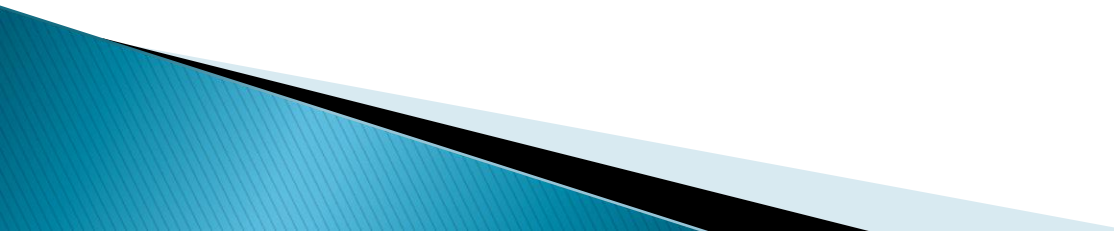# Institute of Engineering JIWAJI UNIVERSITY
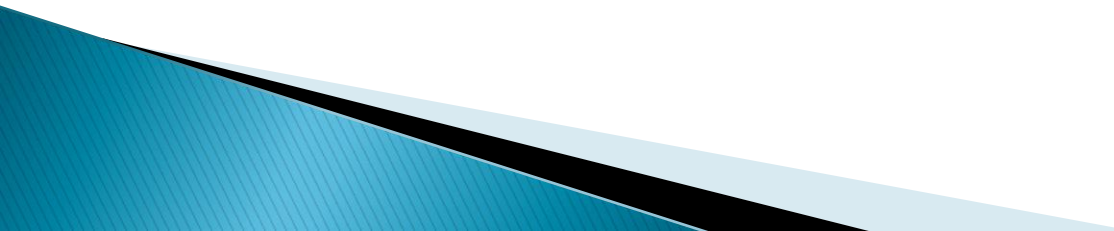
Presentation On
TYPES OF DECISIONS
UNIT-III BE 8sem
(EL-8103) Electronics

Submitted By
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Electronics Dept.

CONTENT

➢ Organizational Decisions

➢ Individual decisions & Group Decisions

➢ Programmed & Non programmed Decisions

CONTENT

➤ Strategic Decisions
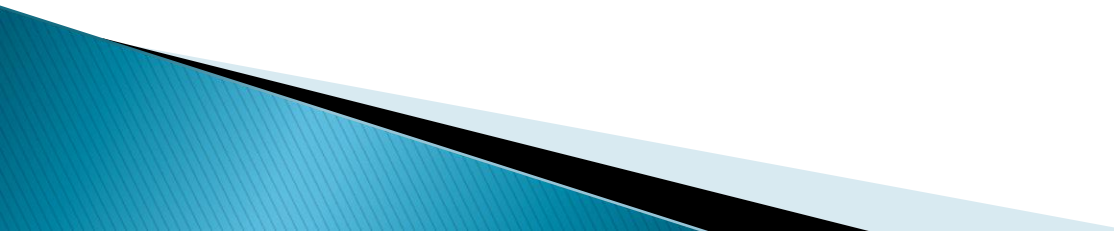
➤ Administrative Decisions

➤ Routine Decisions

TYPES OF DECISION MAKING

ORGANIZATIONAL DECISIONS

➤Decisions to watch television, to study,

➤Or retire early are examples of personal decisions.

➤Such decisions, pertain to managers as individuals & effect indirect way.

EXAMPLE

A personal decision to purchase a Maruti rather than an Ambassador, indirectly helps one firm due to the sale and hurts another because of the lost sale. Personal decisions cannot be delegated and have a limited impact.

ORGANIZATIONAL DECISIONS

➢ Organizational decisions are made by managers,

➢ In their official or formal capacity.

➢ These decisions aimed for organization and can be delegated.

