**Chapter 10- Decision Making**

**Decisions-** are choices of actions from among multiple feasible alternatives

-satisficing decisions- satisfactory rather than optimal decisions

**Decision making styles**

1. the perceiving of information
2. the judging of alternatives

**sensing-** a decision style focused on gathering concrete information directly through the senses, with an emphasis on practical and realistic ideas

**intuition-** decision style focused on developing abstractions and figurative examples for use in decision making with an emphasis on imagination and possibilities

**thinking-** decision style focused on objective evaluation and systematic analysis

**feeling-** focused on subjective evaluation and emotional reactions of others

**risk taking propensity-** willingness to take chances

**reference point-** possible level of performance used to evaluate one’s current standing

**cognitive biases-** mental shortcuts involving simplified ways of thinking

**confirmation bias-** information confirming belief is sought while disconfirming is not sought

**ease-of-recall bias**- information that is easy to recall from memory is relied upon to much **anchoring bias-** cognitive bias in which the first piece of information that is encountered about situation is emphasized too much in decision making **sunk cost bias-** past investments of time effort, and/or money are not treated as sunk costs in deciding on continued investment

**groupthink-** situation in which group members maintain or seek consensus at the expense of identifying and debating honest disagreements

-group members like one another and therefore do not want to criticize each others ideas

-group members have high regard for the groups collective wisdom and therefore yield to early ideas or the ideas of the leaders

-group members derive satisfaction from membership in a group that has a positive self image, and therefore try to prevent the group from having any serious deviations

**Groupthink symptoms-**  self-censorship. Pressure, unanimity, rationalization, invulnerability, mind guards, morality, stereotypes

**Common information bias-** leads groups to unconsciously neglect information that isn’t common to the group

**Diversity based infighting-** likely to occur when individuals feel strongly about their ideas

**Risky shift-** process by which group members collectively make a more risky choice than most or all the individuals would have made working alone

**Brainstorming-** process in which a large number of ideas are generated while evaluation of the ideas is suspended

**Nominal group technique-** process for which group decision making is structured and the final solution is decided by silent vote