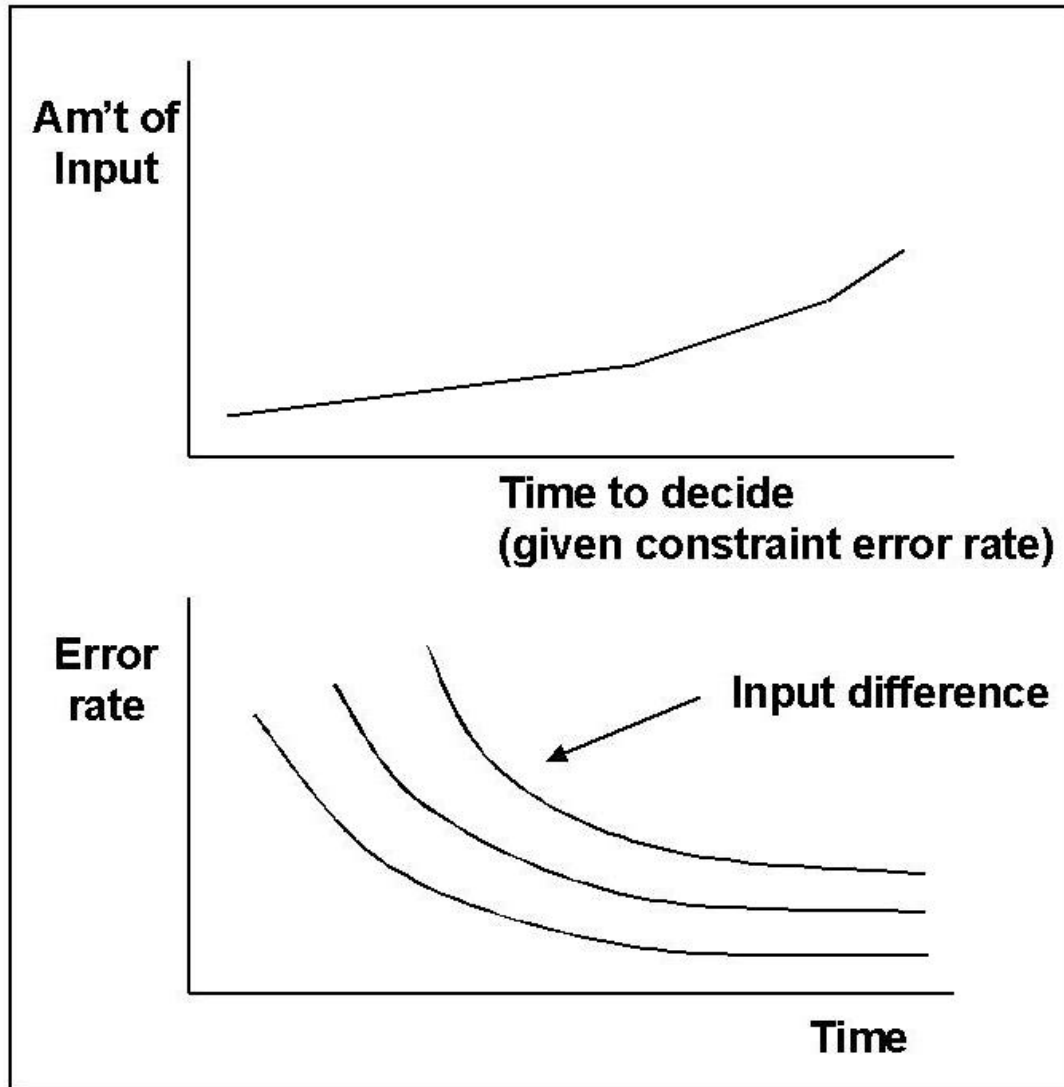


Decision Process



Summary of Howard, P.

Decision Process

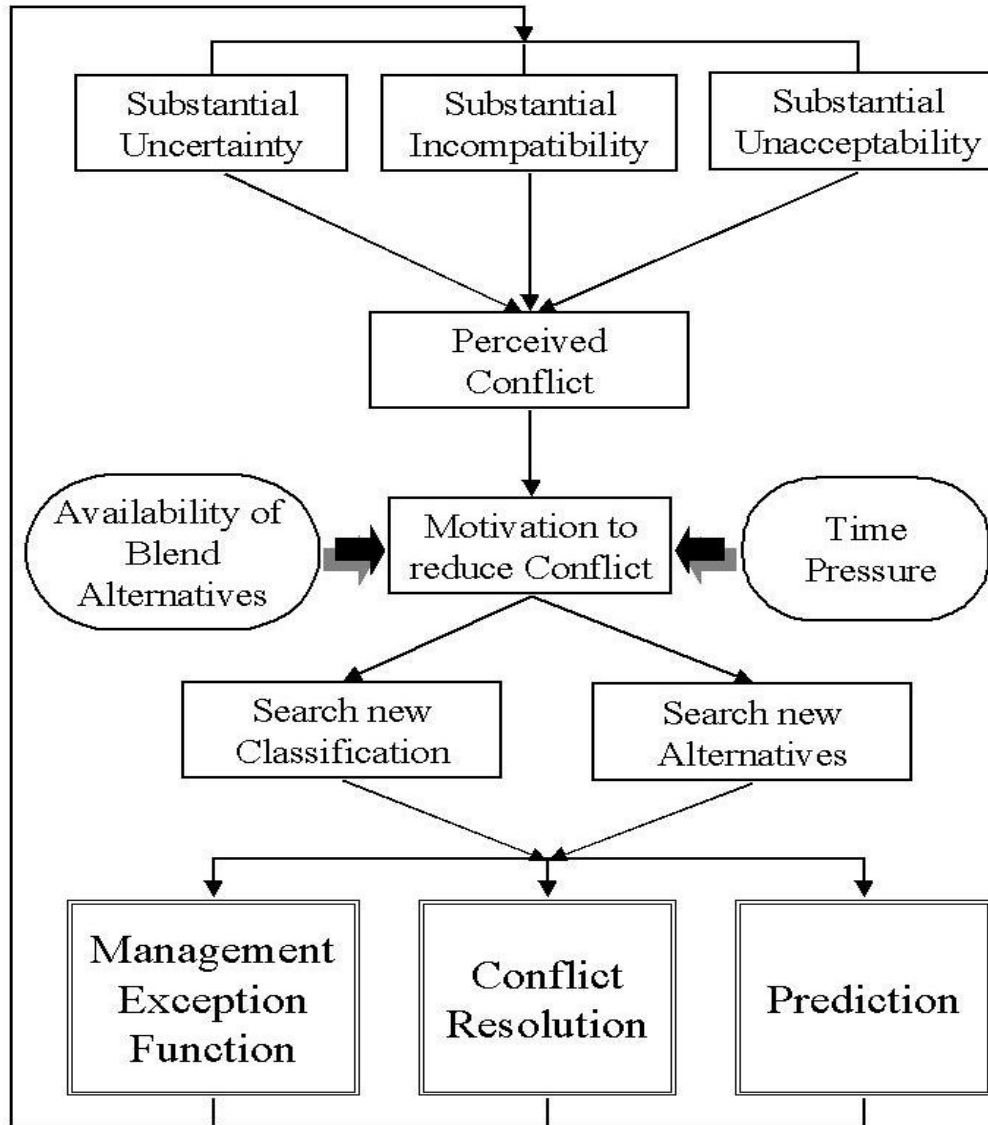


Decision Process

(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
- Your role? What are they?
- ex?

Decision - Block diagram



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

Session 11 Summary