ORGANIZATIONAL DECISIONS

- While trying to deliver value to the organization,

- Managers are expected to keep the interests of all stakeholders

- Also in mind—such as employees, customers, suppliers, the general public etc.
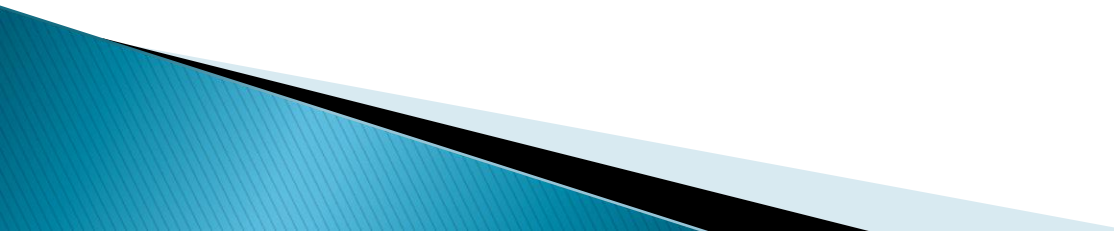
ORGANIZATIONAL DECISIONS

- They need to take decisions carefully

- So that all stakeholders benefit by what they do,
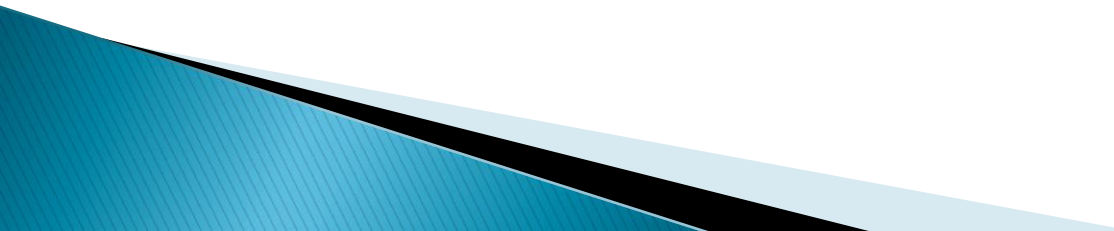
- Like price the products appropriately,

ORGANIZATIONAL DECISIONS

➢ Do not resort to unethical practices,
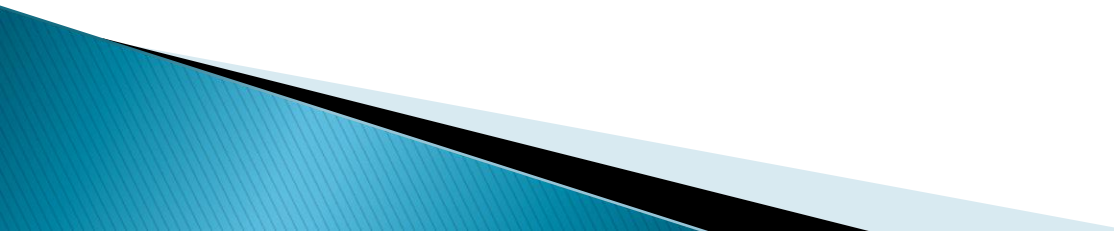
➢ Do not sell low quality goods etc.

INDIVIDUAL DECISIONS

➢Individual decisions are taken by a single individual.

➢They are mostly routine decisions.

GROUP DECISIONS

➢Decisions taken by a group of individuals constituted for this purpose;

➢Group decisions, compared to individual decisions,

➢Have far reaching consequences,

GROUP DECISIONS

➢ and impact a number of persons and departments.

➢ They require serious discussion, deliberation and debate.

ADVANTAGES

➢ A group has more information than an individual.

➢ Members, drawn from diverse fields, can provide;

➢ More information and knowledge about the problem.

ADVANTAGES

➢A group can generate a greater number of alternatives.

➢It can bring to bear a wider experience, a greater variety of opinions;

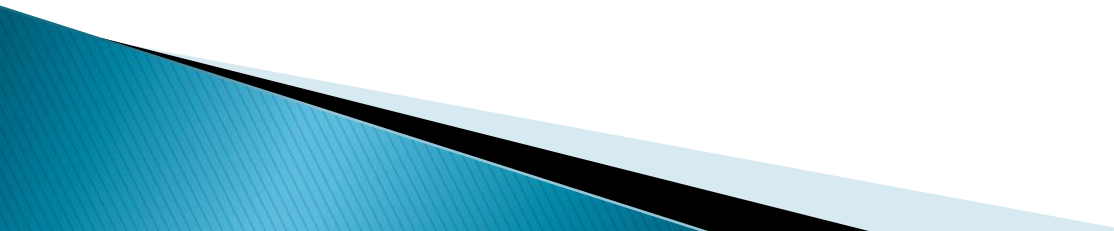➢More thorough probing of facts than a single individual.

