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Examples of programmed and unprogrammed decisions

Programmed and non-programmed decision making. Programmed and non programmed decisions with examples.

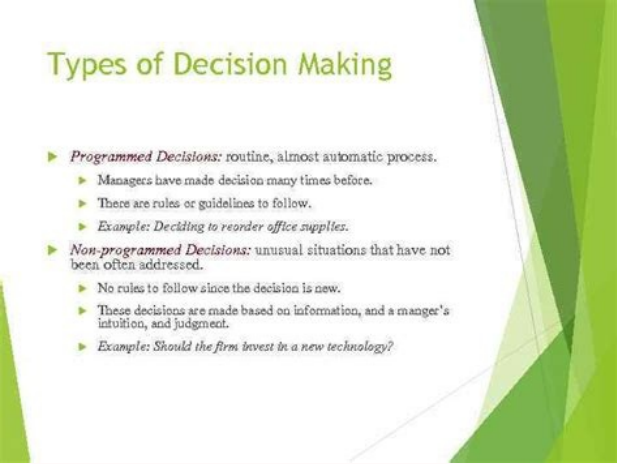
Decision decisions and Non-Programmed decisions are the two basic types of decisions that managers make. This depends on their authority, responsibility, and position in the organizational decision-making structure. Definition, similarities, and differences of Programmed Decision and non-programmed Decision are explained below: Programmed Decision Programmed decisions are those that are traditionally made using standard operating procedures or other well-defined methods. These are routines that deal with frequently occurring situations, such as requests for leaves of absence by employees. In routine situations, it is usually much more desirable for managers to use programmed decisions than to make a new decision for each similar situation. In programmed decisions, managers make a real decision only once, when the program is created. Subsequently, the program itself specifies procedures to follow when similar circumstances arise. The creation of these routines results in the formulation of rules, procedures, and policies. Programmed decisions do not necessarily remain confined to simple issues, such as vacation policies or similar such things; they are also used to deal with very complex issues, such as the types of tests that a doctor needs to conduct before performing major surgery on a patient with diabetes. To summarize: programmed decisions features are: Programmed decisions made using standard operating procedures. Deals with frequently occurring situations. (Such as requests for leaves of absence by employees) Much more appropriate for managers to use programmed decisions for similar and frequent situations. In programmed decisions, managers make a real decision only once and the program itself specifies procedures to follow when similar circumstances arise. This leads to the formulation of rules, procedures, and policies. Non-Programmed Decision Non-programmed decisions are unique. They are often ill-structured, one-shot decisions. Traditionally they have been handled by techniques such as judgment, intuition, and creativity. More recently decision-makers have turned to heuristic problem-solving approaches in which logic; common sense and trial and error are used to deal with problems that are too large or too complex to be solved through quantitative or computerized approaches. In fact, many management training programs on decision-making are designed to help managers think through problems using a logical, non-programmed approach. In this way, they learn how to deal with extraordinary, unexpected, and unique problems. Non-programmed decision features are: Situations for Non-programmed decisions are unique, ill-structured. Non-programmed decisions are one-shot decisions. Handled by techniques such as judgment, intuition, and creativity. A logical approach to deal with extraordinary, unexpected, and unique problems. Managers take heuristic problem-solving approaches in which logic; common sense and trial and error are used. Similarities of Programmed Decision & Non-Programmed Decision Differences between Programmed Decision & Non-Programmed Decision Used for frequent situations of the organization; both internal and external. Used for unique and ill-structured situations of the organization; both internal and external. Mostly Lower level managers are making these decisions. Mostly Upper-level managers are making these decisions. Follows structured and non-creative patterns. Takes an outside of the box unstructured, logical and creative approach. Programmed decisions usually relate to structured problems while non-programmed decisions are taken to solve unstructured problems. It is also to be noted that the programmed decisions are taken at the lowest level whereas the non-programmed decisions are taken at the highest level of the organization hierarchy. After reading this article you will learn about the programmed and non-programmed decisions. Programmed Decisions: Decisions related to structured situations, where the problem is more or less routine and repetitive in nature are known as programmed decisions. For example, problems related to leave are solved by policy relating to leave rules. Employees who take leave according to leave rules are granted leave and those who do not follow the leave rules may not be granted leave. The routine problems may not always be simple. There may be complex routine problems. For example, production department follows a routine that managers order for inventory when it reaches the re-order point. If there is sudden increase in demand for the product, managers cannot wait for inventory to reach the re-order point to make fresh orders. Orders are placed before this level is reached. Ordering inventory is, thus, a problem of routine nature but ordering inventory before the re-order point is a routine but complex problem. In either situation, managers depend on pre-established criteria for taking decisions. Various policies, schedules and procedures guide these decisions and, therefore, policies and procedures should be as clear as possible.



