Chapter 2
Decisions, Decisions, Decisions

1. Explain what a decision is and what it means to make a decision.

A decision is a choice about: a course of action.
  a strategy of action                             (classical view)
  leading to a certain desired objective
**A piece of knowledge indicating the nature of an action commitment

**Decision making** is the activity of manufacturing a new piece of knowledge expressing
commitment to some course of action.           (knowledge oriented view)

2. Distinguish among various decision contexts that you might encounter as a manager.

**Management level**
  a. Strategic Planning - about overall objectives and policies.
  b. Management Control - to assure resources that are acquired are used in an effective
     and efficient way.
  c. Operational Control - to assure that specific tasks are carried out effectively and
     efficiently by operating personnel.

**Maturity**
  a. Established Situation - suggests considerable knowledge about the current state of the
     world and the history of past encounters.
  b. Emergent Situation - suggests knowledge scarcity.

**Concurrency** - multiple decisions simultaneously in process (indiv or org)

**Organization design** - centralization vs decentralization: Generalist vs specialist:
  Hierarchic vs flat authority structures

3. Recognize the different types of decisions that managers make.
Decisions can be classified in terms of:

- **Management Level**: Strategic, management control, operational control
- **Structuredness**: Structured, Semistructured, Unstructured
- **Negotiation**: Negotiated decisions, Unilateral decisions

**Management function**: POCCC

**Functional Areas**: Marketing, Finance, Production, Personnel

4. Classify a given decision as either structured, semi-structured, or unstructured.

- **Structured**: established situation, programmable decision, situation fully understood, routine, specialized mfg. process
- **Unstructured**: emergent situation, creative decision, situation unclear, one-shot, general processes

5. Converse about decision support needs and characteristics for various decision contexts and decision types that managers face.