ADVANTAGES

➢ Participation in group decisions increases acceptance and commitment,

➢ On the part of people who now see the solution as their own,

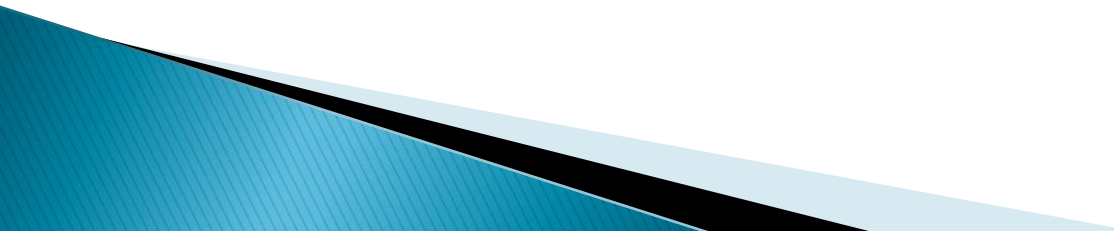➢ And acquire a psychological stake in its success.

ADVANTAGES

➢People understand the decision better

➢Because they saw and heard it develop;

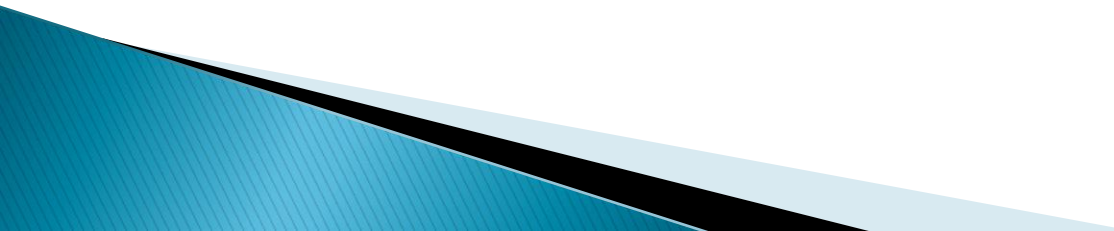➢Then paving the way for smooth implementation of the decision.

ADVANTAGES

➢Interaction between individuals with varied viewpoints
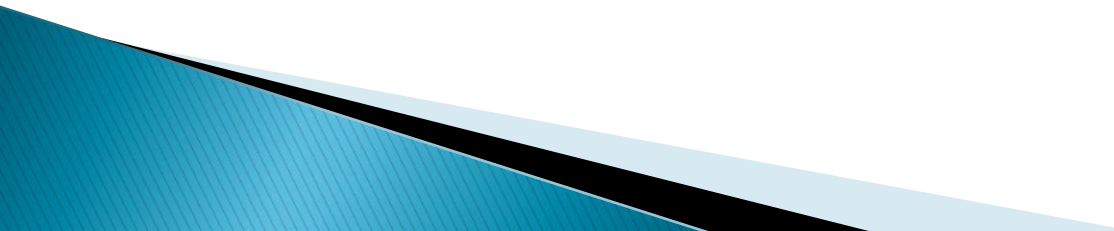
➢Leads to greater creativity.

DISADVANTAGES

➢ Groups are notorious time-wasters.

➢ They may waste a lot of time and energy,

➢ Clowning around and getting organized.

DISADVANTAGES

➤ Groups create pressures towards conformity;

➤ other infirmities, like group think, force members to compromise on
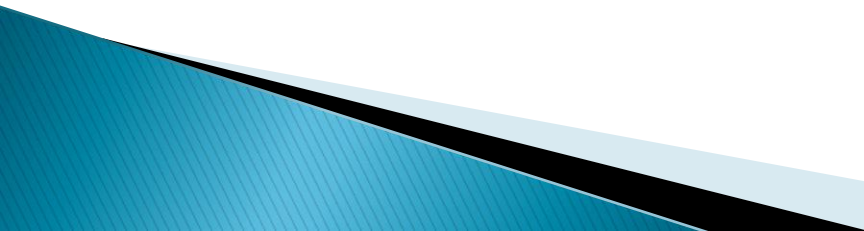
➤ The least common denominator.

