Chapter 4

Q 1)What is Decision making? Explain three categories of Decision Making.

Decision making is the process of developing and deciding among alternative ways of resolving a problem or choosing from among alternative opportunities. A decision maker must recognize the nature of the problem or opportunity, identify how much information is currently available, how reliable it is, and determine what additional information is needed to better deal with the situation. Every decision-making situation can be classified based on whether it best represents a problem or an opportunity and where the situation falls on a continuum from absolute ambiguity to complete certainty.

- Certainty :Complete certainty means that the decision maker has all information needed to make an optimal decision. This includes the exact nature of the business problem or opportunity. For example, an advertising agency may need to know the demographic characteristics of subscribers tomagazines in which it may place aclient's advertisements. The agencyknows exactly what information itneeds and where to find the information. If a manager is completelycertain about both the problem oropportunity and future outcomes,then research may not be neededat all. However, perfect certainty, especially about the future, is rare.
- Uncertainty: Uncertainty means that the manager grasps the general nature of desired objectives, but the information about alternatives is incomplete. Predictions about forces that shape future events are educated guesses.
- Ambiguity: Ambiguity means that the nature of the problem itself is unclear. Objectives are vague and decision alternatives are difficult to define.

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Q 2)  Explain types of Business Research?

Three types of business research:

1. Exploratory: Exploratory research is conducted to clarify ambiguous situations or discover potential business opportunities. As the name implies, exploratory research is not intended to provide conclusive evidence from which to determine a particular course of action. In this sense, exploratory research is not an end unto itself. Usually exploratory research is a first step, conducted with the expectation that additional research will be needed to provide more conclusive evidence. Exploratory research is often used to guide and refine these subsequent research efforts.

2. Descriptive: Descriptive research is to describe characteristics of objects, people, groups, organizations, or environments. In other words, descriptive research tries to "paint a picture" of a given situation by addressing who, what, when, where, and how questions.

3. Causal: Causal research seeks to identify cause-and-effect relationships. When something causes an effect, it means it brings it about or makes it happen. The effect is the outcome. Rain causes grass to get wet. Rain is the cause and wet grass is the effect.

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Q 3) Explain the stages in Research Process?

Stages in the Research Process

Business research, like other forms of scientific inquiry, involves a sequence of highly interrelated activities. The stages of the research process overlap continuously, and it is clearly an

Oversimplification to state that every research project has exactly the same ordered sequence of activities.

<u>Business stages:</u>

1. Defining the research objectives

2. Planning a research design

3. Planning a sample

4. Collecting the data

5. Analyzing the data

6. Formulating the conclusions and preparing the report.

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Defining the research objectives:

Research objectives are the goals to be achieved by conducting research. In consulting, the term deliverables is often used to describe the objectives to a research client. The genesis of the research objectives lies in the type of decision situation faced.

The objectives may involve exploring the possibilities of entering a new market. Alternatively, they may involve testing the effect of some policy change on employee job satisfaction.

■ DEFINING THE MANAGERIAL DECISION SITUATION

In business research, the adage "a problem well defined is a problem half solved" is worth remembering. Similarly, Albert Einstein noted that "the formulation of a problem is often more essential than its solution." These phrases emphasize that an orderly definition of the research problem provides direction to the investigation.

■ EXPLORATORY RESEARCH

Exploratory research can be used to help identify and clarify the decisions that need to be made. These preliminary research activities can narrow the scope of the research topic and help transform ambiguous problems into well-defined ones that yield specific research objectives. By investigating any existing studies on the subject, talking with knowledgeable individu-als, and informally investigating the situation, the researcher can progressively sharpen the focus of the research.

Previous Research:

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Previous research may also exist in the public domain. The first place researchers will likely look today is online. The Internet and modern electronic search engines available through most university libraries have made literature reviews simpler and faster to conduct.

**Pilot Studies:**

A pilot study is a small-scale research project that collects data from respondents similar to those that will be used in the full study. It can serve as a guide for a larger study or examine specific aspects of the research to see if the selected procedures will actually work as intended.

STATING RESEARCH OBJECTIVES:

After identifying and clarifying the problem, with or without exploratory research, the researcher must formally state the research objectives. This statement delineates the type of research that is needed and what intelligence may result that would allow the decision maker to make informed choices. The statement of research objectives culminates the process of clarifying the managerial decision into something actionable.

■ LINKING DECISION STATEMENTS, OBJECTIVES, AND HYPOTHESES

Our hypotheses should be logically derived from and linked to our research objectives. For example, using our opening

vignette as an example, the researcher may use theoretical reasoning to develop the following

hypothesis:

H1: The more hours per week a prospective student works, the more favorable the attitude toward online

MBA class offerings.

Planning the Research Design:

A  research design is a master plan that specifies the

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methods and procedures for collecting and analyzing the needed information. A research design provides a framework or plan of action for the research. Objectives of the study determined during

the early stages of research are included in the design to ensure that the information collected is appropriate for solving the problem. The researcher also must determine the sources of information, the design technique (survey or experiment, for example), the sampling methodology, and the schedule and cost of the research.

■ SELECTION OF THE BASIC RESEARCH METHOD
In business research, the most common method of generating primary data is the survey. Most people have seen the results of political surveys by Gallup or Harris Online, and some have been

respondents (members of a sample who supply answers) to research questionnaires. A survey is a research technique in which a sample is interviewed in some form or the behavior of respondents is observed and described in some way. The term surveyor is most often reserved for civil engineers

who describe some piece of property using a transit. Similarly, business researchers describe some group of interest (such as executives, employees, customers, or competitors) using a questionnaire.

The task of writing a list of questions and designing the format of the printed or written questionnaire is an essential aspect of the development of a survey research design.

Gathering Data
The data gathering stage begins once the sampling plan has been formalized. Data gathering is the process of gathering or collecting information. Data may be gathered by human observers or interviewers, or they may be recorded by machines as in the case of scanner data and Web-based surveys.

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Processing and Analyzing Data

■ EDITING AND CODING

After the fieldwork has been completed, the data must be converted into a format that will answer the manager's questions. This is part of the data processing and analysis stage. Here, the information content will be mined from the raw data.

■ DATA ANALYSIS

Data analysis is the application of reasoning to understand the data that have been gathered. In its simplest form, analysis may involve determining consistent patterns and summarizing the relevant details revealed in the investigation. The appropriate analytical technique for data analysis will be determined by management's information requirements, the characteristics of the research design, and the nature of the data gathered.

# Drawing Conclusions and Preparing a Report

One of the most important jobs that a researcher performs is communicating the research results.

This is the final stage of the research project, but it is far from the least important. The conclusions and report preparation stage consists of interpreting the research results, describing the implications, and drawing the appropriate conclusions for managerial decisions. These conclusions should fulfill the deliverables promised in the research proposal. In addition, it's important that the researcher consider the varying abilities of people to understand the research results. The report shouldn't be written the same way to a group of Ph.D.'s as it would be to a group of line managers.

The Research Program Strategy:

<span style="color:red">Research project:</span>

A single study that addresses one or a small number of research

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objectives.

<span style="color:red">Research program</span>:

Numerous related studies that come together to address multiple, related research objectives.

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