* Describe the rational problem solving model and the steps involved in this model.

Rational Problem solving model- It is a procedural decision making solution a manager can opt to imply. This method has its own set of steps involved and is more systematic way to take a decision on a problem or a situation. It basically drives the managers to take right decision in more systematic way  
  
Steps involved in this model –

1. Monitor Decision environment / Analyse environment of the problem
2. Define Decision Problem / Analyse the problem
3. Specify decision objective
4. Diagnose the problem
5. Develop alternative solution / Find our alternatives to the decisions
6. Evaluate alternatives / Set out various solution in decision making
7. Choose best alternative / Check the feasibility of each solution
8. Implement chosen alternative /Take a decision and apply

* Describe what is bounded rationality.

Bounded rationality is more of a limitations that is counted in decision making. It has enormous complexities of many problems. They are usually seen for a limited time period. Usually an individual performs rationally for personal benefits to showcase his skills or get things done for himself for some time rather than being consistent of his behaviour throughout. This is because they follow bounded rationality which helps them to resolve complex multidimensional issues with a desire to satisfy emotional needs, cope with pressure, or maintain self-concept .

Basically there are two types of constraints which drives the bounded rationality – Organisational and Personal constraints. Depending on the situation there is intuitive decision making that happens in bounded rationality. Usually experienced managers take intuitive decisions much faster based on their longer experience, they rapidly perceive the problem and try to gind out which alternatives will work best for the situation.

* Describe two of the following cognitive biases that inhibit our ability to be creative. Provide one example for each.
  + Availability bias
  + Anchoring effect
  + Sunk cost effect/ escalation of commitment
  + Confirmation bias

**Availability bias** – It is the human tendency which makes you believe a representation of a fact as the first one that comes to your mind instead of the actual case.

e.g. representation of a plane crash in the news which repeatedly portrays the same picture on your mind and first to represent instead of what actual has been.

**Escalation of Commitment** – It is observed managers tend to take same decisions which do not yield a working objective even when they keep on investing in the same. Managers tend to keep hoping in discovering a recovery of their loss from their actions. Consistency & persistent is valued more in the society, hence they continue to hop on their jobs and face hard time to agree that they had a wrong decision making skills.

e.g managers hoping / switching companies who tend to block or distory negative information of their decisions made in the past.

* + **Anchoring effect** – it helps in making reasonable estimates out of options available e.g. chosing a cheaper T-shirt of $100 than the one of $200
  + **Confirmation bias** – favouring bias based on previous experiences, e.g Left handed people are more creative
* What steps in the problem-solving process does creative problem-solving focus on?

Following are the steps in Problem Solving process-

1. Identify the Problem
2. Analyse the Problem -> Gather Data
3. Describe the Problem
4. Look for Root Causes
5. Develop Alternate Solutions -> Generate Ideas
6. Implement the Solution -> develop dolutions
7. Measure the Results -> Plan of Action

Creative thinking involves, critical thinking & problem solving skills.

**preparation, incubation, illumination, evaluation, and verification**.

Creative problem solving focus on

* Identifying the problem
* Gathering the data
* Generating ideas to solve the issue
* Develop solutions
* Define a plan of Action