DISADVANTAGES

➢ Presence of some group members, who are powerful and influential may intimidate

➢ Prevent other members from participating freely.
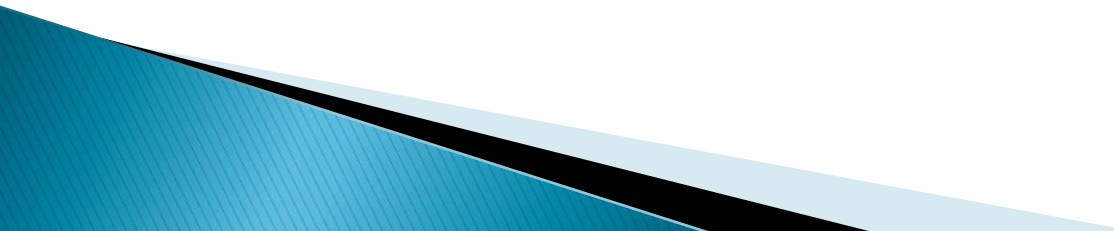
➢ Domination is counter-productive;

DISADVANTAGES

➢ It puts a damper on the groups best problem solvers.

➢ It may be very costly to secure participation;

➢ From several individuals in the decision making process.

PROGRAMMED DECISIONS

➢A programmed decision is one that is routine and repetitive.

➢Rules and policies are established well in advance;

➢To solve recurring problems quickly.

EXAMPLE

A hospital establishes a procedure for admitting new patients and this helps everyone to put things in place quickly and easily even when many patients seek entry into the hospital.
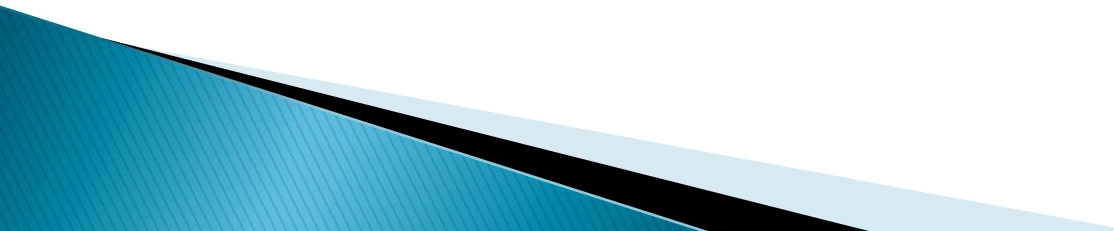
PROGRAMMED DECISIONS

➢Programmed decisions leave no room for discretion.

➢They have to be followed in a certain way.

➢They are generally made by lower level

PROGRAMMED DECISIONS
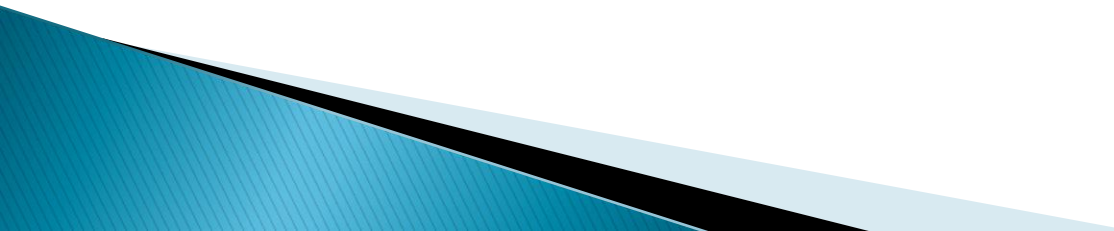
➢Personnel following established rules and procedures.

NON-PROGRAMMED DECISIONS

➢Deal with unique/unusual problems.

➢Such problems crop up suddenly;

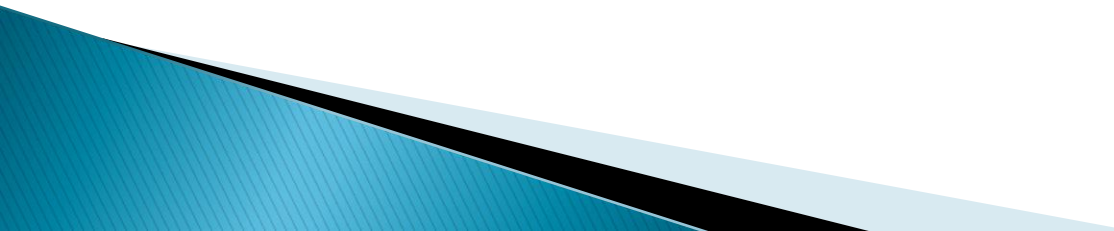➢There is no established procedure or formula to resolve them.

