Peter Farrar MG 101 PRINCIPLES OF MANAGEMENT

Class Nbr 1084 Class Sect 065 Week 1

**1. What are some of the factors that enabled to Jen Rubio and Stephanie Korey to make good decisions**

**when they established their luggage company, Away?**

They both had a background in e-commerce/direct to consumer.

One had a background in branding and marketing, the other in supply chain management.

They did extensive research in to the luggage industry to understand why quality and pricing were the way they were.

They interviewed hundreds of users to learn their likes and dislikes around luggage.

**2. What are the two systems that the brain uses in decision-making? How are they related to programmed and nonprogrammed decisions?**

The two systems that the brain uses in decision-making are reflective and reactive systems.

Reflective systems are more effective when approaching novel situations. This is a nonprogrammed decision.

Reactive systems are fast and effective for routine decisions (those with a well understood criteria). This is a programmed decision.

**3. What is a heuristic, and when would it be appropriate to use a heuristic for decision-making?**

A Heuristic in the context of management decisions is an approach that has been developed over time and yields satisfactory results. It is effective for programmed decisions, that is routine, decisions in which the criteria are well known.

**4. What is confirmation bias? Explain how it can be a barrier to effective decision-making.**

Confirmation bias is the tendency to pay attention to information that conforms to what is already believed, rather than reconsidering those beliefs. And the tendency to ignore what doesn't align with existing beliefs/assumptions. These personal biases can impact decision making by giving excessive value to some characteristics while obscuring others. An example could be a manager promoting an individual who shares political or religious beliefs with them, when in fact there were others better suited to the position.

**5. What is a logical fallacy?**

Any argument that despite appearing reasonable is based on flawed logic.

**6. What are the two types of conflict? Which one is constructive, and which is destructive?**

The two types of conflict are process conflict and relationship conflict.

Process conflict is about 'how' to do something. Improving how something is done can lead to improved performance.

Relationship conflict is about the individual. Conflict around an individual’s identity or personality can be perceived as an attack, can be harmful, and should be avoided.

**7. What are the steps in the decision-making process? Which ones do people tend to skip or spend**

**insufficient time on?**

The six steps in the decision-making process are:

1) Recognize that a decision needs to be made.

Some managers may ignore a problem. However, that only tends to make the problem worse.

2) Generate multiple alternatives.

Some managers may spend too little time and arrive at too few alternatives. Some managers may fail to find creative alternatives.

3) Analyze the alternatives.

4) Select an alternative.

5) Implement the selected alternative.

Some managers fail to implement an alternative to avoid conflict.

6) Evaluate its effectiveness.

Some managers fail to evaluate the decision taken because they are done with it and have moved on to other activities.

**8. What can individuals do to improve the quality of their decision-making?**

Some ways to improve the quality of decision-making are:

Including others in the process, especially if they have more experience. Other people have different perspectives and so can provide different alternatives.

Looking for creative solutions. Keep the mind open to different, non-traditional alternatives. These may come at unexpected times.

**9. What can groups or group leaders do to improve the quality of group decision-making?**

Ensure diversity within the group.

Encourage all members of the group to partake in brainstorming.

Reduce "group think" by assigning a "devil's advocate".

When conflict arises, find common ground.

**10. What are the benefits of decision-making in a group, instead of individually?**

Including others in the decision-making process allows for a larger variety of perspectives. It includes others with complementary knowledge. By including people of different make ups, it can reduce biases. The resulting increased options can generate greater intellectual stimulation. All of these things can result in better decision making.