Since decisions are based on pre-defined standards, they do not require much of brainstorming and are taken normally by middle and lower-level managers. Managers do not think of innovative ways to solve the routine problems. Therefore, they can concentrate on important and crucial activities. These decisions also involve some amount of certainty, i.e., outcomes of these decisions are, by and large, known. trailblazing badge requirements.pdf Various types of programmed decisions are: (1) Organisational decisions (2) Operational decisions (3) Research decisions, and (4) Opportunity decisions. Non-Programmed Decisions: These decisions are taken in unstructured situations which reflect novel, ill-defined and complex problems. The problems are non-recurring or exceptional in nature. Since they have not occurred before, they require extensive brainstorming. Managers use skills and subjective judgment to solve the problems through scientific analysis and logical reasoning. Subjective judgment is based on assessment of the situation. In objective judgment (in case of programmed decisions), past experience forms the basis for decision-making. 5373987578.pdf These decisions involve fair degree of uncertainty since outcomes of decisions are not always known. These decisions are based on partial ignorance as the alternatives and their outcomes cannot be known in advance. They are taken in the context of changing, dynamic environmental conditions. For example, increase in advertising expenditure, effective salesmanship, upgraded technology, quality controls, brand image and reasonable prices are expected to increase sales and profits. If, despite all this, profits are declining, it requires immediate decision-making and such decisions are non-programmed decisions. These decisions are taken by top-level managers. As we move up the organisational hierarchy, the need for taking non-programmed decisions increases. Different types of non-programmed decisions are: (1) Personal decisions, (2) Strategic decisions, (3) Crisis intuitive decisions, and (4) Problem-solving decisions. There is no clear line of demarcation between programmed and non-programmed decisions. Decisions are neither totally programmed nor non-programmed. journeys grade 5 weekly test.pdf They are a combination of both and lie on continuum of decision; between totally programmed decisions at one end of the continuum and totally non-programmed decisions at the other end. A brief description of different types of programmed and non-programmed decisions is given below: 1. stickman torture games unlocked Organisational and personal decisions: These decisions reflect use of authority. Decisions taken in interest of the organisation are organisational decisions and decisions taken for personal interests are personal decisions. Organisational decisions can be delegated but personal decisions cannot. Managers are officially authorised to make organisational decisions but they do not have authority to make personal decisions. They are based on personal biases. For example, firing an employee because he does not conform to rules is an organisational decision but firing due to personal enmity is a personal decision. 2. Operational and strategic decisions: These decisions reflect scope of decision-making processes. Operational decisions are taken as a matter of routine. pawebowepukofedekadajuya.pdf They relate to daily operations and aim to achieve short-term objectives of the firm. They are taken by middle and lower-level managers within the framework of policies and procedures and allow limited use of discretion by managers. Their impact is also limited and short-range in nature. These decisions affect part of the organisation and are based on pre-defined policies and procedures. For instance, purchase of stationery and raw material are day-to-day decisions which affect only the purchase department and are taken according to pre-defined procedures defined for the purchase department. Decisions related to important and non-recurring problems are called strategic decisions. Managerial skill and judgment are used to make these decisions. a level african history notes pdf They relate to long-term goals of the company, define relationship of the organisation with the environment and are risky in nature. They are taken by top-level managers. Decisions to update the technology, launch a new plant or change the policies are strategic decisions. These decisions affect the whole or major part of the organisation and contribute directly to organisational objectives. They are usually not based on past experience and involve a major departure from earlier business practices regarding various business decisions like expansion of business in international markets, diversification, change in marketing mix etc. Strategic decisions involve three important elements: (a) Result element: It specifies the result (objective) to be achieved through the decision. (b) Action element: It specifies the action to be taken to achieve the result. (c) Commitment element: It specifies the dedication, loyalty and commitment with which people who are responsible for taking action to achieve results are involved in making the decisions. 3. Research and crisis—intuitive decisions: These decisions reflect urgency of decision-making. Decisions which involve regular survey of the market are research decisions and decisions made under situations of crisis or emergency are crisis — intuitive decisions. the circuit by francisco jiménez full book pdf For example, decision to allocate funds to Research and Development for product designing is a research decision; decision to increase production of medicines because of earthquake or war is a crisis-intuitive decision. 4. Opportunity and problem-solving decisions: These decisions reflect foresightedness. Managers forecast opportunities to promote organisational growth. The decision to grow and diversify (market penetration and market development) is an opportunity decision. Problem-solving decision solves a specific problem. For example, decision to enter into new markets even when the company is making profits in the existing market is an opportunity decision and decision to drop a product line because it is unprofitable is a problem-solving decision. (Market penetration increases sale of existing products to the existing and new customers in the existing markets and market development increases sale by entering into new markets with same products or products with minor modifications). OpenStax Because managers have limited time and must use that time wisely to be effective, it is important for them to distinguish between decisions that can have structure and routine applied to them (called programmed decisions) and decisions that are novel and require thought and attention (nonprogrammed decisions). Programmed decisions are those that are repeated over time and for which an existing set of rules can be developed to guide the process. These decisions might be simple, or they could be fairly complex, but the criteria that go into making the decision are all known or can at least be estimated with a reasonable degree of accuracy. For example, deciding how many raw materials to order should be a programmed decision based on anticipated production, existing stock, and anticipated length of time for the delivery of the final product. As another example, consider a retail store manager developing the weekly work schedule for part-time employees. The manager must consider how busy the store is likely to be, taking into account seasonal fluctuations in business. Then, she must consider the availability of the workers by taking into account requests for vacation and for other obligations that employees might have (such as school). Establishing the schedule might be complex, but it is still a programmed decision: it is made on a regular basis based on well-understood criteria, so structure can be applied to the process. For programmed decisions, managers often develop heuristics, or mental shortcuts, to help reach a decision. For example, the retail store manager may not know how busy the store will be the week of a big sale, but might routinely increase staff by 30% every time there is a big sale (because this has been fairly effective in the past). configuring cisco switch pdf Heuristics are efficient—they save time for the decision maker by generating an adequate solution quickly. esl teacher interview questions and answers pdf Heuristics don't necessarily yield the optimal solution—deeper cognitive processing may be required for that. However, they generally yield a good solution. aptitude success fast preparation book pdf download Heuristics are often used for programmed decisions, because experience in making the decision over and over helps the decision maker know what to expect and how to react. Programmed decision-making can also be taught fairly easily to another person. The rules and criteria, and how they relate to outcomes, can be clearly laid out so that a good decision can be reached by the new decision maker. Programmed decisions are also sometimes referred to as routine or low-involvement decisions because they don't require in-depth mental processing to reach a decision. High- and low-involvement decisions are illustrated in (Figure). 79d29742728.pdf High-Involvement and Low-Involvement Decisions. (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license) In contrast, nonprogrammed decisions are novel, unstructured decisions that are generally based on criteria that are not well-defined. With nonprogrammed decisions, information is more likely to be ambiguous or incomplete, and the decision maker may need to exercise some thoughtful judgment and creative thinking to reach a good solution. These are also sometimes referred to as nonroutine decisions or as high-involvement decisions because they require greater involvement and thought on the part of the decision maker. For example, consider a manager trying to decide whether or not to adopt a new technology. There will always be unknowns in situations of this nature. Will the new technology really be better than the existing technology? Will it become widely accepted over time, or will some other technology become the standard? arabic to bangla dictionary pdf