EXAMPLE

- Deciding whether to take over a sick unit,

- How to restructure an organization to improve efficiency,

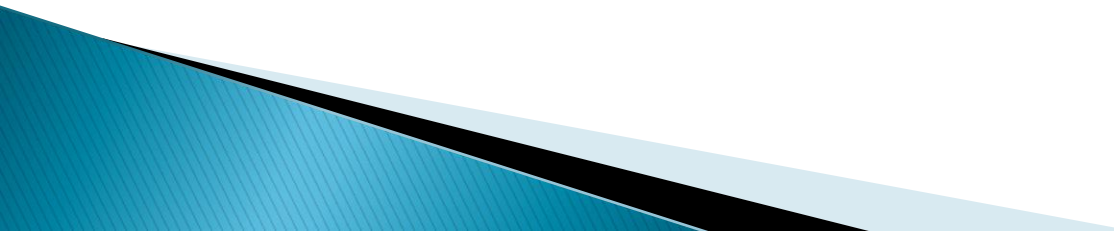- Where to locate a new company warehouse, are examples.

COMMON FEATURES

➢ They are novel and non-recurring

➢ There are no readymade courses of action to resort to.

➢ Because, non-programmed decisions often involve broad,

COMMON FEATURES

➤ Long-range consequences

➤ For the organization, they are made

➤ By higher-level personnel only.

COMMON FEATURES

➢ Managers need to be creative when solving the infrequent problem;

➢ And such situations have to be treated each time they occur.

COMMON FEATURES

➤ Non-programmed decisions are quite common in such organizations

➤ As R&D firms where situations are poorly structured,

➤ And decisions being made are non-routine and complex.
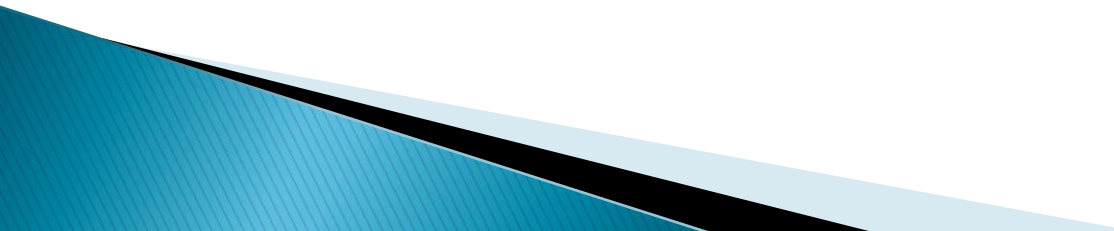
CHARACTERISTICS

➤ Concerned with relatively routine problems.

➤ They are structured and repetitive in nature.

➤ Solutions are offered in accord-ance with some habit, rule or procedure

CHARACTERISTICS

➢ Such decisions are relatively simple and have a small impact.

➢ The information relating to these problems is readily available

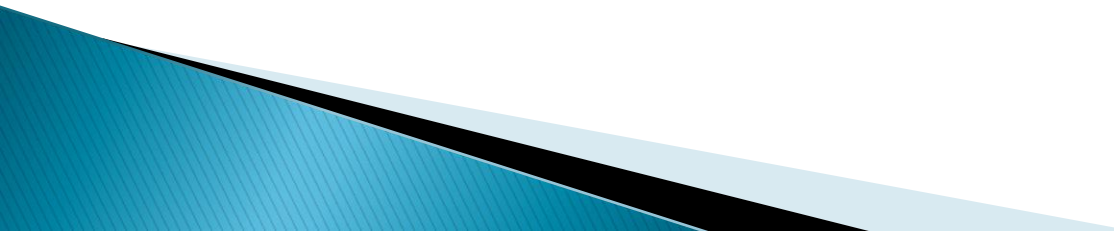➢ And can be processed in a pre-determined fashion.

CHARACTERISTICS

➢ They consume very little time and effort since they are guided

➢ By predetermined rules, policies and procedures.
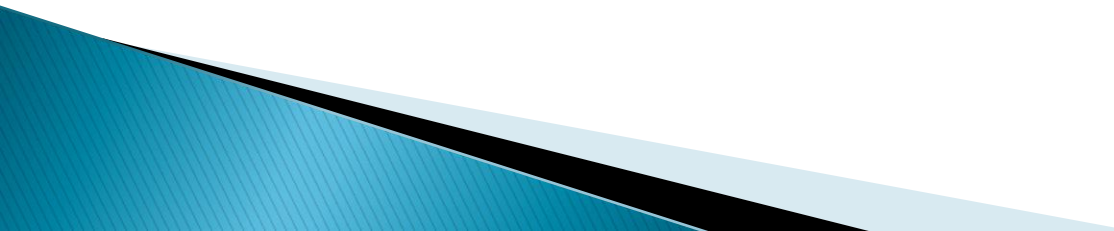
➢ Made by lower level executives.

CHARACTERISTICS

➢ Concerned with unique and novel problems.

➢ They are unstructured, non-repetitive and ill defined.

➢ There are no pre-established poli-cies or procedures to rely on.

CHARACTERISTICS

➢Each situation is different and needs a creative solution.

➢Such decisions are relatively complex;
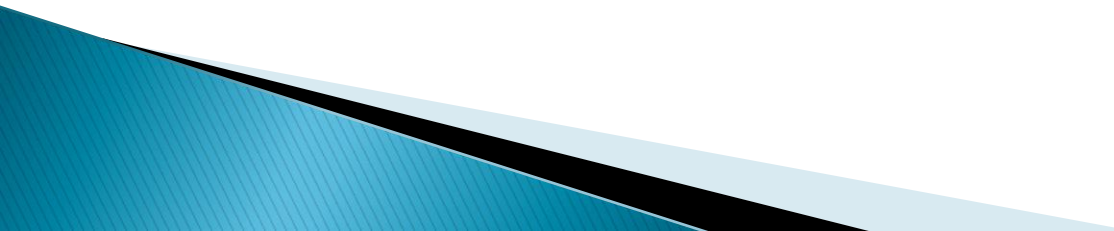
➢And have a long-term impact

CHARACTERISTICS

- The information relating to these problems is not readily available.

- They demand lot of executive time, discretion and judgment.
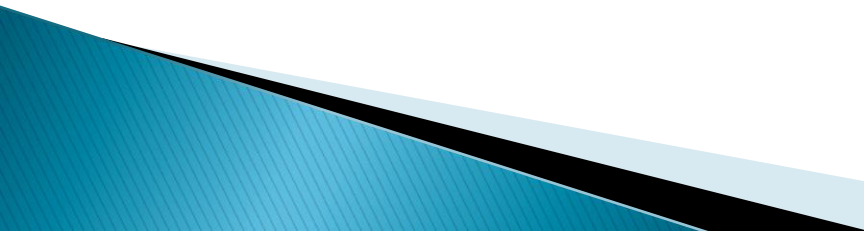
- Top management responsibility.

STRATEGIC DECISIONS

➢ Strategic decision making is a top management responsibility.

➢ Most vital decisions affecting many parts of an organization.

➢ They require sizeable allocation of resources.

STRATEGIC DECISIONS

- They are future oriented with longterm ramifications.

- They can either take a company to commanding heights

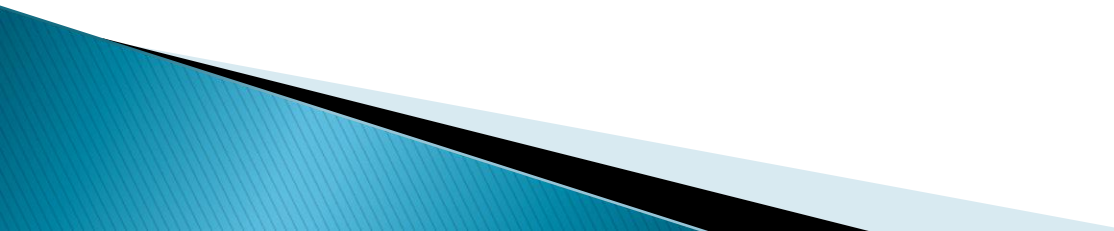- Or make it a 'bottomless pit'!

ADMINISTRATIVE DECISIONS

➢ Deal with operational issues

➢ Dealing with how to get various aspects of strategic decisions

➢ Implemented smoothly at various levels in an organization.

ADMINISTRATIVE DECISIONS

- They are mostly handled by middle level managers.

ROUTINE DECISIONS

➢They are repetitive in nature.

➢They require little deliberation

➢Generally concerned with short-term commitments.

ROUTINE DECISIONS

➢ They 'tend to have only minor effects.

➢ On the welfare of the organization'.

➢ Generally, lower-level managers look after such mechanical or operating decisions.

THANK YOU