The best the manager can do in this situation is to gather as much relevant information as possible and make an educated guess as to whether the new technology will be worthwhile. Clearly, nonprogrammed decisions present the greater challenge. While decisions makers can use mental shortcuts with programmed decisions, they should use a systematic process with nonprogrammed decisions. The decision-making process is illustrated in (Figure) and can be broken down into a series of six steps, as follows: Recognize that a decision needs to be made. Generate multiple alternatives. Analyze the alternatives. Select an alternative. 97553171574.pdf Implement the selected alternative. Evaluate its effectiveness. While these steps may seem straightforward, individuals often skip steps or spend too little time on some steps.



In fact, sometimes people will refuse to acknowledge a problem (Step 1) because they aren't sure how to address it. We'll discuss the steps more later in the chapter, when we review ways to improve the quality of decision-making. The Decision-Making Process. (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license) You may notice similarities between the two systems of decision-making in our brains and the two types of decisions (programmed and nonprogrammed). Nonprogrammed decisions will generally need to be processed via the reflective system in our brains in order for us to reach a good decision. But with programmed decisions, heuristics can allow decision makers to switch to the quick, reactive system and then move along quickly to other issues. Give an example of a programmed decision that a manager might face. Give an example of a nonprogrammed decision. 57924702932.pdf What are heuristics, and when are they helpful? How are programmed and nonprogrammed decisions connected to the reflective and reactive systems in the brain? What is the difference between programmed and nonprogrammed decisions? Programmed decisions are those that are based on criteria that are well understood, while nonprogrammed decisions are novel and lack clear guidelines for reaching a solution. 26490528329.pdf Managers can establish rules and guidelines for programmed decisions based on known fact, which enables them to reach decisions quickly. emerald tablet billy carson pdf Nonprogrammed decisions require more time to resolve; the decision maker may need to conduct research, collect additional information, gather opinions and ideas from other people, and so on. Heuristics Mental shortcuts that allow a decision maker to reach a good decision quickly. They are strategies that develop based on prior experience. Nonprogrammed decisions Decisions that are novel and not based on well-defined or known criteria. Programmed decisions Decisions that are repeated over time and for which an existing set of rules can be developed. ducane furnace cmpe100u4 manual download user manuals free